



Prospects for Farmers' Support:
Advisory Services in European AKIS

AKIS and advisory services in the Republic of Finland
Report for the AKIS inventory (WP3) of the PRO AKIS project

April 2014

Author:

Danuta Lehto

Association of ProAgria Centres



Contact: danuta.lehto@proagria.fi

This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 311994

Please reference this report as follows:

Lehto D. (2014): AKIS and advisory services in the Republic of Finland. Report for the AKIS inventory (WP3) of the PRO AKIS project. Online resource: www.proakis.eu/publicationsandevents/pubs

Executive Summary

The main aim of the report is to provide a comprehensive description of the Agricultural Knowledge and Information System (AKIS) in the Republic of Finland, with a particular focus on agricultural advisory services. The description includes history, policy, funding, advisory methods and a section on how the Farm Advisory System (FAS) was implemented.

This report represents an output of the PRO AKIS project (Prospects for Farmers' Support: Advisory Services in the European Agricultural Knowledge and Information Systems'). It is one of 27 country reports that were produced in 2013 by project partners and subcontractors for compiling an inventory of Agricultural Knowledge and Information Systems. AKIS describe the exchange of knowledge and supporting services between many diverse actors from the first, second or third sector in rural areas. AKIS provide farmers with relevant knowledge and networks around innovations in agriculture. Findings from the 27 country reports were presented at three regional workshops across Europe in February and March 2014, discussed with stakeholders and experts, and feedback integrated in the reports.

The agricultural sector in the world's northernmost agricultural country of Finland is characterised mainly by crop production (55% of the total agricultural land was used for cultivating cereals in 2011). Finnish farms are almost completely family farms. The average age of farmers on farms receiving agricultural support is 51 years. Two-thirds of Finnish farms are mainly focused on plant production and one-third on animal production.

The advisory service structure in Finland is based on public-private partnerships. The principle of the state subsidy is that the services are available in all parts of the country. The country report concentrates mainly on the ProAgria Group, because ProAgria is the leading agricultural advisory organisation in Finland where advisory services cover the whole country. ProAgria is a private organisation owned by its members, which are mostly farmers. 72% of Finnish farms utilize ProAgria services. Through this organisational structure the interests of the Finnish farmers are controlled and maintained by the farmers through the role of both owner and customer. The ProAgria Group consists of three main sections; animal breeding and artificial insemination, IT-technology and services and advisory services and consultation. Besides ProAgria there are seven special agricultural advisory organisations in Finland which are independent organisations, but they have a cooperation agreement with the ProAgria Group (see page 11).

ProAgria practices active cooperation with other actors in the field of AKIS, especially within the food chain such as universities and research institutions. Within the Annual agreement (see chapter 4.2) advisory suppliers (see figure 3) and the Ministry of Agriculture and Forestry regularly practices active negotiation.

The positive improvement of the agricultural sector is based on a successful existing agriculture knowledge and information system. But the trends shows that in the future it will be even more important to improve the cooperation between the different AKIS actors and to upgrade the advisory services. It will be important to listen to and answer the needs of the future farmer or agricultural entrepreneur to get agricultural research results out to the farmers and into practice even faster as well as to reach more cost-effective results.

Table of contents

Executive Summary	3
List of Acronyms.....	5
List of Tables.....	5
List of Figures	5
1. Main structural characteristics of agricultural sector in Finland.....	6
2. Characteristics of AKIS	8
2.1 AKIS description	9
2.2 AKIS diagram	9
3. History of the advisory system.....	10
4. An outline of the agricultural advisory services.....	12
4.1 An overview of all service suppliers.....	12
4.2 The main public policies, funding schemes and financing mechanisms	13
4.3 Methods and Human resources	16
4.4 Clients and contents	17
4.5 Linkages with other AKIS actors and knowledge flows	17
4.6 Programming and planning of advisory work	18
5. Characteristic of Farm Advisory System (FAS)	19
5.1 Advisors forming FAS.....	19
5.2 Evaluation of the implementation of FAS	19
6. Summary and Conclusions.....	20
6.1 A brief summary and conclusions on the section 1-3	20
6.2 A brief summary and conclusions on the section 4+5	20
7. Acknowledgement of partners, information sources, gaps and reflection on methodology	23
8. References	24
9. Appendices	25

List of Acronyms

Acronym	Explanation
AKIS	Agricultural Knowledge and Information/ Innovation Systems
CAP2020	The Common Agricultural Policy (CAP) till 2020
CRM	Customer relationship management
DNV standards	Certification body
Evira	Finnish Food Safety Authority
FADN	The Farm Accountancy Data Network
FAS	Farm Advisory System
GAEC	The good agricultural and environmental conditions
GDP	Gross Domestic Product
Hippos	Association for Trotting and Horse Breeding
HR	Human resources
LFA	Less favoured area
MAVI	The Agency for Rural Affairs
MMM	Ministry of Agriculture and forestry
MTK	Farmers' Union
MTT	Agrifood Research Finland
NGO	Non-Government Organisation
PROAGRIA	Advisory Organisation
PROAKIS	Prospects for Farmers' Support: Advisory Services in European AKIS
QMS	The Quality Management System
SMR	Statutory management requirements
TTS	Work Efficiency Institute

List of Tables

Table 1. Agricultural and rural advising Services (Source: ProAgria Group).....	12
Table 2. How the state subsidy for the agricultural advising sector is split up (Source: Annual Agreement between the Ministry of Agriculture and Forestry and the advisory suppliers 2013)	15
Table 3. A list of the interviewees for the semi-structured interviews	23

List of Figures

Figure 1. Administration of rural policy in Finland (Source: MMM – Ministry of Agriculture and Forestry)	8
Figure 2. ProAgria's agricultural knowledge and information systems integrate to the total quality of food chain (Source: ProAgria Group).....	9
Figure 3. Agricultural Advisory Service suppliers in Finland	13
Figure 4. Funding Structure of the ProAgria Group. (Source: Association of ProAgria Centres).....	16

1. Main structural characteristics of agricultural sector in Finland

Finland is the world's northernmost agricultural country. The surface area of Finland is 338 419 m². Of the total land area 78% is covered by forest and 6.7% by agricultural land. At the end of 2012 the total Finnish population was 5 426 674. Its share of rural population was about 30%. In 2010 agriculture's contribution to employment was 4.4%. This was 0.2% less than one year before, meaning that the number of Finnish farmers is decreasing. GDP per capita in Finland in 2010 was 33 300 euros and agricultural contribution to GDP at the same year was 2.91%.

In 2011 the total number of Finnish farms which had applied for agricultural support was a little under 61 200 farms. This was about 2.1% less than a year before. The decrease in the number of farms was close to the long term average. Since joining the European Union (1995) the number of Finnish farms has fallen by 36%. While the number of farms is decreasing, the average farm size has been growing. In 2011 the average size of a Finnish farm was 37.3 hectares. The annual growth in the average size has varied between 0.5 hectares to 1.5 hectares. The number of FADN holdings in Finland in 2009 was 937.

Since joining the European Union the share of farms with less than 20 hectares has fallen from 56% to 42%. At the same time the share of farms with more than 50 hectares has increased from 7% to 24%. In 2011 the share of very large farms with more than 100 hectares was 6%. Despite the growth in the average farm size, the share of small farms is still high in Finland. The farm size growth has been raised, amongst other things, by leasing arable land. In 2008 the Finnish farm had the average of: 2.1 employees, 34.2 hectares of arable land and 48 hectares of forest. An average cattle farm has 52 bovines, an average dairy farm has 24 dairy cows, an average pig farm has 586 pigs and an average poultry farm has 7206 birds. The earnings and capital income from agriculture per farm was on average 14 569 euros.

