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CHANGING THE FACE OF EXTENSION USING OLD METHODS

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Abstract

There are a number of extension methods which are used throughout the country with an aim of educating farmers and driving on-farm change. The majority of these methods are used in isolation from each other. A forward thinking group of farmer leaders in the South Waikato were determined to drive change in their area with a focus on profitability. An extension model that incorporated a focus farm with field days, workshop style participant group days and one-on-one consultancy pitched at a strategic level was developed. Funding was received from DairyNZ, Fonterra and South Waikato District Council to a level where it was free to farmers and covered a 3 year period. AgFirst were able to deliver this model to 50 dairy farmers in the South Waikato District with many positive outcomes. Farmers within the group have gained a better understanding of the direction and financial situation of their business. There has been an increased financial literacy of the participant group, increased monitoring both at a financial and physical level and an understanding of how this information can be used to make more informed business decisions.

The extension model provides a multi-faceted approach to extension with the focus farm providing demonstration of the implementation of tools such as the cashflow budget and monitoring and the subsequent use for informed decision making. This information is also all available to the wider community and updates are emailed and posted on the DairyNZ website fortnightly. The Participant Group days provide changes for sharing of knowledge, direct benchmarking within the group and education around industry KPI's. This is all reinforced through the one-on-one consultant facilitation visits that are focused around the farm business strategic plan.

The DairyPush programme has proven to drive behavioural change and transfer of knowledge. The success of this in the past 3 years has lead to the programme being funded to continue for another 3 years with the profitability focus and an additional focus on reducing the environmental footprint and improving social well being of the business. The majority of farmers are continuing in the programme despite the introduction of a \$400/yr cost and there are new participants eager to enrol.

Keywords: Extension, environment, education, technology transfer

Introduction

DairyPush is an extension programme which was initiated by a group of farmers late in 2007. The group wanted to find a fresh approach to extension to encourage more farmers in their district to get involved. They also wanted the programme to have a focus on profitability as opposed to the traditional productivity focus. What developed out of this was the DairyPush programme which combines a number of extension methods to provide knowledge, demonstrate the practical use of

technologies and give support and reassurance at an individual level to make changes on farm. The group took their vision and plan to DairyNZ, Fonterra and South Waikato District Council and secured funding for the programme to run for 3 years with no cost to the participants.

DairyPush was launched in the South Waikato District with an initial target of 40 farms to be involved. However following a successful launch meeting the programme was oversubscribed and was then adapted to take on all of the 50 farms that applied. The 50 participating farm businesses were a representative sample of the 680 dairy farm businesses in the district in terms of farm size, productivity and profitability.

The targets for this initial programme were to increase the profitability of these farm businesses by 10% every year for 3 years through shifting the focus to profitability, improving the understanding of the individuals businesses and helping participants to get the most from their 'team' of professionals around them.

The programme is set up with 3 different levels of extension. There is the focus farm (demonstration farm); the Participant Group (PG) days; and the one-on-one consultant facilitator. The Focus Farm information and field days were open to the wider community; the participant days were just for the participants in the programme and the one-on-one consultancy was at an individual level (Figure 1).

