

# The Importance of Understanding Dairy Farmers' Competencies Prior to Industry Deregulation

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## Introduction

This paper outlines the links between dairy farmers' personalities, financial risk management competencies, education and ability to trade in a deregulated market.

Deregulation of the Australian dairy industry on July 1, 2000 placed many dairy farmer-producers in a precarious position, because they were not ready for their new entrepreneurial roles. Because of past education and training practices for dairy farmers, many are technically proficient, but lack the conceptual skills to trade in an unregulated market. If current speculation that 30-40% of dairy farmers will leave the industry as a result of deregulation is correct, then educators, policy-makers, and the industry showed little cognizance of the skills required by farmers to deal with the new market environment.

## Materials and Methods

The differences between Competency-Based Training (CBT) and Competency-Based Education (CBE) are

explored, and the links made between CBE and personality. By examining personality traits of dairy farmers and linking possession of certain traits to either the possession of, or ability to acquire, a pyramid of financial risk management competencies, it is hypothesized that some farmers' competencies will be easily upgraded. Some will need to outsource services at particular levels on the pyramid (since they won't have the ability to upgrade their competencies), and there will be another group who may be able to upgrade their competencies through education.

## Conclusion

This paper reviews the literature of personality and competence and draws conclusions with implications for all industry deregulation policies, but with particular reference to the Australian dairy industry.