In 2011 the total cultivated agricultural land was 2.2 million hectares. Of the total agricultural land 55% was used on cultivating cereals, 29% on grasses, 3% on oilseeds and 4% on fallow. The total area of cereals was at the same year 1.3 million hectares. Of these areas 49% was used on barley cultivation, 30% on oats, 18% on wheat and 2% on rye.

Finnish farms are almost completely family farms. In 2011 88.3% of farms receiving support were privately owned. Just ten percent were owned by heirs and family companies and corporations. The average age of farmers on farms receiving agricultural support is 51 years. Since joining the European Union, the average age of farmers has risen by about three years. The youngest farmers on average (50 years) were based in Northern Ostrobothnia and the oldest on average (53 years) were based on the Åland Islands. In 2010 the share of farmers over 55 years of age was 26% and the share of under 44-year-old farmers was 29%. Farmers at farms with the largest field area were younger than average.

Two-thirds of the Finnish farms are mainly focused on plant production and one-third on animal production. Ten years ago the production sectors were more or less equally popular. In 2011 17% (10 500 farms) practiced dairy husbandry as their main activity, six percent (3750 farms)

were specialised in beef production, three percent (1900 farms) on pig husbandry and one percent (696 farms) were poultry farms. Since joining the European Union the number of animal farms has decreased by an annual rate of 5-7%. The share of dairy farms is greatest in eastern and northern Finland, where they represent 29% of all farms. Dairy farms are more evenly distributed to all regions of Finland than other sectors. The distribution of beef farms across the country is quite similar to the distribution of dairy farms. Most of pig meat production and poultry farms are located in southern and western Finland. In 2011 there were about 40 000 crop farms in Finland. More than half of the crop farms are in southern Finland and a quarter are in central Finland. In the past couple of years only the number of farms engaged in “other crop production” (e.g. hay) have increased in all regions, while the number of cereal and horticulture farms has fallen. The distribution of crop farms across the country is similar to the regional distributed of all farms.

In 2004 the productivity of yields was less than the EU average productivity. For example the yield of winter wheat was 3.4 tonnes per hectare, sugar beet 37 tonnes per hectare and potatoes 23 tonnes per hectare. However the total factor productivity (TFP) has been growing in the Finnish agriculture.

Organic farming already has a strong foothold in Finland with its eight percent share in the total cultivated area. However, the market share of organic products is just 1.5%. This means that the production chain does not work as it should.

2. Characteristics of AKIS

Finnish agricultural policy is founded on the support schemes set down in the common agricultural policy of the EU, i.e. direct payments founded by the EU and the co-funded less favoured area (LFA) and agri-environment payments. These are supplement by national aids, which comprise the northern aid, national aid for southern Finland, national top-ups to the LFA payments and certain other aids.

The objects for the national agricultural policy set by the Ministry of Agriculture and forestry are: agricultural production continues in all parts of Finland, production of high quality raw materials for the domestic food industry, ensuring the profitability of agriculture, reducing nutrient loading from agriculture and increasing agriculture-based energy production.

The department of Agriculture at the Ministry of Agriculture and forestry (MMM) steers the Finnish Agricultural and rural policy. The responsibility of the safety and quality of foodstuff and agricultural inputs, animal health and welfare and plant health belongs to the Department of Food and Health. The Agency for Rural Affairs (MAVI) implements the EU and national support schemes and makes the payments. It also functions as the Finnish payment agency. Fifteen regional centres for economic development transport and environment and municipalities see to the tasks locally. Most of the research in the sector takes place at the Agrifood Research Finland (MTT). The control and inspections are managed by the Finnish Food Safety Authority Evira, which also carries out research and risk assessments (Figure 1).

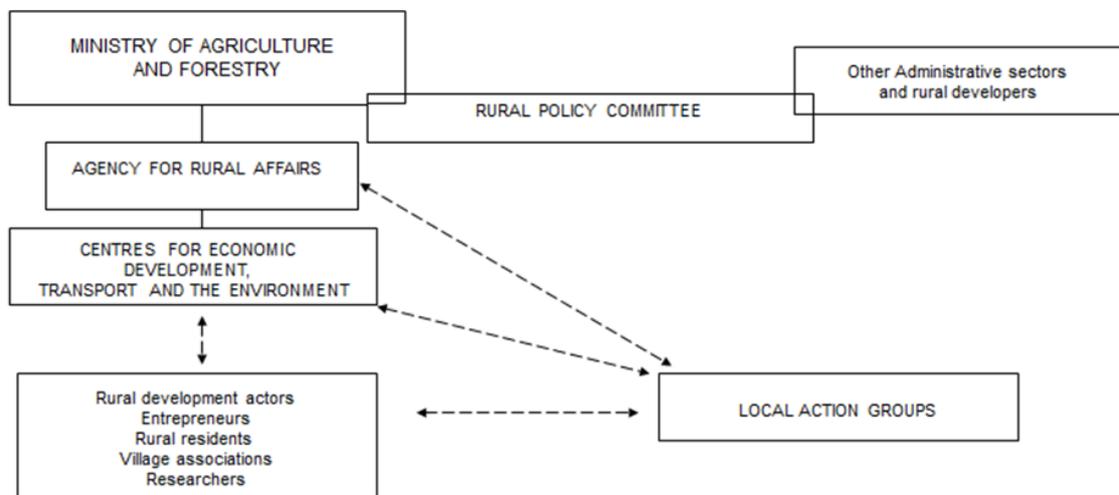


Figure 1. Administration of rural policy in Finland (Source: MMM – Ministry of Agriculture and Forestry)

The national policies regarding agricultural advisory services are fixed yearly in an annual agreement between the Ministry of Agriculture and Forestry (MMM) and the advisory suppliers. By the annual agreement the MMM controls and monitors the performance of rural advising services which are supported by the government. The purpose of the agreement is to define the priorities and action where the state aid will be used. In 2013 the state subsidy was 14% of the total budget of ProAgria Group and the amount is decreasing all the time (See chapter 4.2).

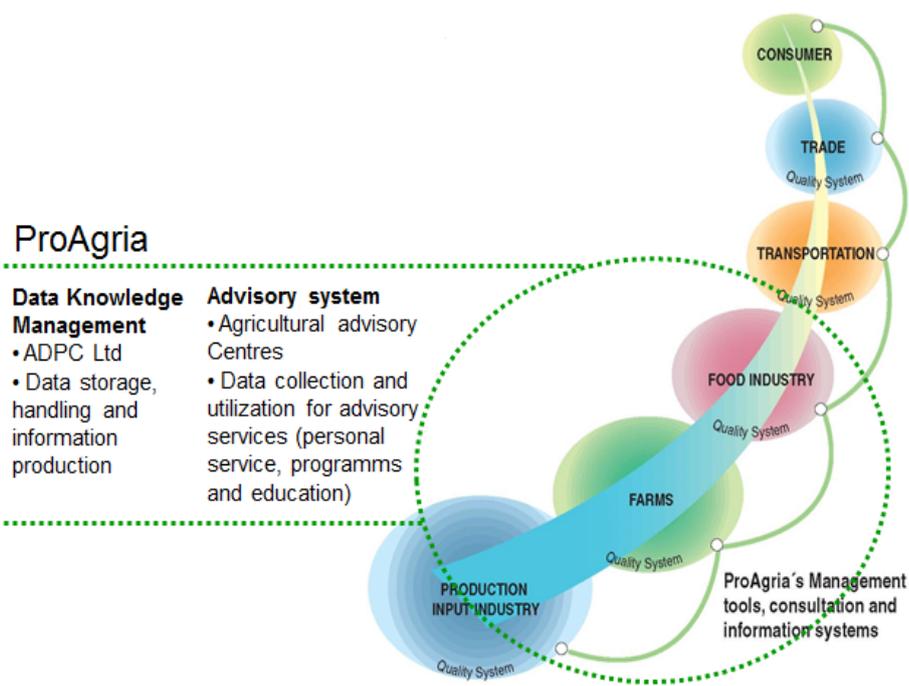


Figure 2. ProAgria's agricultural knowledge and information systems integrate to the total quality of food chain (Source: ProAgria Group)

2.1 AKIS description

The Finnish AKIS is described in the form of three tables, appendices 1, 2 and 3. The information which has made it possible to produce and draw the three tables has been collected by specialists of the Association of ProAgria Centres, through internet research and made on the basis of the semi-structured interviews with AKIS experts.

