



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

Papers downloaded from AgEcon Search may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

SUMMARY OF THE WORKSHOP ON FARM MANAGEMENT EFFICIENCY

LK Oosthuizen

Department of Agricultural Economics, University of the Orange Free State

The purpose of the workshop was to critically analyse farm management efficiency on both the professional and farm level.

Three speakers representing different fields of the profession of agricultural economists analysed the topic from their particular perspectives. Prof. Bester emphasised management efficiency and the measurement thereof. Mr. Jan Grobbelaar also paid attention to the measurement of management efficiency; he assessed the level of management of RSA farmers and finally he discussed the role of the agricultural economist in increasing farm management efficiency. Mr. Brian Suggs focused on three specific management services provided in the Natal region which are directed at different participants with different specific objectives, but with the overall aim of improving farm management.

It must be accepted that the measurement of management efficiency is subjective. A manager can only be efficient/inefficient in terms of his objectives. One cannot generalise about the question of whether the level of management is high or low. According to Prof. Bester the profitability on farms in South Africa could be increased by paying more attention to "doing the right" (management efficiency) rather than paying the same amount of attention to "what is to be done" (economics efficiency).

The measurement of farm management efficiency creates many problems. For example, what should be measured: management ability, management potential or management performance? A recent development is the approach of the National Productivity Institute whereby a strategic audit is carried out on individual farms by means of an objective matrix. The performance in respect of the major critical performance areas in a firm contribute on a weighted basis to the determination of the total productivity index.

Mr. Grobbelaar is of the opinion that the management of the South African farmer is on a considerably higher average level than 20 to 25 years ago. It should be kept in mind that