

An Emerging Model for a Farmer Information and Advisory Service for Russia

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Abstract

The breakup of the Soviet Union in 1991 resulted in the collapse of the centralized “command and control” agricultural information system that told farmers what to plant, when to plant it, and where to deliver the harvest. During the 1990s, a new “Farmer Information and Advisory Service” was launched as part of World Bank and other donor projects. This resulted in the creation of a number of different regional services, some connected with universities, some with agricultural administrations, and some with training institutes. These really constitute “fragments” created to suit regional needs rather than potential models for a future national agricultural communication and extension system. However, important lessons have been learned from these experiments. Using experiences from other countries and Russia’s recent experiences, a model for a new agricultural communication and extension system is proposed that would fit Russia’s unique agricultural structure and extensive geography.

[Note from Eric Abbott: Following the breakup of the Soviet Union in 1991, the movement toward a market economy and the collapse of the existing centralized “command and control” agricultural information system necessitated development of a new national farmer information and advisory service. The old system consisted of a centralized government bureaucracy that presented a uniform and total information package specifying even the days when planting, cultivating and harvesting should occur. The centralized system collapsed for two main reasons. First, profit, rather than achievement of a production quota, became the driving force in agriculture. When the central government stopped buying farm produce, agricultural producers were forced to try to find goods they could produce and a place to market them at a profit. With farms diversifying in terms of both size and crop/livestock mixes, there was a tremendous increase in demand for agricultural information. A centralized system geared to providing a single message and a very limited scope of technologies was no longer suitable. Second, the centralized system was no longer funded at a level that would permit it to continue to function. It, along with traditional farm publications, radio and television programs ceased operation. To address this problem, from 1995-2000, the World Bank Agriculture Reform Implementation Support (ARIS) Project and other donor-funded projects led to development of a variety of agricultural communication and extension organizations and approaches. These came to be called “Farmer Information and Advisory Services.” As occurred in the United States, these early experiments with agricultural communication and extension systems led to significant variations from state to state (oblast to oblast). In this article, I.M. Mikhailenko, who directs the Farmer Information and Advisory Service in Leningradsky Oblast serving the St. Petersburg region, reflects on what was accomplished during the period, and presents his vision of what a future farmer information and advisory service in Russia should look like.]

Introduction

For the past eight years, Russia has worked to create a new Farmer Information and Advisory Service. The new service represented a radical change from the old centralized system used by the Soviet Union, and therefore required new organizational forms and activities at every level. As the United States discovered, the creation of an effective extension and agricultural communication system is not something that can happen overnight. The United States experience also showed that variations in the system were needed in different states to match the unique resources, experiences, and objectives of each state. After eight years of experimentation, it is appropriate to examine where Russia looked for appropriate models to meet its unique agricultural situation, and how those models were implemented at the federal, state and local levels. This article also offers a model that can help the newly created Farmer Information and Advisory Service meet the country's future needs.

Origins of the Idea for a Farmer Information and Advisory Service in Russia

The basis for the Farmer Information and Advisory Service came from the \$240 million World Bank Agricultural Reform Development Support (ARIS) Project. While the Bank recognized that world experience had shown that public-sector-based farmer information and advisory services were often unsustainable, it also understood that Russia's private economy sector was in its infancy, and was not able to take on this task. Therefore, an extension and agricultural information strategy was envisioned that would first offer services via the public sector, with some built-in cost recovery mechanisms and sufficient flexibility for private sector participation (World Bank, 1994).

A second important base for Farmer Information and Advisory Services came from other donor projects being carried out at regional levels. One example was the British Know-How fund's project in Nizhny-Novgorod, which was widely regarded as the best-financed and one of the most effective regional extension efforts (Abbott and Ukhanova, 2000). These regional efforts did not shed light on how a national extension and communication system should be organized, but did result in the creation of new organizational forms and highly trained staffs in a number of regions.

