

Changing what it means to be a 'good farmer': A study from ARGOS of the impact of neoliberalism on New Zealand farmers

Lesley Hunt^a, Chris Rosin^b, Hugh Campbell^b, John Fairweather^a

^a AERU, Lincoln University, New Zealand, ^b CSAFEE, University of Otago, New Zealand
Corresponding author, email: Lesley.Hunt@lincoln.ac.nz

Key words: good farming, neo-liberalism, business.

Abstract

A recent part of the Agriculture Research Group on Sustainability (ARGOS) transdisciplinary study of New Zealand farming was a retrospective interview of all ARGOS sheep/beef, dairy and high country farmers, and kiwifruit orchardists in which their responses to 'shocks' over the past forty years was explored in order to examine farmer resilience and pathways to sustainability. What was apparent was how the 'good farming' model was expanding to include the notion that it was culturally acceptable to think of farming as a business. This change, which could be attributed to the influence of the environment of neo-liberalism in the policies of the New Zealand government since the 1980s, was freeing up farmers and orchardists to think of themselves and their role in new ways that provide unexpected and exciting possibilities for the resilience and sustainability of the agricultural and horticultural sectors in New Zealand.

1. Introduction

... 30 years ago in my father's time ... there'd be no doubt about what a good farmer was...a good farmer's someone who...had good stock...and if you drive past you don't see the stock starving and all this sort of stuff ... And now ... a lot of the farming comments and opinion [comes] from people that say that they're in Federated Farmers...or so-called farming ... they're big operators ... it almost insults them to call them farmers ... they're always talking about 'my business'... (sheep/beef farmer).

I would argue that we've probably got some of the most business savvy minded farmers in the world at the moment. We're not relying on the government for subsidies and that. It's sharpened up (kiwifruit orchardist).

The farmer in the first quote above gets to the heart of this paper. He is resistant to the idea of farmers as business people but confirms that it is happening and farmers who talk as business people have gained a certain status and acceptability. Though he does not regard them as 'good' farmers (see Burton, 2004), others do. In the second quote an orchardist indicates how the change came about.

We are interested in how government policy influences 'ordinary' citizens' sense of identity and the implications of that. Larner's (1998) development of neoliberalism as governmentality is a very useful way of moving away from the examination of neoliberalism as "a set of policy prescriptions or as an ideology" (Nairn and Higgins, 2007:262) to focus on the impact of neoliberalism on "the formation of subjectivities" (ibid). Many others have attempted to explain how individuals are influenced by wider culture. Bourdieu (1977) uses the word 'doxa' for what is taken for granted in any particular society. According to Webb et al., (2002:119), "doxa works to distinguish the thinkable from the unthinkable, so that certain courses of action, those that literally challenge established social relations, become literally unthinkable – or at least inarticulable".

The impact the recent neoliberal era in New Zealand's history on the personal orientations of farmers and orchardists is examined here. By taking into account the context of actions, some

understanding and explanation of how farmers' identities and actions can be affected by governments can be provided. A transdisciplinary approach which links both qualitative and quantitative data, derived from interviews, measurements of attitudes gained from surveys, environmental, financial, farm management and social data, provides richness and unexpected insights into farmers' actions. It facilitates the demonstration of the possibility of farming practice that is innovative, environmentally responsible and financially successful.

2. Agricultural reform

Part of the doxa of neoliberalism is that the world is a place of free choice and entrepreneurial spirit (Nairn and Higgins, 2007) whereas, as Larner (2003:511) suggests, people act within a particular discourse. In the discourse of neoliberalism, people are encouraged to conform to the norms of the market. For agriculture this has both personal and structural components.

In New Zealand's recent past, agricultural primary products were acknowledged as the source of the country's wealth and security (Brooking, 1996) and those associated with agriculture played an important part in New Zealand society. To be 'helping' agriculture was to be 'helping' the nation. It was part of the New Zealand identity to see farmers as the 'backbone of the country'. This all changed in the 1970s when New Zealand experienced several crises which meant that the balance of payments deteriorated and finally led to the Government reducing spending on the farm sector, dropping it from more than one billion (\$NZ) in 1984/85 to \$NZ 200 million in 1992/93 (Gouin, 2006). At this time New Zealand started on what has become known as 'The New Zealand Experiment' (Kelsey, 1995), which has seen New Zealand change from one of the most highly regulated and socially integrated democratic systems in the world, to one of the most highly de-regulated and market-led (Boston et al. 1991). Agriculture was no longer central to Government thinking. The future of New Zealand's economic health was seen to lie in the 'knowledge society/economy' and agriculture was not promoted as an important part of this (Hodgson, 2000:1-2). This has continued to the present. In this paper, the emphasis will be on investigating whether there has been a change by farmers to a market-led business orientation with an emphasis on financial returns/profit and efficiency.