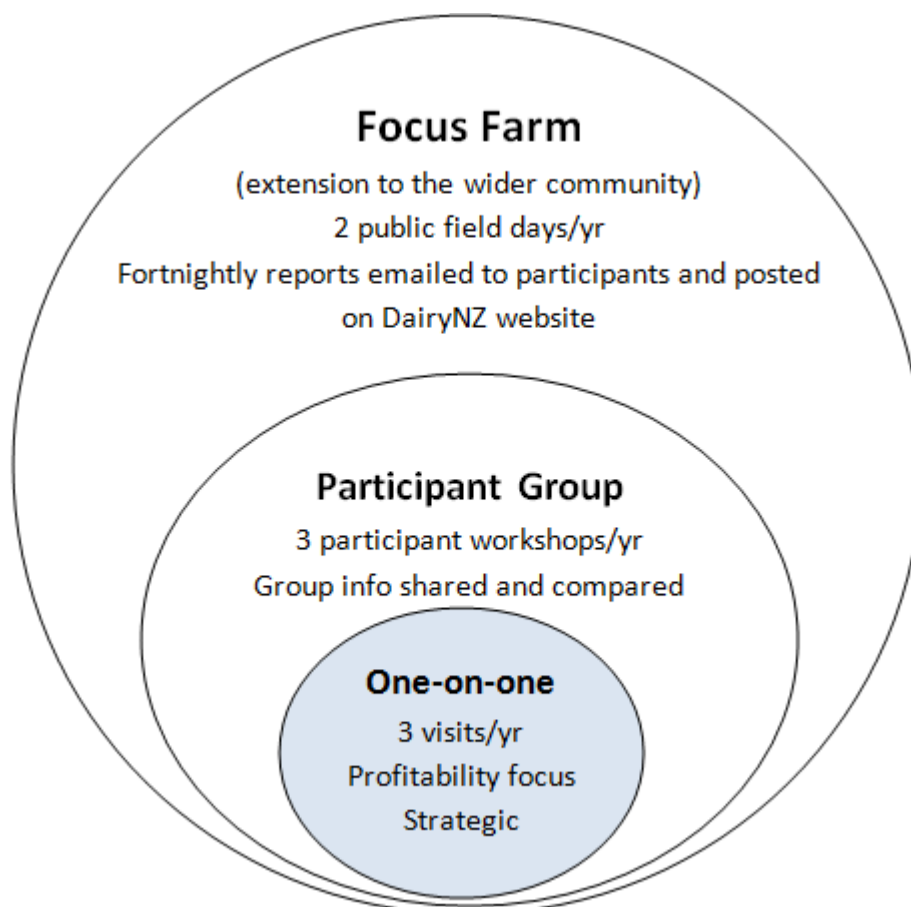


Figure 1: The three levels of extension of the DairyPush programme

To service the farmer group on a one-to-one basis, and organise and facilitate the Participant Group and Focus Farm field days, a team of consultants were required. AgFirst Waikato¹ were contracted to fulfil this role. Eight consultants from two AgFirst offices have been involved in the project. Each consultant was teamed up with 5-8 farming clients and were able to provide excellent facilitation at a strategic level. They were also able to provide the facilitation at both the Participant Group days and the field days.

Background

Historically data collection and monitoring has not been carried out well by farmers throughout the country. The financial and business literacy of farmers throughout the country is reasonably low. Formal business plans and financial budgets are rarely carried out by the farm owners. Often they are only carried out when approaching lending facilities for additional funds for investment. Research suggests that less than 5% of farmers use cash forecast budgets and only half of these monitor their cash flows². This research also found that few farmers have any form of financial training. The reasons for this lack of financial budgeting are varied including the lack of understanding of the benefits and purpose, lack of financial literacy, and a historical reliance on capital gain as opposed to cashflow.

Formal on-farm physical monitoring such as monitoring pasture covers, pasture growth rates, cow condition and young stock weights are also rarely carried out. Only about 20% of dairy farmers in the country carry out regular feed budgeting. Farmers tend to farm by 'gut instincts' and what happened last year as opposed to hard facts. Although some experienced farmers appear to be successful the extra level of monitoring has shown to provide opportunities to make adjustments to further improve the productivity and profitability of the business. It has also been shown to enable farmers to be proactive in their decision making as opposed to reactive. Reasons for lack of physical monitoring are also varied with one of the most common reasons being the lack of time. There is also lack of understanding of how the data is used to make decisions and the benefits that can be gained from this additional knowledge.

The DairyPush programme aims to use the Focus farm and PG days to demonstrate and discuss what data should be collected and how this is used to make informed decisions that lead to an improvement the profitability of the business. The one-on-one consultant facilitation sessions then provide an environment where practicality and situation specific characteristics can be discussed to assist this decision making process being utilised at an individual farm level.

Focus Farm

The role of the focus farm is to give a central focus for both the wider community and the group. This farm is heavily monitored by the farm owners and staff. Prior to selection the farm owners and staff already had a regular monitoring process in place; this was just intensified to fulfil the requirements of the focus farm. The information collected was dispersed by email fortnightly

¹ AgFirst Waikato is an independent agricultural consulting company based in Hamilton. It is part of a wider AgFirst NZ group which is a nationwide group of consultants covering Agriculture, Horticulture and Agri-engineering.