2.2 AKIS diagram

The AKIS diagram is sketched in the appendix 2. It shows the main AKIS actors and institutions in Finland and the linkages between them. The diagram is especially focused on advisory services. This is the reason why the ProAgria Group is accented in the middle next to the farmer and entrepreneur.

3. History of the advisory system

Agricultural advisory system in Finland has always been based on people's self-motivation to develop themselves and others. The history of the advisory system began in 1797 when the first "Economic Association of Finland" was established. In February 1798 the association got King Gustaf Adolf's protection and at that time the customers were priests, professors and higher officials. The first agricultural advice themes were inter alia potato farming, hay and flax cultivation and farming tools. The Economic Association operated in the whole country, but at the same time special regional advising organisations were needed.

During the years 1828-1905 many regional agricultural and economical associations were established. However the representative meetings of 22 Rural Regional Centres did not meet the expectations of being a national leading and organising system. Therefore, in 1907 the representative meetings of the regional centres were replaced by the Central Association of Farming Advising Centres (MSKL) which was set up to control and lead the regional centres.

In the beginning of 1900s the Rural Women's Advisory Organisation was founded. The Advisory organisation is now a nationwide organisation for advice directed at households and customers, promotion of landscape management and small enterprises in rural areas. With a membership of 60 000 it is one of the largest women's organisation in Finland currently, employing 70 professionals in various fields of expertise. The Rural Women's Advisory Organisation belongs to the ProAgria Group and is a powerful development agent as well as women's network in the rural areas.

In the year 1993 there was a clear segmentation between the Association of Rural Advising Centres and nationwide Rural Advising centres. Positive changes in the agricultural advising strategies were noticed after Finland joined the European Union in 1995.

ProAgria, the new name of agricultural advising organisation was established in 2001. At the same time ProAgria started to link experts together by building a new kind of service concept. The aim of the new concept was to create a new know-how for developing agricultural and rural development. The new Group for consulting in agriculture and rural development started to operate at the beginning of 2002. The founder organisations- The Association of Rural Advisory Centres and The Finnish Animal Breeding Association started to use an equal logo. The actual advisory work at that point occurred at 16 national Regional Centres, which operated in connection with the Association of Rural Advisory Centres.

The last big change in the history of the advisory system was done at the beginning of 2013, when 16 national regional centres were shrunken into the existing structure of 11 regional centres. The aim of shrinking the amount of regional centres was to reduce the administrative burden and to improve the specialisation inside a bigger regional centre.

These days ProAgria Group is a non-profit and member-owned organisation. The members of the Group are from different communities (In Finnish: "maamiessseura") consisting of individual persons (e.g. farmers and rural entrepreneurs), small-scale businesses, supporting members and direct members (the common trait for these communities ("maamiessseura" are that they are made up of members/participants from the same rural area). The ProAgria organisation offers rural

business consultations, new business advisory services, animal breeding, artificial insemination and IT services nationwide. Over 80% of Finnish farms and 3500 small-scale businesses in the countryside have used services from the ProAgria Group. In 2006 The ProAgria Group achieved the “Det Norske Veritas Management System Certificate ISO 9001:2008”, which is the most valid Certificate in the World for the Advisory Services in Agriculture.

4. An outline of the agricultural advisory services

4.1 An overview of all service suppliers

ProAgria is the leading agricultural advisory organisation in Finland, serving members as well as other rural entrepreneurs. This country report concentrates mainly on the ProAgria Group, because the ProAgria advisory services covers the whole Finland and the organisation gets about 80% of the state subsidy directed to the agricultural advising services.

ProAgria Group consists of three main sections; animal breeding and artificial insemination, IT-technology and services and advisory services and consultation. The objective of the Group is to build a locally, regionally, nationally and internationally strong operator which will develop and network farming and business consulting services in the countryside. The principle of consultation is to customise the services from the customer's perspective and to offer comprehensive service packages which the customer can use to gain success and control all the facets of their businesses and farms (Table 1.) Furthermore, a greater portion of consulting is provided by consultant teams rather than individual consultants. This means that the customer benefits from more extensive expertise.

Table 1. Agricultural and rural advising Services (Source: ProAgria Group)

Future planning	Investment	Production	Analyses	Management	IT-programs
- Business monitoring	-Investment plan	-Yield	-DW/ benchmarking services	-Business plan	-Cultivation
” Generation transfer”	-Economic evaluation	-Feeding	-economic	-Competitiveness analyses	-Feeding
	-Investment teams	-Breeding	-efficiency	-Profit analyses	-Breeding
		-Bookkeeping	-knowledge	Training and auditing	-Book keeping
		-Tax and subsidy	-environment		-Cattle registration
		-”Through year” monitoring			

Besides ProAgria there are seven special agricultural advising organisations in Finland which are independent organisations, but they have a cooperation agreement with the ProAgria Group. These special agricultural organisations are the Finnish Poultry Association, Work Efficiency Institute (TTS), Central Organisation for Finnish Horticulture, Association for Finnish Beefarmers, Association of Organic Farming, Association for Trotting and Horse Breeding (Hippos) and the Finnish Fur Breeders’ Association (Figure 3.)