Audit systems for the dairy and kiwifruit industries in New Zealand have developed within "a policy environment privileging neoliberal rationalization of exchange" (Rosin, 2008:46). This context, which Rosin argues has the potential to change the "spirit of farming", is the context of this paper. Rosin (2008) suggests that farmers are showing signs of moving away from past and present productivist orientations toward a social acceptance and valuing by farmers of adherence and compliance with market-oriented audit systems.

The ARGOS social science team (Campbell et al., 2012) suggests that the comparison of different audit systems in the sheep/beef and kiwifruit sectors in New Zealand has revealed many differences in the social dynamics of farming households. It is argued that such differences are "being co-produced by four dynamics: subjectivity/identity, audit disciplines, industry cultures/structure and time" (Campbell et al., 2012, 129). We suggest that overarching and impacting on these four components is the context of neoliberalism.

4. Description of ARGOS as empirical basis for arguments

The findings reported in this article are taken from the Agriculture Research Group on Sustainability (ARGOS)¹ research project (2003 to present). The objective of ARGOS is to advance understanding of sustainable agriculture through the transdisciplinary comparison of

¹ See www.argos.org.nz for more information.

different management systems (conventional, integrated and organic) in three main sectors of New Zealand agriculture (sheep/beef, dairy and horticulture). Each farmer or orchardist in the project has been interviewed at least twice (Hunt et al. 2005, 2006; Rosin et al. 2007a, 2007b) and has provided values for many economic, social and farm/orchard management variables. Farms and orchards have also been assessed ecologically. The most recent interviews were of a retrospective nature, examining farmers' responses to shocks over the past 40 years (van den Dungen et al., 2011a & b; Hunt et al., 2012).

4. Evidence from ARGOS for farming as a business

In this section we report on evidence collected from ARGOS reports and papers and then present some new research reflecting on what ARGOS farmers said about business. In this way we can establish the rules of the field of farming and then how some ARGOS farmers 'play the game' in this field, incorporating these values into their habitus (Bourdieu 1990, 1998).

4.1 Gathering evidence from ARGOS reports

The Economics team asked if conventional business models applied to farm businesses by surveying the ARGOS farmers and orchardists to find values for standard indicators of business performance (Saunders et al., 2007). It was found that the success of farm businesses did not conform to the indicators of conventional businesses. However, for the purposes of this paper, we are interested in whether *some* farms (not all farms) are following the standard practices of so-called conventional business and this survey found for example, that five of the 30 orchardists and eleven of the 31 sheep/beef farmers had business plans. Participants in both sectors also received regular market information, though more so in the kiwifruit sector.

4.2 Gathering evidence from what farmers said

Now we consider what farmers said about business and how it applied to them. First we consider the past and how things changed when all subsidies were removed. For some, this means comparing themselves with their fathers, as in the following quote:

Interviewer: You used that word 'business'. How long have you thought like that? Is it different from your father?

Farmer: Yeah, it probably is a little different. I think they were probably a little more romantic about their farms. I mean, it's definitely a business (sheep/beef farmer).

One farmer argued that his father was a businessman, even in the days of subsidies and cheap loans. The difference he felt, was that today more formal accounting procedures are required.

Male farmer: ... farmers ran a business before that [1984 when subsidies were removed] ...

Female farmer: You had to become more astute though, I think farming has changed – well, I'm just comparing you to Dad.

Male farmer: Well no, he did the same thing, only mine's probably more structured, like I do cash flows and balance sheets, he did them on the back of his cigarette packet (sheep/beef farmers).

This farmer reflects on how the removal of subsidies made farmers more business-like because they could not just farm by 'instinct' any longer.