A third base was visits by Russia agricultural experts to other countries to better understand their market information systems, extension services, and agricultural communication approaches. The United States, Britain, France, Scotland, the Netherlands, and Germany were all visited during the

early 1990s. The approaches of other countries offered a number of alternative models; however, differing agricultural practices, land tenure, and marketing systems sometimes made these alternative approaches inappropriate for the Russian situation.

Because of the lack of federal level policies and organizational structures, the initial emphasis was to create Farmer Information and Advisory Services at the regional level. Because there were widespread variations among regions in terms of the presence or absence of agricultural research institutions, donor experiences with alternative extension and communication models, and visions of regional leaders, there were significant differences in the structure and functioning of these services. Services were set up within regional departments of agriculture and food, at retraining institutes and higher education institutions, and at former computer centers and information institutions. Some emphasized cost-recovery for services from the beginning, while others provided services free or proposed phasing in cost recovery gradually. Some focused on technical recommendations for improving production, while others created “business management” teams that assisted agricultural producers in writing business plans, seeking financing, and developing markets. The variety of approaches taken at the regional levels was a major topic of research (Kalinin, 1999). However, for the most part, these regional initiatives were fragmentary, achieving only limited objectives, and they did not provide much insight into what a national level system might look like.

Accomplishments of the ARIS Project

Working independently, officials in different regions of Russia began identifying key objectives and functions of their farmer information and advisory services. Research has identified a number of these objectives and functions (see Bautin, 2000; Kozlov, 2000; Mikhailenko, 1997; Veselovsky and Kolotov, 2000). Examples of these are provided below, but it is important to keep in mind that most regional services were only able to work on one or two of them:

- 1) To cooperate with agricultural authorities to assist agricultural producers in solving problems associated with adaptation to the market environment;
- 2) To promote application of research findings and innovations;
- 3) To upgrade the educational level of farm managers and subject-matter specialists;
- 4) To assist in implementing efficient agricultural policy;

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5) To enhance implementation of social and rural development programs and schemes.

Accomplishments relating to these objectives thus far include:

- Dissemination of updated information to agricultural authorities and agricultural producers about various ownership forms;
- Provision of timely advisory assistance to agricultural producers in key aspects of farm production;
- Informing agricultural producers of the latest research findings and innovations;
- Delivery of training programs for farm managers, subject-matter specialists and for advisers themselves;
- Establishment of liaisons with the mass media and production of the service's own information publications;
- Arrangement and implementation of information dissemination activities: fairs and exhibitions, farm demonstrations and field trials, and training workshops;
- Assistance in distribution and marketing of agricultural products;
- Assistance in attracting investment to specific farms and enterprises;
- Development and use of agricultural information databases;
- Facilitation and implementation of international projects, including those related to development of an agricultural information and advisory service.

Russia's Unique Agricultural Situation

Although donor projects that formed the base for some of the regional farmer information and advisory services often were based upon the approaches prevalent in the donor country (Mikhailenko, 1998; USDA, 1999), experience over the past eight years has demonstrated that Russia's agricultural system has a number of unique features that often make direct adoption of systems from other countries inappropriate. These unique features include:

A unique structure of farm holdings that includes 25,000 large-scale farms (reorganized collective or state farms that reach 10,000-20,000 hectares in size), 277,000 private family farms (created since 1991 but not yet a significant source of agricultural production), and millions of small private household plots with vegetable orchards and gardens (though small, these

account for the great majority of vegetables and fruits produced in Russia) (World Bank, 1994; Kramer, 1996);

- A unique agricultural research system that includes research institutions under the Russian Academy of Agricultural Sciences (Russian Academy of Sciences Agrarian Institute, 1993), research divisions at agricultural universities and research institutions under the Russian Federation's Ministry of Agriculture;
- A vast territory of the country covering 10 time zones that includes a large number of regions (89) and agro-climatic conditions;

The lack of an existing innovation-dissemination infrastructure to use as a base;

- Inadequate application of information and communication technologies in the agriculture and food sector;
- On-going changes in the legal and regulatory framework (tax regulations change frequently, and changes in ownership rights) (Kozlov, 2000);
- A low level of development of agricultural producer organizations: associations, unions and cooperatives.