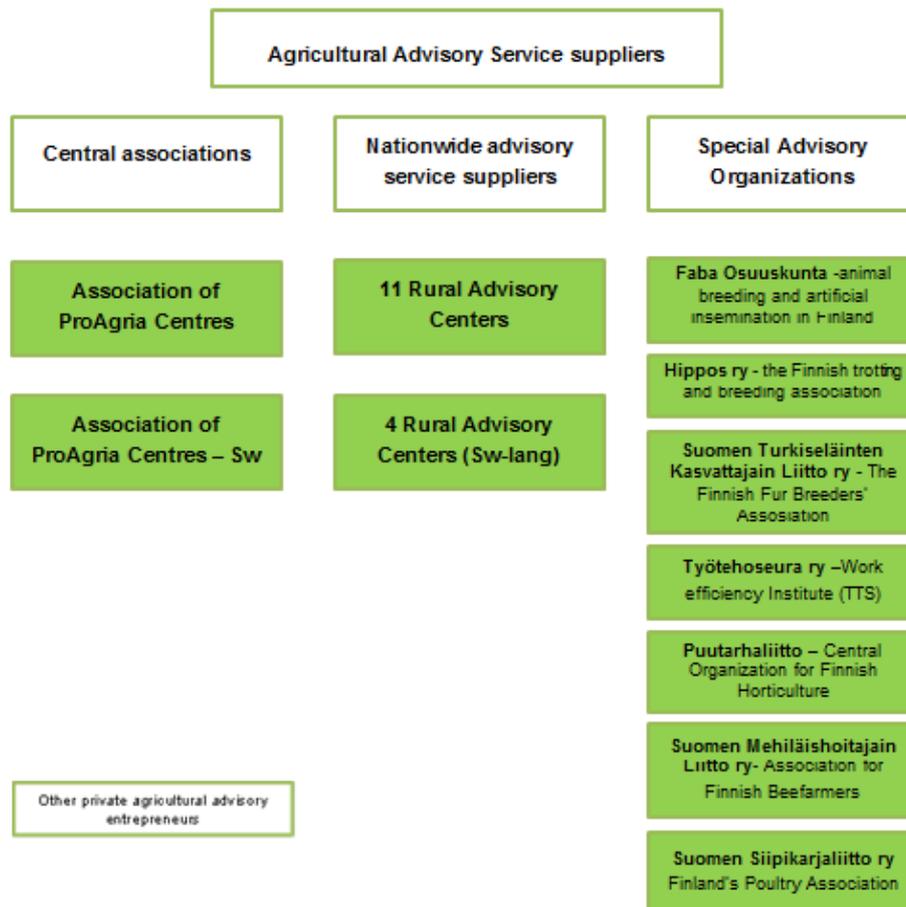


Figure 3. Agricultural Advisory Service suppliers in Finland

In Finland there are also some other private agricultural entrepreneurs, but we are not aware of the accurate number of the entrepreneurs and consulting firms. About half of the private advisors belong to the Association of Private Rural Advisors. The association has 50 members and all the members work independently. The advisors work with many topics e.g. cultivation plans, support blankets, farm advisory system and economics. The Association of Private Rural Advisors supplies general information for members and some material production.

4.2 The main public policies, funding schemes and financing mechanisms

The advisory service structure in Finland is based on public-private partnerships. The Ministry of Agriculture and Forestry (MMM) defines annual goals together with representatives from the advisory service sector. An annual agreement is drawn between the MMM and service providers, based on which the ministry partly finances the service provision.

The state's share in terms of finance is decided by the Parliament of Finland, which is based on statute in Finnish laws. The principle of the state subsidy is that the services are available in all parts of the country. The money is appointed to the Ministry of Agriculture and Forestry. ProAgria Group and the Ministry of Agriculture and Forestry negotiate every year about the utilization of the money. The "rules" are described in the annual partnership agreement. Execution of the agreement is controlled at the committee headed by the Ministry of Agriculture

and Forestry which has members e.g. from Farmers' Union, ProAgria's head office and local centers, Ministry of Finance and Ministry of Agriculture and Forestry.

According to the annual agreement between the Ministry of Agriculture and Forestry and the advisory organisations, the MMM has the right to coordinate the agricultural advisory services on the part which is paid by the state government. The annual agreement is also a tool to communicate about common subjects and means between the partners.

The annual agreement involves all agricultural advisory services in Finland which provides services countrywide. These advisory suppliers are the Association of ProAgria Centres and Swedish speaking Association of ProAgria Centres – as the central associations, Rural Advisory Centers as nationwide advisory service suppliers, Faba Osuuskunta (animal breeding and artificial insemination in Finland), Hippos Ry (the Finnish trotting and breeding association), Suomen Siipikarjaliitto Ry (The Finland's Poultry Association), Suomen Turkiseläinten Kasvattajain Liitto Ry (Finnish Fur Breeders' Association), Työtehoseura Ry (work efficiency Institute) and Puutarhaliitto (The Central Organisation of Finnish Horticulture) as the Special Advisory Organisations. (See Figure 3, page 9.)

The other private agricultural advisory entrepreneurs are out of the state subsidy, because they do not operate nationwide, which is one of the biggest preconditions to get the state subsidy for the advisory services. The private rural advisors typically get their revenues from service paid by farmers.

The goals for the state subsidy are described in the annual agreement. Three main goals are highlighted in the annual agreement for the year 2013:

a) Production, profitability and competitiveness

The main goal is to secure the profitability of the agriculture and food sector. It is also important that the production continues in all parts of Finland. It is important to take notice of the management, continuation of the production (change of generation and investments) and of the welfare and managing of the entrepreneurs. One of the main goals for the agricultural advisory system is to increase market- and business knowledge to assure profitable agriculture in the future.

b) Environment

The main goal is to decrease the nutrient loadings and emissions from agriculture. In addition one goal is to increase the efficiency in energy.

c) Food policy

The main goal is to produce domestic foodstuffs from raw materials with high quality. It is also important to produce goods meeting up with the consumer expectations. Other goals also include to increase the responsibility and traceability in the food chain and to increase the share of organic- and locally produced food.

In the 2013 the state subsidy for agricultural advising sector was 7 168 000 euro. It was 6.5% lower than one year ago, meaning that the amount of state subsidy is decreasing in the long run.

The subsidy for advising the organic farming was the only sector where the grant had increased from the earlier years. The biggest reduction was in the animal breeding and research, development and training sectors (Table 2).

Table 2. How the state subsidy for the agricultural advising sector is split up (Source: Annual Agreement between the Ministry of Agriculture and Forestry and the advisory suppliers 2013)

	Year 2011	Year 2012	Year 2013	Change % 2012/2013
ProAgria Group	8 112 000€	6 037 000€	5 778 000€	-4,3%
Animal breeding and advising	626 000€	423 000€	350 000€	-17,3%
Research, development and training	176 000€	115 500€	100 000€	-13,4%
Horticulture	670 000€	482 500€	450 000€	-6,7%
Organic farming	457 000€	460 000€	490 000€	6,5%
Equine business	30 000€	-	-	-
Projects which connects the cooperation	500 000€			
Knowledge projects for the advising	97 000€			
Communication and marketing		150 000€		
All together	10 668 000€	7 668 000€	7 168 000€	-6,52%

The finance of ProAgria consists of 14% of state subsidies, 57% of customers' payments, 18% of projects, 3% of service payments from the government and 8% of "other profits" (figure 4.) The turnover of the company was in 2012 about 50 m€

Funding-structure of the ProAgria Group 2013

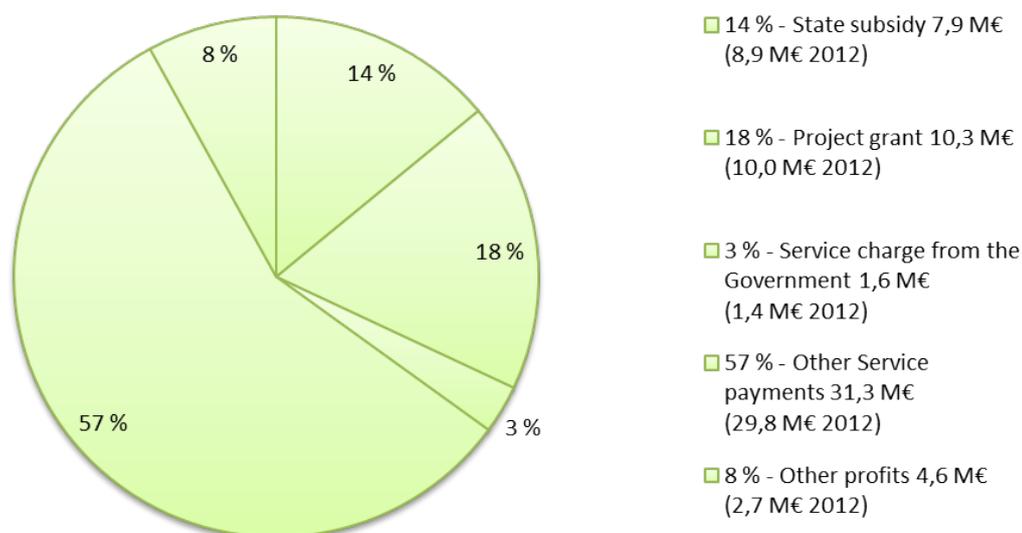


Figure 4. Funding Structure of the ProAgria Group. (Source: Association of ProAgria Centres)

4.3 Methods and Human resources

Advisory services in the ProAgria Group cover the whole of Finland. There are 27 different organisations in the ProAgria Group and they provide services in both Finnish and Swedish. All of the organisations use the name ProAgria in their name with the exception of the Valio extractive industry. The head office of the ProAgria group is located in Vantaa and there are 11 different Rural Advisory centres in different parts of Finland. (Appendix 4). All together there are 670 advisors working for the ProAgria Group (2013) and the number of advisors varies between the different rural advisory centres.