I guess [the loss of subsidies in 1984] - made you more aware of that - to run it as a business rather than, just, you know - a lot of farms - and the odd one probably still ... that are just farmed by instinct, because that's all you needed (sheep/beef farmer).

Next we hear what some farmers said about how they operated their farms. From the tone of voice used, as in the quote above, it was apparent they felt the need to assert that their farms were businesses, implying that this was open to challenge. It was clear from many statements that a business is very serious. It is all about making money: "My vision is to make money. Well, we're not here for fun" (kiwifruit grower). A business has to be grown both in terms of profitability and production and the asset has to be maintained, "... because we have an overall business

plan of increasing our business, our gross margin by 10% a year. And we do that by reinvesting ... Because, unless you're moving up, you're actually moving down aren't you?" (kiwifruit grower). All in all a business has to be looked after, reinvested in and "... all decisions are based on finances." (sheep/beef farmer). To grow, a business needs to have a strategy, a plan, a target.

One farmer suggested that when a Goods and Services Tax (GST) came in farmers were forced to become more business focused because they had to attend to their book work and spend some time working in the office. Part of having formal accounting procedures enables farmers to be efficient by lowering costs and keeping track of finances. While some aim to keep their costs down by not doing anything new, others have invested in changing technology such as direct drilling, using a reversible plough, or doing more soil tests. This farmer describes his use of direct drilling and how it reduces his top soil loss:

And we farmed it normally ... so it was always plough the paddock and work the paddock and spend weeks on the tractor and when I took over direct drilling came in ... which has reduced the cost of doing it, and plus we're on rolling country which means as soon as you work around it, it works it [soil] off and works it into the valley and the valley gets five feet of topsoil and the tops don't. So yeah, so direct drilling's been ... high risk at the start because you're very green at doing it, changing your whole farming practice to spraying, minimal spraying but yeah timing and it's as much skill ... as we used to be with a full cultivation. But we went to that which means yeah, we're less hours on the tractor and less costs (sheep/beef farmer).

For another farmer it is all about cost saving:

And like in any businessmen, there are good ones and there are fairly ordinary ones and there are ones that are bloody hopeless and that's true in any business, so you'll see a lot of farmers are very successful and it's purely because they've kept control of their finances which is running a good business (sheep/beef farmer).

When the Government removed all subsidies the ability of farmers to take out bank loans was put on a commercial basis and farmers were required to produce farm budgets and management plans before they were allowed to have a loan. The irony is that though a business should make a financial return on capital, in farming it is very difficult to do this because the land asset is of such a high value. "I often wonder why the hell I do it – the amount of capital tied in. You really don't get the reward"(sheep/beef farmer). In this sense farming does not fit. It does not match a conventional business. Most farmers do it in spite of this.

It is acknowledged that business is risky and entrepreneurial. Sheep/beef farmers describe farming as having its ups and downs compared with kiwifruit where some kiwifruit growers treat their land more as a commodity (see Hunt, 2010). Two quotes illustrate these contrasting attitudes. A sheep/beef farmer said, "Well, when things are going well it's good. If they're not it's obviously not too bloody good (laughing), but farming is like that. It has its ups and downs." Whereas, a kiwifruit orchardist said, "My vision for the orchard is ... it does well. For us [the goal is]... to fix up the structures and move off and go and do something else ...". A farmer has to take up opportunities as they occur.

One of the foremost drivers 'to be a business' has been the desire to survive, which is indirectly related to the removal of subsidies, the advent of neoliberalism and export price (and currency) fluctuation. When the feeling is that the government is no longer 'on your side' then people take responsibility for their own survival.

... because farmers have to do these things to survive, so it's desperation stage. They don't want to just decide to change, evolve into a different farming practice because it'll be interesting to do, they need to do it for financial viability (High Country farmer).

Adding to the farm size by buying or leasing more land has been another survival strategy and way of managing risk, which also helps farmers to be more independent and drought proofed.

Farmers choose whether to have a breeding and finishing operation or just to finish lambs for the market. The decision of whether to grow crops for animal feed is part of the strategy to make a farm more independent of what else might be going on. Diversification has become part of surviving and of entrepreneurship. The picture drawn by farmers is of a balancing act – a farmer diversifies enough so that if something does not go well then something else does. This may involve a change of identity as farmers start to farm things they had not done before.