² Research carried out by Wayne Berry, DairyNZ Consulting Officer for the Morrinsville area, as part of his Kellogg Rural Leaders Programme 2010.

amongst the group, and the wider community through the DairyNZ website. Both physical and financial information were collected and dispersed including an updated financial budget. The aim of distributing this information was to demonstrate how this information was collected, what it was used for and the benefits in a commercial dairy farm situation.

There was a high degree of transparency in the focus farm data with financial budgets detailed to the group and provided to the public in the fortnightly updates. The process of using the information collected to make sound decisions is demonstrated through the fortnightly updates and is discussed in detail at the annual field days and in the Participant Group days.

Focus Farm field days are held twice a year and are open to the general public. The attendance on these days has generally been good with 70-100 people attending. These days are to showcase the farm and the progress which is being made. There are often guest speakers to discuss various topics. Systems analysis has also often been carried out for discussion.

Participant Group days

The PG days are workshop days which involved the 50 participant farms and some rural professionals. The workshops were focused on strategic planning and profitability. Each of the participant farms were required to provide their financial accounts and some physical indicators to be inputted into DairyBase³. This dairybase data was then analysed and utilised as a tool for the PG days. One of the key successes has been the ability to use local data to highlight local issues and opportunities.

This data was often used to investigate correlations from within the group. Scatter graphs were also used to dispel common myths in the industry such as higher production per hectare will lead to higher profitability Figure 2.

All of the data from these graphs comes from farm businesses within the programme. This has proven to be quite powerful as the farmers are away that each of the points on the scatter graphs represents someone else's business in the room. This has also been used to identify key farmers that are doing well in certain areas and inviting them to share their knowledge of their system and how it works for them. This process of sharing was considered to be of great benefit to the participants.

³ DairyBase is a web-based national dairy farm database which enables benchmarking of both financial and physical information.

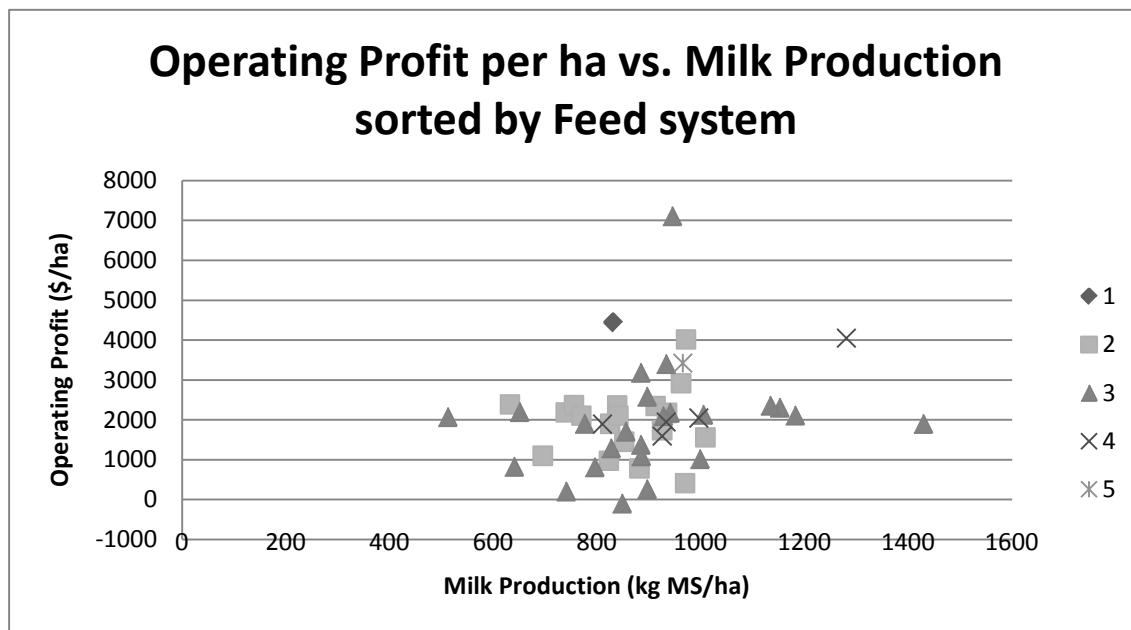


Figure 2: Example of the scatter graphs that we used in the Participant Group days utilising only information from within the group