Besides the ProAgria advisors there are about 100 independent private rural advisors (see chapter 4.1 page 8.). The list of the private rural advisors is not available because the Association of Private Rural Advisors is under a phase of reconstruction, but a list of approved advisors in Finland can be found at the Agency for Rural Affairs' webpage at <http://snadi.mmm.fi/tilaneuvonta/>.

Management of ProAgria is certified by DNV standards. Actions are based on controlled management system including CRM. Competencies of the advisors are developed systematically by "a career path" programme.

The "Group Agreement" and the "Group Operative rules" are made in an annual general meeting by the board of the ProAgria Group. The board of the ProAgria Group consists of members from the ProAgria Association of Rural Swedish advisory centres and local centres, farmers, members from Faba breeding Co-operative, one Member of Parliament, CEO and marketing manager from the Association of ProAgria Centers, a farmer and a manager from Valio Ltd. Dairy Farm Services.

Group- and member related "Balance Scorecards" are drawn yearly in the Annual General Meeting by the board and the management group. Besides Balance Scorecards member-related

“Action Plans” are also fixed. The Quality Management System (QMS) of the ProAgria Group consists of two concepts; TQ Management and TQ Leadership. In the Total Quality Management the main focus is in the vision making strategy as a vision: goals and action (balanced scorecard), human resources (HR), knowledge management (based on DataWarehouses), key process definition and management and customer relationships. In the Total Quality Leadership the main points are: strategy and actions; strategic leadership, human resources; education, career aspects, employer outplacement, self-leadership and evaluation, team leadership and working models and communications.

The issue of gender is not important in the Finnish agricultural and rural advising. The share and distribution of women is over half of the total personnel. Although the majority of the board and management team are men, the Rural Women's Advisory Organisation is a powerful development agent in the women's rural network area.

4.4 Clients and contents

ProAgria is a private organisation which is owned by its 93 000 members (mostly farmers). The company has about 30 000 customers annually. 72% of Finnish farms utilize ProAgria services. Through this organisational structure the interests of the Finnish farmers are controlled and maintained by the farmers through the role as both owner and customer. ProAgria operates mainly in Finland, but they have also activities in Baltic countries, Russia and new EU member states.

The ProAgria advisory services are primarily based on face to face advice at the farm. However the number of e-services is increasing rapidly. ProAgria has an online advisor register where the client can search for an advisor and make an appointment. The advisor charges the client for services. The prices of the advisory services vary between the services. For example a business plan for a farm costs 80 €/hour, cropping plan 165 €+ 69 €extra hour and consumer guidance 450€/day.

Type of clients and farms vary a lot. ProAgria offers services for farmers on milk, crop, pig, poultry, environment, business, management and leadership sectors, but also for entrepreneurs working in the rural areas. While services to entrepreneurs are based on decision making and increasing goals, concentrating and focusing on better results, recognizing new opportunities and exploiting them and controlling the whole business.

4.5 Linkages with other AKIS actors and knowledge flows

ProAgria practices active cooperation with other actors in the field of agriculture, especially within the food chain such as universities and research institutions. Within the Annual agreement (see chapter 4.2) advisory suppliers (see figure 3) and the Ministry of Agriculture and Forestry practices active negotiation regularly.

The Association of ProAgria Centres and the Agrifood Research centre MTT have started to cooperate more and more together. The aim of this cooperation is to get the research results to the practice even faster. So far, it has taken too long time which might have had some negative affect on the development. The aim of the cooperation is also to help to increase the utility of the

agricultural research for the sector. When ProAgria and MTT put their knowledge and networks together it is more efficient to reach the customer's needs.

4.6 Programming and planning of advisory work

The main task of the Association of ProAgria Centres is to programme and plan the advisory work nationwide. The Rural Advisory Centres put this into practice by taking the region's needs into account. The head of each service group (dairy and grass, plant, meat and enterprise) works for the Association of ProAgria Centres. The main task of the head of a service group is to develop their own target area and bring the concepts into practice by holding seminars to advisors of the Rural Advisory Centres and other interest groups.

The overall advisor skill development is supported through an integrated knowledge management system and Advisor Academy. The organisation also offers many different courses in service training and additionally nationwide expert teams, which form a separate organisation within the ProAgria group. The ProAgria Group also has about 20 consultants which belong to a "top know-how"-team. These consultants are from dairy-, plant planning- and organic production sectors. The task of these "top know-how"-consultants is to search for new information from their own fields and bring it into practice by holding seminars to other advisors and entrepreneurs. The "top know-how"-consultants search the new information from abroad, but also from the target area by networking with the interest groups. They also cooperate a lot with the farmers and so try to develop and plan the advisory work.

In 2012 The ProAgria Group started a new operations model to develop the advisory work in the finance sector. The focus of the operations model is to analyse the results of the production costs together with the agricultural entrepreneur. This service is already in use, but still under development.

The customers are the biggest sponsors of the advisory work. That's why it is very important to listen to the customer needs and develop the work in accordance with their wishes. The ProAgria Group has measured the customer satisfaction regularly from the beginning of this millennium. The feedback from the customers and partners is very important. That's why the ProAgria Group makes a nationwide survey every second year. In addition the advisors collect feedback daily. In the latest survey the customers rated the service with a note of 8.1 (scale 4-10) and as much as 32% rated the service with a note of 9-10. The partners (e.g. special advisory organisations) perceive ProAgria as one of the most important top 5 partners.

5. Characteristic of Farm Advisory System (FAS)

5.1 Advisors forming FAS

From the beginning of 2007 all Member States had to operate with a new Farm Advisory System (FAS) which occurs under the cross compliance conditions. So did Finland. The FAS- advising should cover the Statutory and Management Requirements (SMR) and the Good Agricultural and Environmental Conditions (GAEC). The main purposes of FAS are to help farmers face their obligations under cross compliance and to get more information about the environment, animal welfare as well as public, animal and plant help.

Advisors handling EU requirements for cross compliance are certified by the Ministry of Agriculture and Forestry. In Finland there are 240 certified and approved advisors. About 180 of all the approved advisors work for the ProAgria Group. The rest are independent advisors. You can find a list of the Finnish approved advisors on the webpage <http://snadi.mmm.fi/tilaneuvonta/>. The Ministry of Agriculture and Forestry upholds the list of approved advisors, which is made according to the regulation of the Farm Advisory System defined in article's 12 and 13 of Council Regulation (EC) No 1782/2003.

To be a FAS- approved adviser you have to pass training and a test which is arranged by the Ministry of Agriculture and Forestry. The certificate is valid for three years. After the time limit the quality of the adviser is tested by a controller and with feedback from the farmers. The Agency for Rural Affairs (Mavi) is responsible for the implementation of the FAS.