Each year ... I've tried to save 10% of the land use into something out of season, like dairy cows in the winter or cropping in the spring. So each year I try and chase a different rainbow that's got money involved with it. Like wintering dairying cows was pretty good two years ago, cash crop barley, feed barley was good two summers ago. So that's the reason the crop area changes. If there's money to be made, I'll change (sheep/beef farmer).

5. Evidence from ARGOS of changing orientations and practices

We have outlined what farmers and orchardists have said about business and practices that are necessary if one runs a business or is a business person. In this section we consider how this can be interpreted to indicate how farmers'/orchardists' subjectivities may be changing as they are in the process of becoming neo-liberal subjects. What are the 'signs' of a neoliberal subject? According to Lewis (2004:151) the neo-liberal reforms in New Zealand "promoted self-interested, entrepreneurial and responsabilised subjects", the latter having the meaning that "responsibility for provision and regulation has been dispersed to responsabilised subjects ... via the market" (ibid.). Included within this has been a focus on efficiency.

It is obviously becoming acceptable for a farmer to call himself or herself a business person. One couple were even able to articulate when they became business people. Their identity was forged through a crisis.

...it was around the time...when [we lost a lot of money] we aggressively then looked at our business much more as a business. And that's [why] we call this now a business...and the business is farming. Now, initially we would say we are a farm...and we run a farming business. And ...to us that's quite ... [a] key difference ... (sheep/beef farmer).

In the previous section we have indicated how rules and values have emerged about what it means to have a business and be business-like:

- A business is about making money.
- A business should make a financial return on capital.
- A business should be efficient by lowering costs and keeping track of finances.
- A business should always be growing.
- A business is risky, entrepreneurial. A business must take up opportunities when they are there.
- A business goes through stages and needs to have a plan/strategy.
- Having a business means that you have to have more formal business practices.
- A business is something that has to be looked after.
- A business is serious.
- As a business person you are a professional.
- A business should be concerned about the quality of the products it produces.

It is apparent from all the things that farmers said, that not only have they defined what it means to be a business, but also they practice 'business'. It has become part of who they are – their habitus – and for them is the 'right thing to do'. They have become neo-liberalised subjects. Their interest in their business is expressed in terms of self-interest. They are certainly entrepreneurial and feel responsible for any risks they undertake on behalf of their business as they manage this risk in various ways. Contradictorily perhaps, becoming a neo-liberal subject means they have become much more confined by bureaucracy – spending more time in the office, on the computer, keeping and maintaining records and having plans.

While it was apparent that status based on the importance of farming was still very prevalent among farmers themselves, some were mourning its passing and experiencing a loss of identity (Hunt et al. 2012), which has pushed some farmers to develop alternative ways of acquiring status. In a national environment/context of neo-liberalism in which it is assumed that making money is the most important characteristic a person can have, it is obvious that some will focus on a business orientation in which the farm as a money making venture takes priority. The lowering of the status of farmers through the government's emphasis on 'knowledge' and the emphasis on business appears to have opened up farmers' horizons, as the next section explains.

6. Unexpected possibilities for business-focused farming

Farmers have been able to achieve environmental care incidentally through acts of efficiency. One couple was prepared to stand against the tide of local opinion – for them farming was not about making money at all costs. They were concerned about the impact of a popular practice – grazing dry dairy cows through the winter season. However, not doing this was also to their financial benefit. Being environmentally sensitive may also be good business practice long term.

And also...about that same time as well...we started looking at having a business plan and saying this is what we want to do and not necessarily chasing the trend or the dollar ... But it was becoming very popular to graze dairy cows...and the pugging and the damage that was doing to the soil...we quickly realised that it was actually affecting our [cropping] yields. ... But you got quite a bit of flack for not taking on dairy stock. And, yeah...it actually is not worth it for us, because of all the extra cultivation needed ... to get rid of the pugging ... (sheep/beef farmer).

For some farmers it was no longer regarded as efficient to farm parts of the landscape where the effort required did not balance out the returns to be made. Thus these areas could become regarded as providing ecosystem services for the rest of the farm.