Workshop exercises were also carried out in most of these PG days whereby the group was split into small groups to discuss issues or opportunities. These smaller groups provided an environment that encouraged participation from all participants. The outcomes from these discussions were then fed back to the rest of the group. This ensured that there was full involvement from all participants that attended these days. As these days were only for the participants of the programme they have also got to know each other well throughout the 3 year period, which enabled participants to feel comfortable expressing their views and opinions compared to a publicly open forum.

One-on-One Consultant Facilitation

The one-on-one consultant facilitation sessions were carried out 3 times per year and were focused at a strategic level. The consultants work at a high level with a focus on strategic planning. An interesting feature was that several of the participants were already utilising the skills of private consultant and the AgFirst consultant had to gain the trust and confidence of the existing consultant that they were not there to gain clients. The role of the consultant was more as a facilitator and sounding board, enabling them to compliment the work of any current consultants or other rural professionals working with the farmers. The AgFirst consultant was to encourage the farmer to utilise their rural professionals to help develop a team approach to their business. In a number of cases the AgFirst consultant set up joint meetings with multiple rural professionals including the bank manager, consultant, accountant, and any other rural professionals that they engaged in. This was to make sure that all those involved in the business were working towards achieving the same goals. A strategic plan for each farming business was developed by the farmers and their consultant, and this has been the base document for reviewing and updating throughout the programme. This strategic planning exercise was a fundamental part of this programme and usually undertaken on farm in a formal process. There were many farming couples that found this an enlightening process as they realised their long terms goals and priorities were often different.

An annual plan was also developed at the start of each season which was focused on how to ensure that the business was heading towards their strategic plan.

Initially the farmers were assisted to identify their values and what they wanted to achieve in the long term. A strategic plan was then developed for each business taking into account the goals and direction of the business stakeholders. A lot of the participants had never formally been through this process and they often found that there were some slight differences of direction of some of the stakeholders. This process was therefore useful in ensuring that they discussed the long term future ensuring that this met all stakeholders' needs.

The strategic plan was seen as a living document throughout the process and was updated on a regular basis. These visits also gave the participants the opportunity to discuss topics that were discussed in PG days and Focus farm field days and which options could potentially relate to their individual situation and what could be adapted. Having this continual consistent message coming through at each of the levels appears to have been important in driving change.

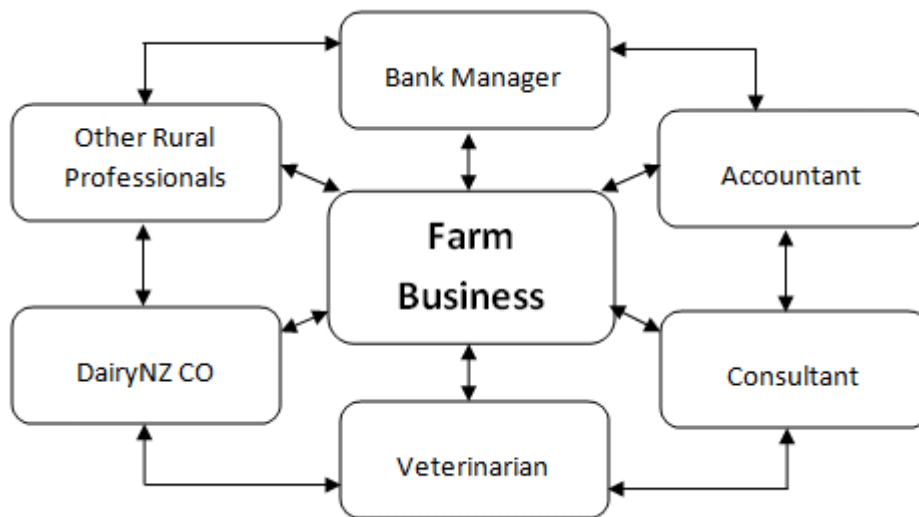


Figure 3: The Farm Business team and how they should all be interacting together

This method of extension does not enable for passive participants. The participants are required to attend the field days, PG days and to provide their accounts for entering into DairyBase for analysis. Participation was also strongly encouraged at both the PG days and the field days. They were also responsible for driving the change at their individual farm level. The AgFirst consultant was there to help guide them but ultimately the responsibility and decisions were at the participant's level.

