

FARM MANAGEMENT IN AUSTRALIA: THE WAY FORWARD

A.A. Charry, R. Cox, K.A. Parton, J. Crockett, S. Johnson, Z. Bone & W. Whiteley
Al.Charry@orange.usyd.edu.au; Rod.Cox@orange.usyd.edu.au; Kevin.Parton@orange.usyd.edu.au;
Sue.Johnson@orange.usyd.edu.au; Zelma.Bone@orange.usyd.edu.au; Wal.Whiteley@orange.usyd.edu.au
Faculty of Rural Management, The University of Sydney
Orange NSW 2800 Australia

Abstract

This paper summarises the outcomes of a National Workshop in Farm Management, 5-6 December 2002, organised by the University of Sydney, Faculty of Rural Management, Orange. At this Workshop leading farmers, industry leaders, corporate representatives, academics, researchers and extension officers explored the future of farm management (education, research and consultancy) in Australia. Major outcomes were that farm management practice is proceeding informally to undertake decisions supporting socially and ecologically friendly, sustainable commercial production agriculture. However the risks of lack of integration, a reductionist approach to only on-farm practice, stagnation of academic programs to respond to leading edge industry initiatives, as well as ill-defined boundaries for farm management research were identified. The analysis indicated that formal educational models, research and extension-consultancy frameworks of an holistic nature, and a multiple bottom line perspective, were appropriate avenues for the future development of farm management practice and research. Workshop participants perceived that a farm management strand emphasising *business management* rather than technology could be a better educational model. Also there was an emphasis in highlighting the importance of linked development and partnership amongst the different players. The Workshop created the conditions for development of networks among industry, education and consultative research.

Introduction

The University of Sydney, through its Faculty of Rural Management has supported the tertiary training of professional farmers for Australia and overseas. As such, on the occasion of its Sesquicentenary a national farm management forum was organised in 2002 to explore the future of this discipline. We present here a review of issues discussed in order to give an indication of the state of the art in Australian farm management practice, research and teaching.

Background

The national farm management workshop was organised around several fundamental assumptions highlighted in discussion papers distributed to participants beforehand that stimulated discussions within the working sessions of the workshop. Charry and Parton (2002) challenged traditional views of farm management in Australia, highlighting the risk of being viewed as an out-of-date discipline if the essential characteristics of modern agriculture were not encompassed within the current educational farm management model. These authors insisted on the need to open new avenues encompassing holistic frameworks of action (i.e. technical, financial, social and ecological) and giving to the discipline a definite character of integrative business management and technology. Kemp and Girdwood (2002) argued that farm management, rather than being a single discipline, is a multidisciplinary and interdisciplinary field of academic endeavour and professional practice. This

is in opposition to a more traditional perception of farm management within the area of production economics, and the practitioners' perspective of simple hands-on practical farming action. Moreover, Kemp and Girdwood (2002) challenged farm management to portray itself as a university-trained vocation to attract the best and brightest academic achievers, and to make farm management exciting to future generations.

Cochrane (2002) coming from the perspective of generic management applied to farms, highlights decision-making as the core component of a farm management discipline, which might become a profession if a "capabilities approach" were undertaken in the design of its curriculum. From a different perspective, Whiteley (2002) argues that the survival and development of farm management, will only be possible if there is an implicit recognition of its professional status and if regulatory avenues for farming rights are established. Baldwin (2002) put forward an integrative definition of farm management encompassing business, human activity systems and ecosystems under an integrative profitability and sustainability framework. Scott (2002) emphasises that a future training program for professional farmers should be aligned within a business management framework. In this, technology can naturally find a niche in its smooth integration with the other components of the farm business, therefore identifying a farm manager, as a decision-maker within the agricultural environment.

Marsh (2002) emphasises the "new view of agriculture as an ecological system". Within this perspective environment and ecosystems become a dominant issue in the training and action of the people managing the natural resources, the production systems and the business on the land. Tually (2002) recognises the multidisciplinary, but potentially explosive mixture of business, legal and family aspects encompassed within the farm. As such, farm management should extend its consideration not only to technical components, but also to business and legal components of a normal business operation.

The Discussion Framework

The framework of the workshop was innovative using an "open space" methodology. Using this process the workshop participants defined the agenda and the topics for discussion. Discussion papers were distributed beforehand, to stimulate the participants' imagination about issues that might be considered relevant to being brought forward. The issues that came to the discussion table are summarised within the following areas and topics.