5.2 Evaluation of the implementation of FAS

The FAS is not that well-known in Finland. It is hard to find a list of approved advisers if you do not know where to search. According to the European Commission the farm advisory system should at least cover the additional terms and conditions of the statutory management requirements (SMR) and the good agricultural and environmental conditions (GAEC). The Finnish agricultural and rural advising at the ProAgria is well advanced already covering the SMR and GAEC requirements just by itself.

The advisory work by approved advisors is subject to a charge, but the farmer can apply for support from the Agency for Rural Affairs. Usually the FAS-advising costs about 190 €+ 23% VAT to the farmer per advice session. If it is done in touch with other advising scheme, the price is 165 €+23% VAT. The subsidy available for the farm is per session, meaning the farmer can receive the 165 €subsidy for two separate advice sessions per year.

In Finland the majority of farms have the right for direct payments and that is why the terms of cross compliance are usually in condition. The share of farms using approved advisors to fulfil the cross compliance conditions is not known.

6. Summary and Conclusions

6.1 A brief summary and conclusions on the section 1-3

The need for agricultural and rural advisory services varies considerably across Finnish farms. Farms are very different; different in sizes, are in different parts of a lifecycle and needs and goals are not always similar with the neighbour farm. The number of farms is decreasing and the average size is growing. The labour is displaced even more with the new technology. The current situation requires more and more from the farmer, whose role is increasingly transformed into the role of entrepreneur rather than the classic perception of their role as a farmer.

The lead management of a farm looks more and more like an enterprise, with an aim of providing financial returns to the business owner. This new kind of a farm needs even more production planning work, calculations, investments, collaborations, new technology and new point of thinking and doing the work. The farmer or the entrepreneur should also have more time for examining the achieved results and conclusions.

This is why the role of an advisor is increasingly important. A good leader or manager is not one who is able to do everything by himself, but one who has the skills to use the existing advisory networks most rationally and in the best way he or she can. The future of agricultural advising is more like “walking within” the farmer, where the advisor, besides taking care of the economy and production of the farm, also looks after and provides services in relation to the well-being and welfare of the farmer e.g. work environment, stress.

The development of the Finnish agricultural system is going in the right direction. Knowledge and education among farmers are increasing as well as improved production and better know-how which is leading to better results. The positive improvement of the agricultural sector is based on a successful existing agriculture knowledge and information system. But the trends show that in future, it will be even more important to improve the cooperation between the different AKIS actors and to upgrade the advisory services. It will be important to listen to and answer the needs of the future farmer or agricultural entrepreneur to get agri-research results out to the farmers and into practice even faster as well as to reach more cost-effective results.

Besides profitability and competitiveness the biggest concern in the Finnish agricultural sector right now is the ageing of the farmers. The average age of farmers is increasing and there is a general concern about how to cope with the questions of generational change and ownership transfer among farmers. Overall all AKIS actors should take responsibility to improve the Finnish agricultural sector together, in relation to profitability, competitiveness, and management of still increasing farms in terms of size and the question of ageing among the current population of farmers and how to get young people becoming farmers.

6.2 A brief summary and conclusions on the section 4+5

In the future the importance of an agricultural advisor and a consultant will be even more significant. Due to the structural development within the agricultural sector the farm size continues to grow. As a result the farmer or agricultural entrepreneur needs more and more external help and advisory services.

In the future the advisor is more like a sparring partner for the farmer or the entrepreneur. The relationship is based on interaction. The farmer does his part as the producer of the data and the advisor observes and advises on the basis of the results. After this the farmer and the advisor go together through the achieved results and do conclusions and suggestions for improvement. This demands new skills of the advisor, such as interaction skills, professional education (e.g. university or college degree), and skills to find the strengths and weaknesses of the farm and solutions to improve them.

In the future the revenues of an advisory organisation come more and more from the customers and services used. There has been conversation about decreasing the state subsidy even more. The plan is to decrease it to the half of the current grant. According to the ProAgria Group, the effect of decreasing the state subsidies would harm the nationwide agricultural advisory services. ProAgria Group and the special advisory organisations are able to operate without the state subsidy, but by cutting down the entire state subsidy would set the farms located in different parts of Finland in an unequal position. The state subsidy has a significant role in developing the rural areas. An international estimation of the Finnish AKIS highlights the importance of the existence of the state subsidy. According to this estimation the subsidy should at least be 20% of the whole advisory budget if the nationally described actions are to be carried out.

There have been debates concerning whether to allocate the state subsidy even more in the direction of the advisory areas of business economy, market knowledge and the important problem of generational change. The issues related to the environment and animal welfare are also important to take into account when discussing the issue of state subsidies. In future the international knowledge exchange on agricultural advisory services should be taken more into account. This could be done through international advisor exchange with other advisory companies from Europe and possibly from other parts of the world.

According to the data collected in the questionnaire and semi-structured interviews there is a deep anxiety among farmers and interest groups about a possible decreasing level of knowledge and skills of the advisory services offered in relation to the future needs of the farmers. The level and standard of Finnish advisory services are perceived as good and above the European average, but in order to keep up the good standards, the advisors have to improve their knowledge and skills continuously. They have to react to the changes in the operational environment and be more open towards new methods and be more inclined to seek out new information and knowledge from abroad.

One of the constant advisory challenges of Finland is the geography. Finland is a very sparsely inhabited country, so the distances between farms may often be very long. Time spent on travelling between the farms for advisors could be used more efficiently. This everlasting problem may be even greater with the trend towards even more specialisation among advisors. ProAgria did change in their organisation structure at the beginning of 2013. 16 Rural Advisory Centres merged into 11. The main purpose of this merger was to improve the specialisation between the advisors. Even though farmers and entrepreneurs today can get more specific and professional services, the operational geographical area to be covered by an advisor can vary a lot. In order to cope with this problem of the long distances travelled by the advisors ProAgria has put its focus on developing electronic tools and programmes to support the future advisory

services. The strategy is to raise the use of electronic tools in the future, however on the other hand not forgetting the importance of face-to-face meetings with the farmers.

One of the main focuses in the CAP2020 is to ease the administrative burden and simplify the support policy and the cross compliance. This is also a wish from the Finnish farmers. Farmers could have also been better informed about the FAS (GAEC and SMR) because there has been money left which is reserved for the FAS- budget. So far the Finnish farm advisory system has worked very well, but in the future there has to be more rapid reactions to changes and developments.

7. Acknowledgement of partners, information sources, gaps and reflection on methodology

This country report was made by a consultant of Agricultural Business services working at the Association of ProAgria Services. The data and information provided in the country report is based on national websites, the conducted survey and semi-structured interviews with national experts on the Finnish AKIS. The country report has been written with a neutral perspective, even though the subcontractor is working at the ProAgria Group. The quality and comprehensiveness of the information provided is this way valid.

There were eight experts asked for semi-structured interviews. Seven of them agreed. The experts were from the Finnish AKIS field, for example advisory organisations, Ministry of Agriculture and Forestry and Agrifood Research Finland. (Table 3.) The one expert, whom the subcontractor did not reach, was from a special advisory organisation. All interviews were recorded and later transcribed. The interviews lasted from 35 minutes to 1.5 hours. According to the subcontractor the semi-structured interviews generated good conversation between advisory services and research and between advisory services and government. The whole AKIS diagram was drawn up together during the interviews with the seven AKIS-experts.

