



A Farmers Club Charitable Trust Scholarship

MONITOR FARMS AND FARMER DISCUSSION GROUPS IN NEW ZEALAND (Summary)

*Their role in improving physical and financial performance through
collective learning*

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1 SUMMARY

- 1.1** British farmers face an unprecedented period of change as the economic downturn, and now the aftermath of the Foot & Mouth outbreak, force a radical rethink of farming systems. It has occurred at a time when farmers are more isolated than ever – labour has been reduced to the bare minimum, there are fewer external sources of advice and less people in the agricultural community with whom to share problems.
- 1.2** New Zealand agriculture is experiencing a boom period largely due to the weakness of the Kiwi dollar, but also due to some exceptional improvements in technical efficiency and marketing effort. Much of the technical and financial improvement can be attributed to group learning and monitoring as aids to decision making.
- 1.3** New Zealand has a number of natural advantages, not least a kinder climate which allows livestock to be grazed outdoors for most of the year. They have developed simple, low cost systems which minimise the need for intervention and have strived to work within limitations of farm resources and animal behaviour patterns rather than modify them. Many of these systems have been developed through the group approach.
- 1.4** The NZ monitor farm concept was introduced at a time when their farmers were struggling with low profitability, uncompetitive exchange rates and high bank interest rates following the removal of subsidies and free advisory services in the mid 1980s. We find ourselves in similar economic circumstances now.
- 1.5** Any visitor to NZ cannot fail to be impressed by the business-like approach, the enthusiasm and desire for knowledge exhibited by their farmers. Much of this is due to the confidence and motivation provided by group learning formats and the realisation that days spent off farm at meetings and seminars are vitally important for the development of their business.
- 1.6** This report covers three types of group format: monitor farm groups; farmer discussion groups and farm monitoring groups. The aim of the study trip was to identify how group learning could benefit farmers and give them the skills and confidence to apply new ideas to their own farm systems.
- 1.7** Monitor farm groups are farmer owned community groups consisting of from 25 – 70 members who chose one of their number as a central monitor farm for a three year period. The group is assisted by a facilitator and other specialists to monitor and measure, and to identify steps which can be taken to improve physical and financial performance. The monitor farm is used as an example to motivate others and speed up the improvement of farm performance within a local area.
- 1.8** A report commissioned by Meat NZ identified that 80 farms involved in a typical monitor farm programme would each benefit by \$6,700 (approx £2,500*) per year, which is a twenty fold return on the \$25,000 funding annually invested by Meat NZ in each MFP. Another report identified production increases of 8 to 37% and improvements in farm revenue of 13 to 31% for nine monitor farm projects through implementing changes in livestock policy which better matched stocking rates to the farms resources, improved breeding performance and increased animal growth rates.
- 1.9** Other benefits of the monitor farm programme were not easy to measure financially but are highly significant in terms of improvement. These included the discipline of recording and measuring, benefits of benchmarking and knowing how the farm performed relative to others. Shared decision making and strategic planning engendered a confidence that the business was on the right track. The group approach increased motivation and enthusiasm, included the benefits of healthy competition, and encouraged closer social and co-operative bonds between members.

- 1.10** The choice of monitor farmer is more important than type of farm. He should be of above average ability, willing to open his farm to others and accept policy decisions from the community group. Meat NZ now aim for farmers who are in the “top 20%” in order to increase the rate of change. Privately organised monitor farm groups have been formed consisting of selected “top performers” who want to improve at a faster pace.
- 1.11** The role of facilitators should not be underestimated. These consultants were responsible for organising meetings, steering discussion, and providing technical input. The most productive groups were led by good facilitators who got the best out of the participating farmers.
- 1.12** Measuring and monitoring forms the basis for this improvement. The figures set target levels for others to achieve, and stimulate discussion to identify reasons for better performance. They also allow rational decisions to be made on the basis of hard facts rather than gut feelings. Regular monitoring and meetings allow these decisions to be made during the production season rather than on a historical basis.
- 1.13** The monitor farm or group learning concept can be transferred to UK conditions. We are disadvantaged by a climate which affords few weather windows and a bureaucratic subsidy system which has undoubtedly reduced management time and hampered technical improvement. Farmers often say that they have insufficient time to measure performance and attend meetings. The monitor farm can be used to demonstrate how changing practices can free up management or leisure time. NZ farmers were convinced of the benefits of measuring and monitoring through observing the improvements on the monitor farm. Crucially, the recording must be straightforward enough to avoid disruption to everyday work.
- 1.14** Visits to the first three monitor farm projects in Wales gave convincing evidence that the concept could be well accepted here, with large turnouts and interest in their open days. Regular two way contact with New Zealand through farmers travel scholarships have played an important role in this acceptance.
- 1.15** A Farmer Discussion Group is a small localised grouping of 10 – 20 farmers who meet on a regular basis to discuss topical management issues on members farms in rotation. I was very impressed by the effectiveness of this low cost approach to group learning. Most of the participants had previously been involved in monitor farms and wanted to retain the benefits when the MFP had moved on to another area.
- 1.16** A Farm Monitoring Group is a group of farmers who record data which is processed centrally before being used to benchmark performance, encourage improvement and identify reasons for success. The UK has had recording schemes for many years, however the important factor is not in producing data, but in using it to best effect. The New Zealanders have been particularly innovate in the way they have used the data to improve performance locally and nationally.
- 1.17** The monitor farm or group format approach is exactly what our farming industry needs at present. It has proven to be extremely cost effective, and has delivered physical, financial and motivational benefits in New Zealand which have resulted in a much more focussed and business-like approach. We need to follow their lead in developing simpler farming systems which maximise production whilst minimising potential problems through a better understanding of how our enterprises are actually performing.

** Based on a rate of exchange of £1 : \$2.75 NZ. Please bear in mind that costs are significantly lower in New Zealand making direct financial comparisons difficult.*

The full version of this report is available from Iain Riddell, Senior Agricultural Adviser, SAC, Greycrook, St Boswells, TD6 0EU

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