Area 1: Farm Management and Business Management

- Decision-making in Farming
- Farming and Competitiveness
- Change Management
- Farming and Business Management
- Strategic Management of Farm Businesses
- Marketing, Quality Assurance and Value Chains

Area 2: Farm Management and Educational Models

- The Need for New Educational Models for Training of Professional Farmers, Educators, Consultants, Researchers and Extension Officers for the Primary Industries Sector of Australia
- Lifelong Learning for Professional Farmers
- Characteristics of the Professional Farmer of the Future
- The Triple Bottom Line Approach to Farm Management Education and Professional Action
- Experiential Learning as an Essential Condition for Excellence in the Training of Professional Farmers

Area 3: Farm Management and Research & Development

- Research & Development in Farm Management: Philosophy, Operation and Value
- Research in Farm Management: Where is its Professional Identification?

Area 4: Professional Recognition in Farm Management

- Farm Management: The Disciplinary versus the Multidisciplinary Field of Action
- The Legal/Logistical Issue of Professional Recognition in Farm Management
- The Need for Accreditation to Gain Rights to Farm

Highlights and Further Actions

The remainder of this paper is a summary of highlights grouped into two broad areas, viz. philosophy and logistics. They provide reference points for future action in the process of strengthening farm management in Australia.

Philosophy:

- The multiplicity of the topics, added to the diversity of opinions from the participants, enhanced the perception that under the umbrella of farm management there is a crossroad for many disciplines to integrate in the business of running the farm.
- However, several groups recommended strongly that in spite of the multidisciplinary nature of farm management practice, it must be based on a discipline (or a set of closely related disciplines) as the core that identifies the practitioner's action. *Business Management* was proposed as the core component of farm management today, to which agricultural technology and an understanding of agricultural systems and human resource management should play key complementary roles.
- An integrative multidisciplinary farm management practice (within the core component of business management) can only be implemented if a holistic framework of natural resources management is envisaged. As such, *sustainable commercial production agriculture must be based in a trilogy of fundamentals that integrate profitability of the farm business, well-being of individuals and communities surrounding farming and enhanced environmental management systems*. This is the triple bottom line approach to decision making on the land.

Logistics

- Farm business management should represent a profession that will ensure efficiency in the use and survivability of the natural resources of Australia committed to agricultural production systems. Therefore schemes for professional recognition should be implemented,
- Networking avenues are a major deficiency of the farm business management related professionals. The need to establish organisations and venues for interaction is a major issue that needs to be considered.
- The survival of farm business management as a profession is conditioned on the offer of suitable tertiary educational and adequate research opportunities with a farm related

identity. However it is also recognised that only under an integrative umbrella can these issues be enhanced.

- The updating of consultancy schemes in line with a triple bottom line framework is an urgent requirement to make farmers aware that the long-term profitability of their business operations implies issues beyond that of financial profitability. Social and ecological factors of the farm environment have to be incorporated as major components of overall farm management practice.
- The traditional isolation on the land has to be overcome with networking and integration, through forums and organisations where farmers develop ownership, and may be able to modify their attitudes to change.
- Professional farmers and farm business management related organisations should come together for mutual benefit to be derived in terms of attitudinal change, education and research.

Conclusions

The Workshop participants were emphatic in highlighting the importance of linked development and partnership among farm business management stakeholders.

The Workshop created conditions for beginning to develop these networks and provided the foundations for the establishment of a coherent organisation with benefits to all involved in Australian farm business management practice.

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Author's Profiles

A.A. (Al) Charry, PhD, is a lecturer and member of the Farm Business Management group of the Faculty of Rural Management, The University of Sydney. He has a background in Animal Science and Veterinary Sciences as well as Farm Economics and Farm Business Management. His research interests are in the area of sustainable farming systems, beef production systems and holistic farm benchmarking. He is also a part-time farmer.

Rod Cox, Master Rural Science, is a senior lecturer, part-time farmer and consultant, Faculty of Rural Management, The University of Sydney.

Professor Kevin Parton is the Dean of the Faculty of Rural Management at the University of Sydney .

Judith Crockett, PhD, is a farmer and part-time lecturer in management and sustainability at the Faculty of Rural Management, The University of Sydney.

Sue Johnson, Master Applied Sciences (Agriculture), is a lecturer, consultant and researcher from the Faculty of Rural Management, The University of Sydney.

Zelma Bone, M.Ed., is a lecturer of the Faculty of Rural Management, The University of Sydney.

Wal Whiteley, Master in Agricultural Development, is a lecturer and program co-ordinator of the Farm Management academic strand of the Faculty of Rural Management, The University of Sydney. He is also a part-time farmer.