Table 3. A list of the interviewees for the semi-structured interviews

Name	Organisation	Title
Markku Himanen	Ministry of Agriculture and Forestry (MMM), Agricultural Markets	Consulting official
Kim Nordling	Swedish speaking Association of ProAgria Advisory Centers	CEO - chief executive officer
Jaakko Kivinen	Association of ProAgria Advisory Centers	Administrative manager
Sari Forsman-Hugg	MTT Agrifood Research Finland	Director of Economic Research
Arto Latukka	MTT Agrifood Research Finland	Agricultural Economist, Accounting Manager, Research Manager
Markku Järvenpää	MTT Agrifood Research Finland	Director of Technology Research
Erkki Kempainen	MTT Agrifood Research Finland	Director General, Professor

To get data from the questionnaire was the most difficult part of the country report. The questionnaire was sent three times to eight experts from the Special Advisory Organisations (see AKIS diagram). After several emails and personal contacting, just two experts filled in the questionnaire, leaving the return rate at 25%. However the lack of data from the questionnaire was replaced by the semi-structured interviews with experts.

The term FAS is quite unknown in Finland and that is why it was relatively difficult to find data related to the Finnish FAS. After finding the Finnish name for FAS (tilaneuvonta) some information linked to FAS in Finland was found.

8. References

Association of ProAgria Centres. PowerPoint presentation: *Opportunities for success*.

Association of ProAgria Centres. PowerPoint presentation: *ProAgria Group 2010*

Association of ProAgria Centres. *Lausunto selvitysmiehen raporttiin*. 25.4.2013

Association of ProAgria Centres. PowerPoint presentation: Advisory Services in Finland

Association of ProAgria Centres. *PRESS RELEASE 9 January 2002*. Managing Director Jouko Setälä, Deputy Managing Director Jouko Syväjärvi, Communications Manager Suvi Anttila & Communicator Ulla-Mari Sundelin.

Hernesniemi, V. 2012. *Huomisen neuvonta – millaista osaamista ja tukea tarvitaan tulevaisuudessa maataloilla* – lyhennelmä 5.9.2012. Maatalousyrittäjä, Kannus.

Kulmala, A. & Kaasinen, S. 2011. MTK- Farmers' Union. Baltic Deal – Putting Best Practices in agriculture into work. Flagship project in the EU strategy for the Baltic Sea region co-financed by the Baltic Sea regional programme 2007-2013 co-financed by the NEFCO/NB Baltic Sea action plan trust fund.

MMM – Ministry of Agriculture and forestry. *Finnish Agriculture*. Available: http://www.mmm.fi/en/index/facts_reports_publications.html

MMM – Ministry of Agriculture and forestry. *Maa- ja metsätalousministeriön ja maaseudun neuvontajärjestöjen välinen tulossopimus vuodelle 2013*. 27.2.2013, Dnro 370/031/2013

MMM - Ministry of Agriculture and forestry website www.mmm.fi

MTT – Agrifood Research Finland. *Finnish Agriculture and rural industries 2012*. Economic Research, Publication 112a. Available: https://portal.mtt.fi/portal/page/portal/mtt_en/mtt/publications/fari/jul112a_FA2012.pdf

Niemelä, J. 1996. Lääninlampureista maaseutukeskuksiin. Maaseutukeskusten ja niiden edeltäjien maatalousneuvonta 1700-luvulta 1990-luvulle. Maaseutukeskusten Liitto & Suomen Historiallinen Seura. Tammer-Paino Oy.

Pohjamo Oy. *Maatalouden ja muiden maaseutuelinkeinojen neuvontajärjestöjen valtionapuista toimintaa koskeva selvitystyö*. Selvitysmiehen raportti. 18.3.2013. Ilkka Pohjamo.

ProAgria website www.proagria.fi

ProAgria internal publications and papers

TIKE – Information Centre of the Ministry of Agriculture and forestry. *Yearbook of Farm Statistics 2012*. Available: http://www.maataloustilastot.fi/sites/default/files/vuosikirja_2012.pdf