Has DairyPush been Successful?

Half way through the programme AgResearch⁴ carried out an independent study on the programme as a method of extension. This study involved surveys which were sent out to all the participants in the group and interviews with 12 of the participants. The general feedback from these surveys was very positive. There were some particular success factors that were identified by AgResearch which have had some bearing on why the project has worked in this situation. These include:

⁴ AgResearch is an independent research and development organisation that is state owned and set up as a Crown Research Institute.

- There is a well respected farmer leader in the area who has been one of the key drivers of the programme and is on the planning team. He has helped to get people involved in the programme from the beginning.
- The core group of driven individuals who are very community minded were integral in the set up and running of this programme
- The programme has had no cost to participants in the first 3 years
- The focus was on improving profitability of the business at an individual business level
- It is a close knit community
- The method of extension which integrates one-on-one, discussion groups and monitor farms
- It has been in 3 tough seasons in terms of climatic and financial volatility where farmers are looking for more support and ideas

There are a number of factors that indicate the success of the programme including:

- A number of participants are showing a better understanding of their business
- A number of behavioural changes have been seen around monitoring
- The survey which was carried out showed consistently positive feedback
- The industry is prepared to fund the programme for another 3 years with a slight adaptation
- The participants are prepared to provide financial contribution to the programme going forward
- There are other people outside of the current participant group who have requested to join both throughout the past 3 years and now the programme is continuing for another 3 year period.

Currently it is too early to quantify if the financial targets set for the programme have been achieved, however this will be analysed when this data is available.

DairyPush Target 20

DairyPush Target 20 is an extension of the DairyPush programme and will be run in a very similar layout to DairyPush. The DairyPush target 20 will have a multifaceted approach with a focus on financial, social and environmental performance. The Waikato region has increasing pressures from urban dwellers, local iwi, and the rural community to improve the quality of the Waikato river and its subsidiaries. Environment Waikato⁵ has identified the South Waikato district as a sensitive catchment area in which they are looking at ways that nutrient loading (in particular nitrogen and phosphorus) to the waterways can be reduced.