A Model for Future Development of the Farmer Information and Advisory Service

After eight years of experience with the regional Farmer Information and Advisory Services, it is now possible to begin to articulate the key factors that should be considered in its further development. Rather than borrowing from the World Bank, the United States, Britain, or other countries, development of the new model must build from Russia's unique agricultural situation, its emerging political system, and the successes from regional experimentation with farmer information and advisory systems. The remainder of this article focuses on the elements that should be included in such a model. Characteristics that should shape the Russian Farmer Information and Advisory Service include:

- A multilevel institutional arrangement that enables it to address the problem of the vast territory and reflect the political and administrative structure of the country;
- A multicient focus that enables it to take into account the multistructural nature of Russian agriculture;

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- Infrastructure development that enables it to disseminate knowledge and innovations within the existing structure of Russian agricultural science;
- Application of information and communication technologies that enable it to overcome the existing information vacuum in the agricultural and food sector;
- Organizational and/or legal forms that clearly identify owners of the advisory service and ensure liaison of the latter with agricultural authorities and producer organizations.

By addressing each of these characteristics with both domestic and international experience, an overall framework for the future Russian Agricultural Information and Advisory Service model can be designed and its functions can be specified.

The experience of countries with large territories, along with Russia's practical experience and the current political and administrative structure, suggest that the Russian model should have four levels, including the federal, district, regional and local levels. Smaller localities (volosts) should be served by local centers.

In order to provide agricultural communication and extension support to agricultural producers of all ownership forms, the following divisions might be identified in the structure of the Russian model service that differ in terms of practices and qualification of advisers:

- 1) Advisory services tailored to agricultural authorities and large-scale farms.
- 2) Advisory services tailored to private family farmers and private household plot holders.
- 3) Advisory services tailored to gardeners.

Experience from the United States and United Kingdom suggest that a system for effective dissemination of agricultural innovations might best be created in two major divisions: (1) Extension centers that would focus primarily on dissemination of innovations, testing of new farming practices and delivery of training programs. These would be especially beneficial to private family farmers and household plot producers ; (2) Innovation centers that would concentrate on implementation of large-scale innovation investment projects on a full cost-recovery basis. These would be most useful to profitable large-scale agricultural operations.

In addition, the Farmer Information and Advisory Service needs to have access to a modern computer-based market and information system, a database of promising agricultural technologies, and close linkages to the mass media to further disseminate needed information. There must be an “end-to-end” system linking final users with developers of technologies and other agricultural information.

Selection of the Correct Legal Form and Economic Base

So far, four fundamental characteristics of a common nation-wide advisory system model have been considered. There remains a need to select an appropriate organizational and legal form to ensure efficient linkages among the Farmer Information and Advisory Services, government agricultural authorities and agricultural producer unions. Most important, the new service must function during a gradual transition to a real market economy. At the same time, the selected legal and economic model must comply with existing legislation and reflect anticipated changes in the near term. For example, a full cost-recovery service would require that the activities of Advisory Service staff would be determined by actual demand for advisory services, and revenues would be generated by charging fees for services. This would serve commercial operators well, but would neglect segments that could not pay, or agricultural products that do not generate significant revenue. This example shows it makes a great difference what type of legal and economic model is adopted.

The Regional Level

The regional level has been characterized by the largest advancement by both agricultural authorities and agricultural producer organizations. Initially, most regional Farmer Information and Advisory Services were set up within regional departments of agriculture or educational institutions, and they have evolved toward a more independent legal status that has enabled them to be involved in commercial activities and to charge fees for their services. Taking into account that the national governmental policy target is the downsizing of state-owned enterprises and institutions, the most appropriate organizational and legal form for regional advisory services might be a joint stock company, since this is the most appropriate one in the market environment. In a joint stock company, members (farms or companies) would own shares in the service, and assist in its financing.