Quite large groups of farmers and orchardists in ARGOS have been able to become sufficiently efficient for them to maintain themselves in farming, while others put their farms and their livelihoods at risk through lack of control of their spending in relation to their gross farm revenue (Hunt, 2011). A resilient system needs to have those within it who will continue to reliably produce their products maintaining New Zealand's place in a market even through bad times.

Some farmers have been able to increase efficiency through the uptake of new technology which has also allowed them to be more environmentally friendly. Examples are the use of the reverse plough, direct drilling, technologies associated with lambing such as increasing the number of lambs born per ewe and scanning of pregnant ewes, and the use of new grasses and crops that have a higher carbohydrate production, enabling finished lambs to be sold early in the season before the dry summer/autumn period. The latter technologies have enabled farmers to manage flocks better by putting less stress on land resources at times of drought or through the winter.

By giving permission to farmers to act as a business people, government policy has provided farmers with greater freedom to think of themselves and their activities differently. They have looked for other opportunities to increase or vary their sources of income in order to manage their risk and incidentally increase their resilience to survive through extreme weather events, changing markets and exchange rate fluctuations. They have bought extra land, sometimes a distance away from their home farms, to reduce the environmental impact and increase their resilience in times of drought. The growth in dairying has been turned to their advantage by the provision of winter feed for cows, dairy beef, or female calves grown as herd replacements.

7. Conclusion

There was a period in New Zealand history when it would have been unthinkable for farmers to describe themselves as involved in business, but through different governments' ongoing

rhetorical support and promotion of neoliberalism, we suggest this form of identity has become acceptable in farming circles. In other words, New Zealand governments have acted as a mediator to make the unthinkable thinkable and therefore possible. It has given permission to farmers to practice their farming as a business rather than a lifestyle. With this comes belief in and attempted adherence to the 'rules' of business – that it should grow, increasing profit every year, be entrepreneurial and risky, financially efficient and decisions should be made using financial reasoning first and foremost. It is not just in New Zealand this is happening; the notion of 'farming as a business' has become a more widespread theme in the national agricultural strategies of several African countries (Foresight, 2011).

However, the change in farming and farmers contradicts the neoliberal model. The value of farming land in New Zealand it is actually very difficult to make a return on the capital value of the land, so though some (very few) may be able to increase their business, if they considered the return they are making on their capital, they would be able to make higher returns doing something else with their investment.

The emphasis on efficiency, has produced some possibly unexpected environmental benefits. For example, some farmers now use reversible ploughs which require less fuel. Even less fuel is required and less disturbance to soil and erosion results if farmers direct drill. Similarly developments in technology associated with lambing have led to lower stocking rates at times when the landscape may be at risk from erosion. It is beginning to be seen to be inefficient to work precipitous hillsides to grow grass for stock and perhaps better to leave them or plant trees. Some make decisions aware that if they look after their farm environmentally rather than chasing the quick return, that will be more beneficial to their business in the long run. We are sure there are many more examples which are now a 'taken-for-granted' part of contemporary farming in New Zealand.

From our recent interviews, it is apparent that farmers are influenced by government policies which encourage a culture of market-led enterprises, it is clear that some of them have changed as a result seeing themselves as more business people than farmers. As a result of this change, and perhaps unintentionally, some farmers are making decisions that help their farms to be more resilient and able to withstand environmental, economic and social shocks and mitigate risks, demonstrating that an emphasis on making money has a potential to have some positive impacts which will enhance the future of farming. It also demonstrates the continuing adaptability of many farmers to work within the context in which they find themselves.

References

- Boston, J., Martin, J., Pallot, J., & Walsh, P. (1991). *Reshaping the State: New Zealand's bureaucratic revolution*. Auckland, N.Z.: Oxford University Press.
- Bourdieu, P. (1977). *Outline of a theory of practice*. Cambridge: Cambridge University Press.
- Bourdieu, P. 1990. *The logic of practice*. Cambridge: Polity Press.
- Bourdieu, P. 1998. *Practical reason: on the theory of action*. Stanford, CA: Stanford University Press.
- Brooking, T. (1996). Use it or lose it: unravelling the land debate in late nineteenth-century New Zealand. *New Zealand Journal of History*, 30, 141-161.
- Burton, R.J.F. (2004). "Seeing through the 'good farmer's' eyes: Towards developing an understanding of the social symbolic value of 'productivist' behaviour." *Sociologia Ruralis* 44(2):195-215
- Campbell, H.R , Rosin, C.J., Hunt, L.M. & Fairweather, J.R. (2012). The social practice of sustainable agriculture under audit discipline: Initial insights from the ARGOS project in New Zealand. *Journal of Rural Studies* 28(1): 129-141.
- Foresight. *The future of food and farming*. (2011). Final project report. The Government Office for

