

Editorial: Celebrating 2014 UN International Year of Family Farming: A reflection from New Zealand

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It is a wonderful thing to be a part of something great from the beginning. Brendan was approached a few years back by the World Rural Forum (WRF)¹ with a request to support their idea of having 2014 as the International Year of Family Farming (IYFF)². I was, at that stage, their only contact point in Oceania. The request, while a little wild, seemed plausible and the correct thing to support; I backed the need and passion for this important initiative. Through such responses, their idea became a reality.

WRF's global supporters had a brief meeting in Rome which resulted in the formation of the World Consultative Committee and concluded in a simple and realistic strategy: take the message back down to the regions and to the national level.

With no funds and this simple approach Oceania has seen the spreading of the message of the importance of family farming using existing programmes; such as, in the Pacific, that of Karen Mapusua on "Cultivating Community"³, and through the use of new communication tools, as Jennie Clarke⁴ has developed in Australia.

To celebrate the IYFF in New Zealand I formed a national steering committee. We carried out surveys, and held a series of workshops and events, to explore the role of family farming in New Zealand, and to identify opportunities and issues facing the country's family farmers. We found that even though New Zealand had become highly urbanised, most New Zealanders still have a strong tie to the land, and identify with the values of family farming. The resilience and ingenuity of the family farmer were identified as being a core part of New Zealand's national identity.

Perhaps this is not surprising, as the development of New Zealand as a modern nation was built on the hard work of pioneering family farmers who modified the land and introduced the animal and plant species that formed the foundation of our economy. Pastoral, arable and horticultural farming were initially based on introduced species, the first brought by Maori from the Pacific, and then many more by settlers from Britain and Europe. In the late nineteenth century the Government supported family farming by purchasing and subdividing large pastoral leases and Maori land for sale to family farmers.

Family farming still dominates all farming systems, though recent times have seen a growing trend towards multiple farm ownership by farming families and, to a lesser extent, corporate farming business, particularly in dairy, sheep and beef farming. Most vegetable, arable and fruit production, beekeeping, amenity plant breeding and production and specialist nurseries, as well as some aquaculture and farm forestry, are still predominately family farming businesses.

An important element in our work in celebrating the IYFF is to ensure the global message that the year is not about the 'farm' or the 'farmer' but about the importance of 'farming'. 'The Global Dialogue on Family Farming' is inclusive of the whole community, farm labour and all methods of generating livelihood from nature.

New Zealand is unusual amongst OECD countries in that a high proportion of its overseas income is derived from the products of farming activities. According to NZ Statistics, in 2012 primary products accounted for 70 percent of all goods exported, and over 50% of New Zealand's total export earnings. Family farming also contributes to another major income source and growth industry, tourism. The country's scenery, natural environment and a range of outdoor activities make New Zealand a popular tourist destination; and farming activities provide an essential part of the iconic landscapes that attract visitors to this country.

¹ <http://www.ruralforum.net/Default.asp?id=en>

² www.fao.org/family-farming-2014/en and www.familyfarmingcampaign.net

³ http://lists.spc.int/mailman/listinfo/cultivating_community

⁴ familyfarms.enviroed4all.com.au

An important feature of New Zealand's primary sector is its huge agricultural diversity. Historically, entrepreneurial families have been responsible for the introduction and development of new products, some of which have become major industries, for example: kiwifruit, wine grapes, farmed venison, avocado and King salmon. The most famous of these is kiwifruit. While the fruit is originally from China, it was 'Kiwi entrepreneurial' behaviour that developed and bred the species to become a world renowned commercial fruit. The primary variety – 'Hayward' – bears the family name of the breeder and commercial developer of the fruit. This is also true for farm engineering and science best practices, including innovations in electric fencing and herd breeding.

The organic sector continues to grow at 8% per annum, largely driven by the fresh fruit sector; the vast majority of these operations being family owned. The uniqueness of the sector is that its organisational framework is based on representation that covers home gardeners, consumers, Maori organisations, retailers, exporters, and the certification capacity under one lead organisation to ensure it has a single voice to government and wider interests. This model has unfortunately not been replicated in the primary sector as a whole in NZ.

New Zealand also has an extensive coastline which supports thriving aquaculture and fisheries industries. New Zealand implements a sustainable fisheries policy with a quota system to regulate catches of wild species. Pacific oyster, green-lipped mussels and quinnat salmon are the three main species farmed in New Zealand; the first two are significantly supplied through family businesses.

Many family farming businesses value add to their farmed products, or support other local family businesses to do so. This has developed a rich tapestry of innovative food and consumer products that support rural economies and supply local and niche export markets. Examples include olive and avocado oils, artisan cheeses, beverages and preserves, natural cosmetics, nutraceuticals, and even high-end fashion brands. Local supply chains and farmers markets, local cafes and tourist activities (food festivals, wine and food tasting, etc.) are all well established and supported by regional economic strategies. The New Zealand family farming story is central to the marketing of these products.

Although the business environment is generally supportive of family farming, the IYFF national workshops and surveys identified some key issues that are impacting family farming in New Zealand; most notable were succession, debt, rural connectivity and connectivity in general, managing the environment and identity.