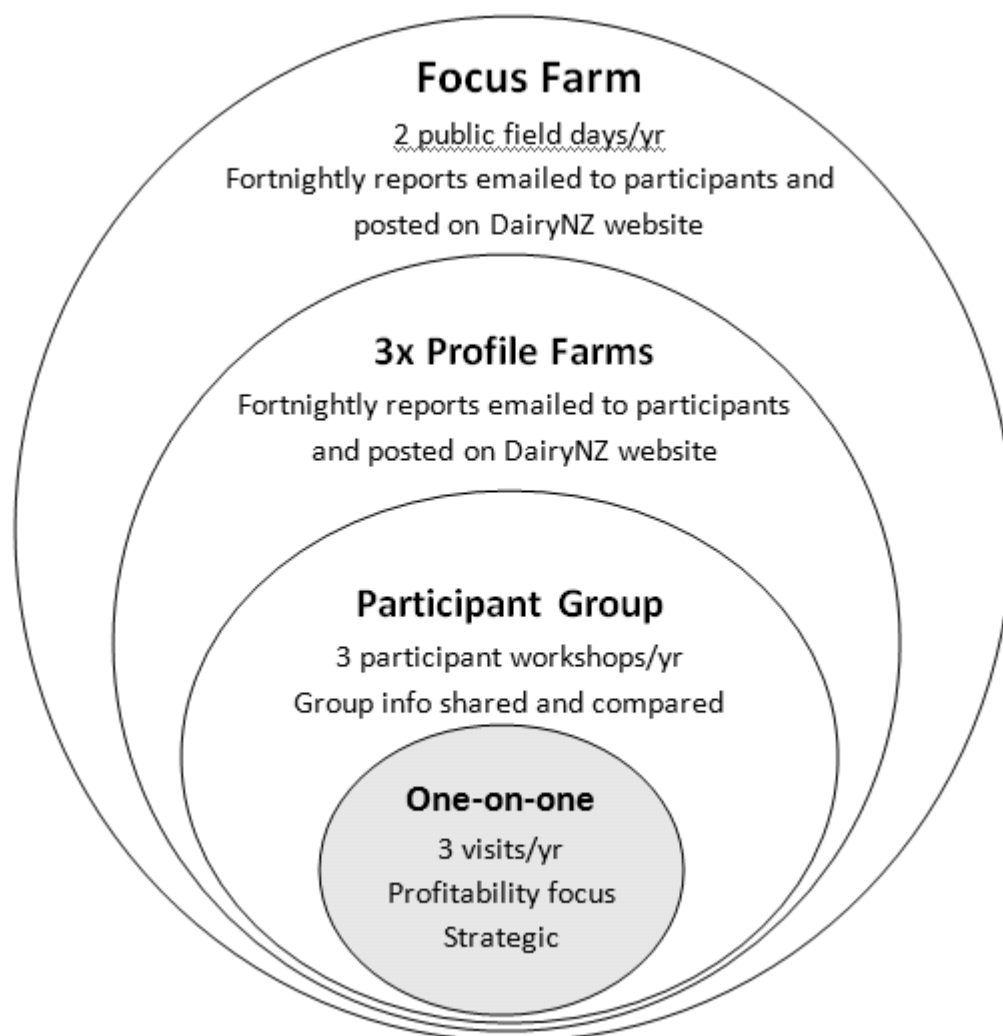
The aim of DairyPush Target 20 is to reduce the environmental footprint of the dairy farms involved with a key target of reducing nitrogen leaching by 20% whilst maintaining or improving profitability. This target is aligned with the industry direction and targets. There is also a focus on improving the working environment for staff.

The focus farm and profile farms will be used to demonstrate the implementation of some of the mitigation opportunities and technologies currently available to reduce nitrogen leaching such as optimum stocking rate, assessing effluent systems and storage, and soil moisture monitoring. This

⁵ Environment Waikato is the regional council for the Waikato region. They are responsible for environmental management; river and lake management; regional land management; transport; and harbours, biosecurity and pest management.

will raise the awareness of these technologies and how they can be practically incorporated into a commercial situation. The applicability of these technologies to their individual situation can then be discussed with their DairyPush consultant or other rural professional.

DairyPush will continue in a similar format with the one-on-one consultancy, the PG days the Focus Farm and the regular email communication. As a result of participant feedback there will be four 'profile farms' added to the programme. Monitoring of physical and financial data will be carried out with this information distributed to the participant group. The farms will be selected with an aim to provide information from a range of farm systems (1-5), soil type, topography and located around the district. This will provide the participant group with localised information on a regular basis. Variation in issues, threats and opportunities can also then be investigated.



Summary

The components of DairyPush are not new forms of extension. However, the combination of the field days, workshop days and one-on-one consultancy is a new approach. The Programme has been running for the past 3 years in the South Waikato and is showing excellent results and strong support.

There has been a refocus of businesses in the programme towards profitability as opposed to straight production. There has been an increased understanding of financial indicators and participants have a better understanding of their farm business situation

The 3 levels of extension have a number of benefits including ensuring that participation is active from all participants. The one-on-one consultant facilitation provides the support and reassurance to encourage on farm change based on what is discussed and demonstrated in the PG days and the Focus Farm field days.

Over the last 3 years the participants have got to know each other well and participation in workshop exercises has steadily increased.

The programme is targeted at a strategic level and participants with the help of the AgFirst consultant develop formalised strategic plans for their business. These have been regularly referred to and updated on an annual basis. Clear pathways are developed through identifying objectives and action plans which ensures progress towards the goals and provides a method of measuring progress

The programme has a clear focus, strong community support and integrates a range of extension techniques to support farmers through the change process. Early indication shows that a large proportion of the current participants are planning on continuing into DairyPush Target 20 programme and there have been applications of interest from a number of farmers outside of the current participant group.