- Science: London.
- Gouin, D-M. (2006). Agricultural sector adjustment following removal of government subsidies in New Zealand. .AERU Research Report no. 284, August 2006, Lincoln University.
- Hodgson, P. (2000). The Government's vision for science and technology. Press Release/New Zealand Government 17-03-00.
- Hunt, L. (2011). Complementary pathways to sustainability. ARGOS Research Report.
- Hunt, L. (2010). Interpreting orchardists' talk about their orchards: the good orchardists. *Agriculture and Human Values* 27(4): 415-426.
- Hunt, L M, Rosin, C, Read, M, Fairweather, J R & Campbell, H R. (2006). Understanding approaches to sheep/beef production in New Zealand: Report on first qualitative interviews with ARGOS kiwifruit participants. ARGOS Research Report 06/01. February, 2006. www.argos.org.nz
- Hunt, L M, Rosin, C, McLeod, C, Read, M, Fairweather, J R & Campbell, H R. (2005). Understanding approaches to kiwifruit production in New Zealand: Report on first qualitative interviews with ARGOS kiwifruit participants. ARGOS Research Report 05/01. July, 2005. www.argos.org.nz
- Hunt, L., van den Dungen, S. & Rosin, C. (2012). High Country Farming in New Zealand: Exploration of the pathways to sustainability revealed through responses to external and internal drivers derived from the ARGOS retrospective interviews. ARGOS Report. www.argos.org.nz.
- Kelsey, J. (1995). *The New Zealand experiment: a world model for structural adjustment?* Auckland, N.Z.: Auckland University Press and Bridget Williams Books.
- Larner, W. (1998). Sociologies of neoliberalism: theorising the 'New Zealand experiment'. *Sites* 36: 5-21.
- Larner, W. (2003). Neoliberalism? *Environment and Planning D: Society and Space* 21:509-512.
- Lewis, N. (2004). Embedding the reforms in New Zealand schooling: after neo-liberalism. *GeoJournal* 59: 149-160.
- Nairn, K. & Higgins, J. (2007). New Zealand's neoliberal generation: tracing discourses of economic (ir)rationality. *International Journal of Qualitative Studies in Education* 20(3):261-281.
- Rosin, C., Hunt, L., Campbell, H. & Fairweather, J.. (2007a). Becoming the audited: response of New Zealand sheep/beef farmers to the introduction of supermarket initiated audit schemes. ARGOS Research Report 07/05. www.argos.org.nz
- Rosin, C., Hunt, L., Campbell, H. & Fairweather, J. (2007b). There are audits and there are audits: response of New Zealand kiwifruit orchardists to the implementation of supermarket initiated audit schemes. ARGOS Research Report 07/06. www.argos.org.nz
- Rosin, C. (2008). The conventional of agri-environmental practice in New Zealand: farmers, retail driven audit schemes and a new spirit of farming. *GeoJournal* 73:45-54.
- Saunders, C., Zellman, E. & Kaye-Blake, W. (2007). Applicability of performance indicators to farms and orchards. ARGOS Research Report 07/04, July 2007. www.argos.org.nz.
- van den Dungen, S., Rosin C. & Hunt, L. (2011a). Recalling management changes in the New Zealand sheep/beef and wool sectors as response to external and internal drivers: Preliminary analysis of ARGOS retrospective interviews, ARGOS Research Report 11/01. www.argos.org.nz
- van den Dungen, S., Rosin C. & Hunt, L. (2011b). Recalling management changes in the New Zealand kiwifruit sector as response to external and internal drivers: Preliminary analysis of ARGOS retrospective interviews, ARGOS Research Report 11/02. www.argos.org.nz
- Webb, J., Schirato, T. & Danaher, G. (2002). *Understanding Bourdieu*. Crow's Nest, Australia: Allen and Unwin.