Strong and prolonged growth in land values has made affordable land ownership challenging. For example, in some areas general farmland has increased in value at a compounding rate of 10% per annum over the past 20 years. In the areas that are closest to urban centres, demand for 'lifestyle blocks' has pushed the price of land even higher. Such inflated land values have created a disconnect between the value of the land and its actual productive capacity. This has created a challenge for the next generation of farmers to be able to secure adequate entry capital and sufficient cash flow required to farm. Scale of farm ownership, rather than profitability, is still seen as a symbol of success; and in pastoral farming and some horticulture operations there is a trend toward larger farms and cooperative or corporate ownership. Although these farms are still managed by rural families, they are now tenants on the land rather than owners, and are likely to have a different relationship to the land and its stewardship.

Keeping the farm in the family therefore now requires a lot more thought and effort than it once did, and this is giving rise to a range of innovations in family farming structures. These include equity partnerships, community supported agriculture, land trusts, indigenous Maori ownership models, and other combinations and permutations designed to keep families in farming and close to the land. A common tension we identified in succession planning is that generations X and Y are more impatient than their baby boomer parents, and seek control and input into farm decision making 'now'. They lead a changing world where being responsive and quick to change is critical for commercial survival. In contrast, we found that many of the farmers who are close to retirement want to put off the decisions about succession until they are ready to leave the farming business.

Increasing land values and the push to increase farm size has created a need amongst family farmers to take on high level of debt to fund land purchases as well as new technologies. Our workshops identified that the problem of high debt levels is extensive and exacerbated by lack of financial literacy among some farmers, many yet to become confident with modern account keeping, forecasting and budgeting methods. In addition, it was felt that many credit managers lack a good understanding of

primary production systems, especially when it comes to assessing the financial risks associated with new or unfamiliar production practices. Furthermore, both parties were often misled into thinking that the route to financial success is increasing gross turnover, rather than assessing every aspect of primary production and consumption by how each contributes to net profitability.

Creating greater value from farming activities is seen to be an important part of reducing debt. Many family farms increase value through the development of local niche products and by connecting directly with consumers. However, supply chain structures that connect producers with consumers directly, and do it well, are currently weak, and poorly supported and, for many family businesses, the lack of scale has been identified as a major limitation to successful development of supply chains, processing capacity and marketing. It was felt that better farm scale models of risk management are needed, and policy needs to be developed accordingly, otherwise it will continue to be difficult for family farmers to significantly increase the value of their products.

Many programmes have been developed by the industry sector and voluntary organisations to assist rural families to improve their business skills, manage debt and plan for succession. Examples are the 'Beef + Lamb NZ' programme for farmers, facilitated by the Agri-Women's Development Trust (AWDT), to support business development and leadership in rural communities. Dairy NZ has run Farmers' Forum workshops on succession planning and farm management; and, as part of its celebration of IYFF, Rural Women NZ ran a series of road shows around the country at which seminar topics of succession and rural business management were presented.

Pressure to increase profits to service debt often creates real tensions that result in environmental degradation. Not all family farmers care for the land well; but history shows us that as a general rule it is dangerous to divorce ownership and management of the land from the families who live on it and care for it as their home. To this end, for nearly two centuries, New Zealand farming families have been building attractive homes, creating gardens around them, and planting trees and keeping animals for pleasure as well as utility. In contrast, absentee owners, tenant farmers and hired labour generally have less interest in creating a safe and attractive place to live. Most family farmers have a strong sense of land stewardship and practice sustainable land management. Many are actively involved in conservation through revegetation projects and pest control on their land, and work in conjunction with regional and central government departments to ensure these conservation projects are successful.

Technology is transforming agriculture and family farming; so that being connected to broadband is now as important to modern business as having access to a road or port. While technology and internet connectivity offer the opportunity to break down isolation barriers and boost family farm performance, access to high speed broadband is not universal throughout rural New Zealand. There are vast sectors of New Zealand that are not served well; some being as close as 30 minutes from our major cities. This electronic isolation is having a profound effect on rural families. Although a significant government initiative is aiming to achieve broadband coverage across the country, no telecommunication companies in New Zealand currently have strategies to effectively deliver broadband to the rural sector, and the lag in the provision of these internet services has created a digital capability gap within rural New Zealanders. Our research indicated that although there is interest and an understanding of these issues, while the private telecom companies see no profit in serving rural sector their focus will remain on the urban and under 35 year old markets.

Our surveys suggest these recent challenges to the viability of family farming have undermined the confidence of family farmers and their role in society. The need to make ends meet has drawn their focus of energy inward, and some have developed a siege mind-set, so that when discussions were held around the broader role of family farming (e.g., farmers being stewards of the land, stalwarts of community etc.), a number of them had an 'awakening' experience. Farming families not only provide economic support for other rural businesses, but also contribute to the social fabric of rural communities through volunteer activities (e.g., fire fighters, and governance and political roles); but several farmers confessed that they had not considered the wider roles of their businesses as 'anchors' within their communities.

We also found a significant difference between the views of younger and older farmers regarding the future of family farming. Many older farmers surveyed were pessimistic about the future of family farming, perceiving a loss in the family farming lifestyle and ability to own land. In contrast, younger farmers were generally very confident about the future of family farming, although they regarded the farm as a business rather than a lifestyle, and accepted that they would need to possibly seek outside investment to increase the sophistication of the business, ensure farming was conducted within

environmental limits, and fight for good connectivity to provide strong ties to the global economy. It appears that future family farmers will continue to be the innovators and the backbone of New Zealand's rural economy.

Participants in our 2014 IYFF workshops agreed that fostering discussion about and support for family farming's positive contribution to the community and the nation was an important activity that needs to be continued beyond the 2014 International Year of Family Farming.