It is important to define who the shareholders of such a regional advisory service should be. In many European countries shareholders are farmers' unions. This model guarantees that the activities of a Farmer Information

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and Advisory Service would reflect the farmers' needs. In Russia, which is characterized by a multistructural agricultural and food sector, the shareholders of regional advisory services should include not only associations of private family farmers, but also unions of large-scale rural producers, as well as unions of gardeners who need advisory services. At the same time, agricultural authorities that invested substantial funds in development of regional advisory systems also should participate in managing their operation. Finally, specialists of many existing regional advisory services established in the mid-1990s, who have accumulated extensive practical experience and created high-level intellectual property, should be entitled to become shareholders of their joint stock companies.

Thus, in those regions where Farmer Information and Advisory Services have been strongly supported by the regional governments, the overall number of shareholders should be five: (1) the government represented by regional agricultural authorities; (2) unions of large-scale producers; (3) private farmers; (4) gardeners; and (5) staff of advisory services. A specific number of shareholder votes in Advisory Panels of the advisory services in each region should guide the priorities of local agricultural policy.

The Local Level

The five shareholders listed above all have local offices (affiliates) and the regional Farmer Information and Advisory Services should have similar local offices. These local divisions should not be legally independent entities; rather, they should be part of the regional advisory services that can implement consistent and coherent financial, information, technological and staff development policies. This would mirror the approach taken by the U.S. Extension service in each state.

Regional differences can be accommodated when considering the innovation-dissemination system. For instance, if there is an agricultural university in a region, an extension center should be set up within it, as is done in the United States. A similar approach was used in Russia in Voronezh Oblast. When no university exists, extension centers should be established within agricultural retraining institutions.

Such options are also feasible for creation of regional innovation centers. They might be established by regional administrations as independent state-owned organizations or be incorporated in regional information and advisory centers. In this case the choice should be determined by the development level of a specific regional center as well as by scale of innovation projects.

The Federal Level

At the federal level, Denmark offers a useful model. In Denmark, despite the fact that farmers' unions have both regional and national organizations, the national advisory service is legally independent, though it is subordinated to farmers unions. It is evident that such independence at the federal level is also needed in the Russian Federation, where the situation is more complicated due to a large number of regions and a vast territory.

At the same time, a need to enhance strong nation-wide coordination of information and advisory service development and ensure consistency with priorities of national agricultural policy requires limitation of commercial activities of the federal advisory service, but should not exclude them entirely. As for form of ownership, it should be a state-owned entity—either federal state unitary enterprise or a state-owned joint-stock company.

The recently created seven special federal district levels are new for Russia and have no counterpart in other countries. They are needed due to vast territory of the country. The federal districts should perform a number of purely coordination functions; therefore, these district offices should act as affiliates of the federal advisory service. But currently in Russia there is a paradoxical situation: there is no functioning federal Farmer Information and Advisory Service, and regional advisory services have tended to develop on their own. This has resulted in a huge diversity in their development and performance levels even within federal districts. Hence, the important challenges for district-level services are to ensure consistency in terms of the institutional setting of regional services and to narrow the gap in their performance.

Currently, district affiliates of the nonexistent federal-level organization could not cope with such tasks. Therefore, it would be advisable to allocate district-level functions to the most advanced regional advisory services. They should set up special units to carry out district-level functions, and these activities should be financed from the federal budget. As regional advisory services within districts are established, it would be feasible to create district-level advisory services as affiliates of the federal advisory service.