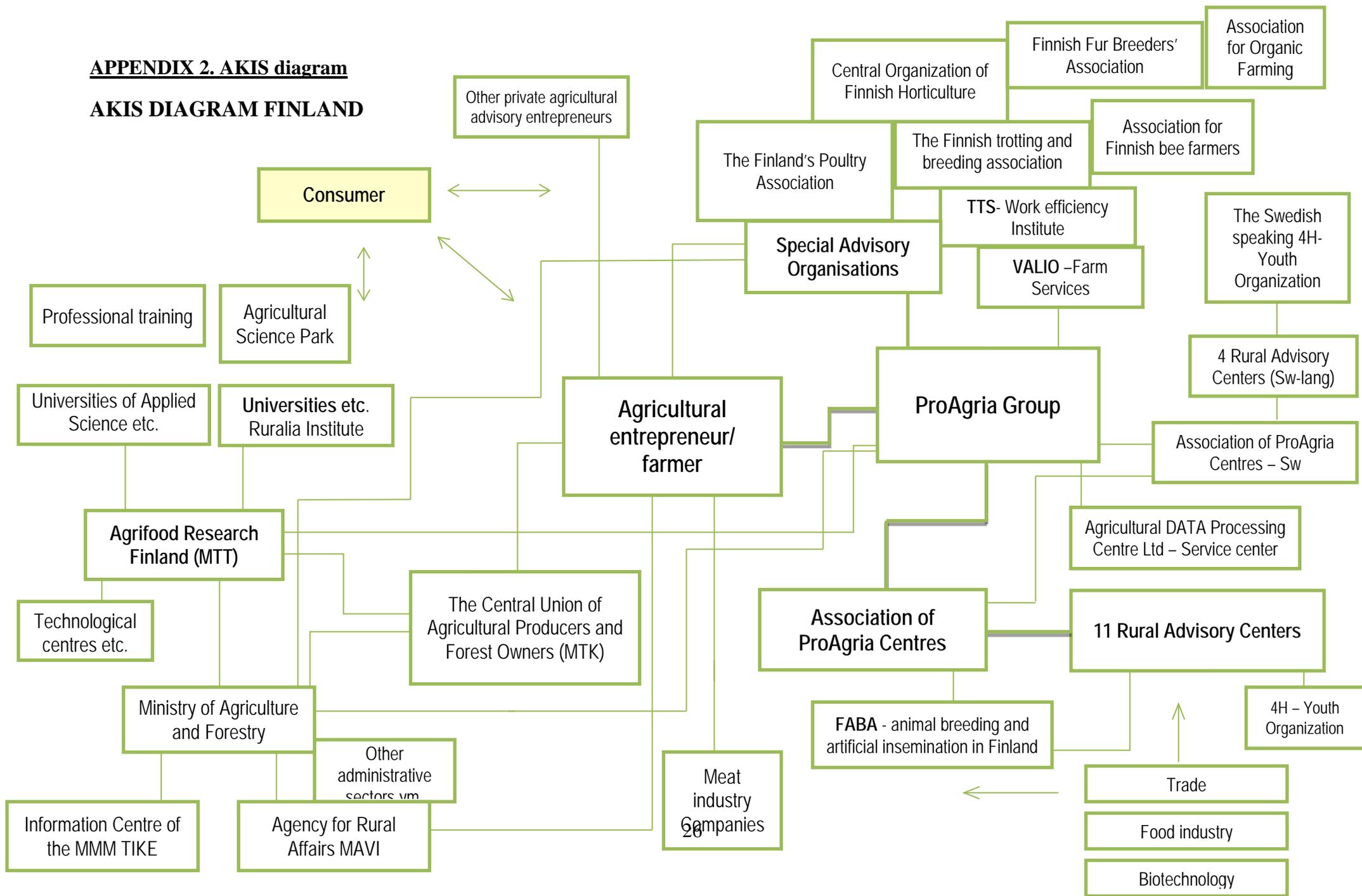
9. Appendices

APPENDIX 1. Overall picture of the AKIS and sources of financing

Provision of service				Source of financing (tick the relevant boxes)								
Status of the organisation	Type of organisation	Number of organisations	Number of advisors	Public funds			Farmers			Private	NGO	Other (specify)
				EU funds	National funds	Regional funds	Farmers' levies	Farmers' contribution	Billing services	Other products (inputs, outputs)	Foundation	
Public sector	Advisory department of the Ministry of agriculture	1	2									x
	Local/regional agencies											
	Other (specify)											
Research and Education	University	1	-	x	x							x
	Research Institute	1	-	x	x							x
	Other education bodies (specify)	5	-	x	x	x			x			x
Private sector	Private agricultural advisory company											
	Farmers' owned advisory company	2	700	x	x	x			x		x	
	Independent consultant											
	Private company. (input provider)	20	50	x	x	x			x			
	Private company. (processing agricultural products)	4	50							x		
Other (specify)												
Farmer based organizations	Farmers' cooperative	1	45									
	Chambers of agriculture											
	Farmers' circles/groups											
	Other	10	40									
NGO												

APPENDIX 2. AKIS diagram

AKIS DIAGRAM FINLAND



APPENDIX 3. A list of AKIS institutions

Name	Important information	Website	Address
ProAgria Group	Association of ProAgria Centres + 11 Rural Advisory Centres countrywide. Swedish speaking Association of ProAgria Centres + 4 Rural Advisory Centres (basely on the coastline)	www.proagria.fi	Urheilutie 6 P.O. Box 251 01301 Vantaa
Special Advisory Organisations	<p>-Animal breeding and artificial insemination in Finland (Faba Osuuskunta)</p> <p>-The Finnish trotting and breeding association (Suomen Hippos ry)</p> <p>-The Finnish Poultry union Suomen Siipikarjaliitto ry)</p> <p>-Finnish Fur Breeders' Association (Suomen Turkiseläinten Kasvattajain Liitto ry)</p> <p>-Work efficiency Institute (TTS – Työtehoseura)</p> <p>-The Finnish horticulture union (Puutarhaliitto)</p>	<p>www.faba.fi</p> <p>www.hippos.fi</p> <p>www.siipi.net</p> <p>www.stkl-fpf.fi</p> <p>www.tts.fi</p> <p>www.puutarhaliitto.fi</p>	<p>-Korpinkyläntie 77 P.O. Box 95 15871 Hollola</p> <p>-Tulkinkuja 3 02650 Espoo</p> <p>-Keskuskatu 21 FI-31600 Jokioinen</p> <p>-P.O. Box 5 FI-01601 Vantaa</p> <p>-P.O. Box 5, Kiljavantie 6 FI-05201 Rajamäki</p> <p>-Viljatie 4 C 00700 Helsinki</p>
Agrifood Research Finland (MTT)	- Operating under the Ministry of Agriculture and Forestry. Leading research institute developing sustainability and competitiveness of the food system.	www.mtt.fi	FI-31600 Jokioinen FINLAND
Ministry of Agriculture and Forestry (MMM)	MMM steers the policy on sustainable use of natural resources. Legislative work is carried out as part of the Finnish Government and the EU institutions and decision-making.	www.mmm.fi	PO Box 30, FI-00023 GOVERNMENT
The Central Union Of Agricultural Producers and Forest Owners (MTK)	- MTK is a trade organisation and interest group representing farmers, forest owners and rural entrepreneurs.	www.mtk.fi	Simonkatu 6 P.O. Box 510, 00101 Helsinki

University of Helsinki Faculty of Agriculture and Forestry	- Faculty of Agriculture and Forestry promotes the responsible use of renewable natural resources through high-quality applied research, active participation in public debate and education in life sciences and business.	http://www.helsinki.fi/mmtdk/	P.O. Box 62 Viikinkaari 11 FI-00014 University of Helsinki
Ruralia Institute	-An independently administrated multidisciplinary expert institute at the University of Helsinki. The mission of the Institute is to improve the welfare of rural people and develop the sources of livelihood in the rural areas through research, development, education and training.	http://www.helsinki.fi/ruralia/	Kampusranta 9 FI-60320 SEINÄJOKI/ Lönrotinkatu 7 FI-50100 MIKKELI
Information Centre of the Ministry of Agriculture and Forestry (TIKE)	-Tike is an independent organisation in the administrative sector of the Ministry of Agriculture and Forestry, steered by the Permanent Secretary of the Ministry.	www.mmttike.fi	PO Box 310 00023 Government
Agency for Rural Affairs (MAVI)	-MAVI serves farm enterprises, farmers, rural microenterprises, and rural development actors from village associations to universities.	www.mavi.fi	P.O. Box 405, FI-60101 SEINÄJOKI
Universities of Applied Sciences	Tampere University of Applied Sciences (TAMK) Seinäjoki University of Applied Sciences (SEAMK) JamkUniversity of Applied Sciences (JAMK) Oulu University of Applied Sciences (OAMK) HAMK University of Applied Sciences (HAMK) Savonia University of Applied Sciences (SAMK) Karelia University of Applied Sciences (Karelia) Rovaniemi University of Applied Sciences	www.tamk.fi www.seamk.fi www.jamk.fi www.oamk.fi www.hamk.fi www.samk.fi www.karelia.fi www.ramk.fi	

<p>Trade, Food Industry, Biotechnology etc.</p>	<p>Hankkija Oy - Grain- and feedstuff trading. Agrimarket is the chain for the agriculture-related, machinery, hardware and gardening trade. HKAgri – is a leading domestic animal feeding expert and editor, offers also financing for producers and develops the Finnish livestock production. Valio - Valio is owned by Finnish milk producers and is the market leader in all key dairy product groups in Finland and a world class pioneer in the development of innovative products that increase well-being. K-Maatalous – Offers extensive cultivation programs to farmers as well as effective machine-entities, which ensures cost-effectiveness to the farm. RaisioAgro - Raisio Feed Ltd and Raisio's grain trade unit is a modern agritrader. Raisioagro does research together with universities, research institutes and partners in Finland and abroad.</p>	<p>www.agrimarket.fi</p> <p>www.hkagri.fi</p> <p>www.valio.com</p> <p>www.k-maatalous.fi/</p> <p>www.raisioagro.com</p>	<p>Peltokuumolantie 4, P.O. Box 390, 05801 HYVINKÄÄ</p> <p>HK Agri PL 50, 20521 Turku</p> <p>Meijeritie 6 00370 Helsinki</p> <p>P.O. Box 75 01301 Vantaa</p> <p>P.O. Box 101, Raisionkaari 55, 21201 Raisio</p>
<p>Centre for Economic Development, Transport and the Environment (ELY Centres) + Municipalities</p>	<p>-Responsible for the regional implementation and development tasks of the central government. ELY Centres are responsible for developing rural industries and ensuring the vitality of the Finnish countryside.</p>	<p>www.ely-keskus.fi</p>	
<p>Finnish Food Safety Authority Evira</p>	<p>-Aim is to ensure food safety, promote animal health and welfare, and develop the prerequisites for plant and animal production, and plant health.</p>	<p>www.evira.fi</p>	<p>Mustialankatu 3 00790 Helsinki</p>
<p>Association of Private Rural Advisors</p>	<p>-Independent agricultural and rural advisors from different parts of Finland Chairman of the board Jari Kamunen</p>	<p>mackamu@mac.com +358500168180</p>	

APPENDIX 4. ProAgria Rural Advisory Centres