Figure 1 represents a possible model of an agricultural advisory and information service in the Russian Federation that takes into account all the above-mentioned considerations. Functionally, the advisory service would consist of four levels. However, from an organizational and legal point of view, there would really be only two levels: the federal information and advisory agency with its affiliates in the federal districts, and the regional information and advisory agencies with their local affiliates. The federal

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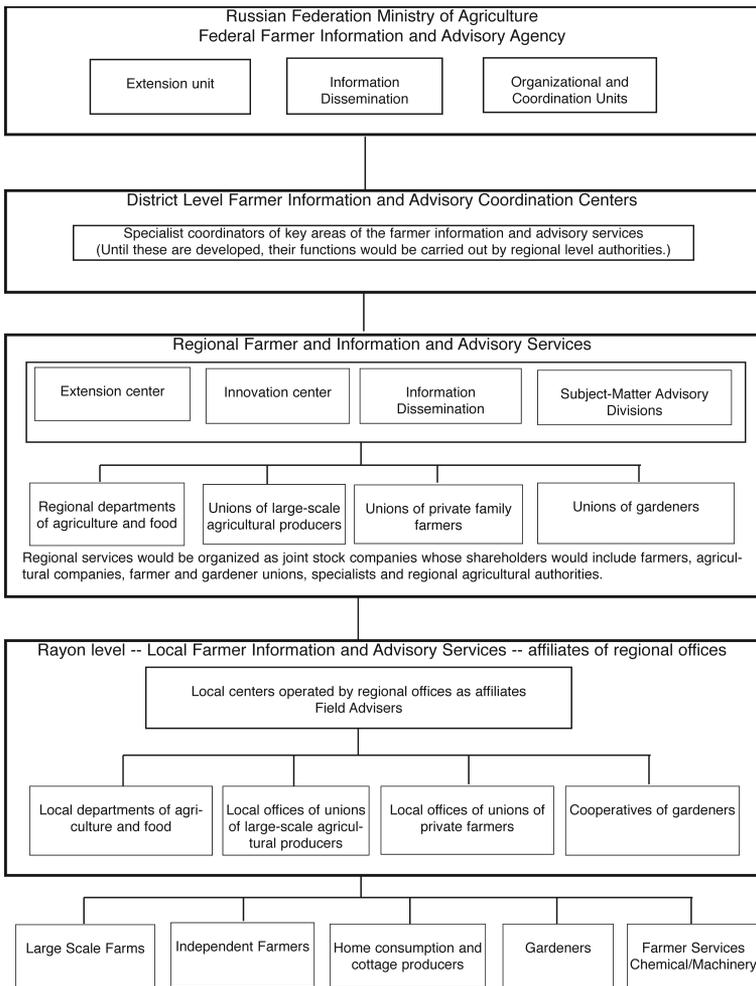


Figure 1. Possible model of an agricultural advisory and information service.

component of the system should represent state ownership, while the regional component should be mixed ownership such as joint stock capital. This model would reflect the interests of the state, agricultural producer organizations and rural communities.

It is necessary to underscore an important special characteristic of the proposed model – active joint efforts of the advisory service and organizations of agricultural producers and gardeners. These efforts should contribute to strengthening of cooperatives and unions that are currently experiencing difficult times.

The current pattern of strengthening of nation-wide governmental bodies suggests that implementation of this model might be started in 2004 and accomplished by 2007.

In order to enhance institutional development and capacity building at all levels, international expertise is very much needed. In the last eight years international expertise has been used mainly to facilitate and to support regional and local information and advisory services in Russia. Now, international support would be extremely useful for institutional strengthening the federal and district-level advisory services and for establishment of regional extension district centers and innovation centers.

Cooperation with relevant services in the United States, especially with its extension and agricultural communication system, could be very important for the Russia's Farmer Information and Advisory Service. As the experience of cooperation between Leningrad Oblast and the U.S. extension system demonstrates, the United States has achieved success in establishment of multilevel systems with cooperative relationships among states to deliver training and practical application of innovations in agriculture. This experience of our American colleagues would be very helpful for Russia, taking into account its accumulated experience with the initial stage of implementation of a Farmer Information and Advisory Service, and its high level of research and education.

In this context the following joint projects should be encouraged:

- Creation of regional extension centers and an innovation-dissemination network;
- Establishment of district organizations and interregional associations of the Farmer Information and Advisory Service;
- Assistance to the Ministry of Agriculture of the Russian Federation in establishment of the federal-level Farmer Information and Advisory Service;
- Establishment of a nation-wide rural information and advisory system.

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