Special Issue Article

Resilience of family farming 1984–2014: Case studies from two sheep/beef hill country districts of New Zealand

Ann Pomeroy
Centre for Sustainability: Agriculture, Food, Energy and Environment, University of Otago, PO Box 56, Dunedin, New Zealand

Abstract: In this analysis, the resilience of family farmers is investigated in two hill country districts of New Zealand (Central Hawkes Bay and Waitomo District) by following the experiences of a sample of 119 sheep/beef producers through two snapshots of their circumstances taken three decades apart. The farmers and their spouses were first interviewed in 1984 prior to the removal of state subsidies and other assistance. In 2012–2013, 94 of the farmers (or their successors) were interviewed again. During the period under investigation, they had coped with economic shocks, natural disasters (particularly major droughts) and for some, personal tragedies. The focus of the study is on the economic viability of the family farms in the face of a range of hazardous and adverse events, and how their owners (and families) are adapting and responding to global and local economic and social changes, and the natural disasters which are a normal backdrop to farming.

Key words: Resilience, rural, sheep/beef farming, economic shock, farm ownership, debt, labour.

Introduction

Agricultural exports make up around two-thirds of New Zealand’s export income. Despite this, there is a surprising lack of information in the public arena about the significance of agriculture to the New Zealand economy, or the resilience of farm families. The erroneous labeling of the sector as ‘a sunset industry’ following the farming crisis generated by the rapid and comprehensive restructuring of the economy from 1984 had unfortunate repercussions in the following decades. The sector struggles to attract trained workers (Federated Farmers 2013), and rural areas often find it difficult to fund the infrastructure and service upgrades necessary for sustaining their primary and other industry, and communities. This study of the resilience of a sample of hill country farmers is an opportunity to correct some of the misinformation. It provides a window into changes in the rural economy and rural society useful for infrastructure and service planning, and for fostering farm family well-being.

Resilience is the ability of a system (for example, a household or community) to maintain its integrity and identity following natural or human-induced shocks – to ‘undergo change without crossing a threshold to a different system regime – a system with a different identity’ (Walker & Salt 2006). It is being able to ‘bounce back’ after adversity (Paton 2005). Paton and others define resilience as a process defined by the interdependent capability of people, communities and societies to use their resources and abilities to anticipate, cope with, adapt to, recover from and learn, from the demands, challenges and changes encountered before, during and after hazard events (Paton et al. 2013). Hazard events are not just physical

Note about author: Ann Pomeroy is a Senior Research Fellow at the University of Otago.

E-mail: ann.pomeroy@xtra.co.nz

© 2015 New Zealand Geographical Society
disasters like earthquakes and tsunamis. In the farming sector, devastating snow events, floods and more especially droughts are major recurring environmental hazards which can decimate businesses and livelihoods. In addition, hazard events can encompass economic shocks. For example, global recession, collapse of key markets and ad hoc changes in government policy can wreak havoc on individuals, households, businesses, communities and institutions.

In 1984, New Zealand farming was subject to a series of economic reforms. These had a devastating impact on farm families, particularly those engaged in sheep and cattle farming. The experience of farmers from two North Island districts in dealing with the aftermath of the reforms is used here as a case study of the resilience of family farming.\(^1\) The data were gathered from two surveys of the farmers which span 30 years. The first interviews were conducted in 1984 immediately prior to the reforms.\(^2\) Follow-up interviews were conducted in 2012–2013 with the same farmers, or their successors on the farm. In the following account, an overview of the structural reforms and their impact at a national level provides a context for understanding the situation of the case study farmers. The experience of the family farmers in the sample immediately prior to the reforms and their situation 30 years later provide a perspective on factors that foster resilience in New Zealand’s rural communities.

**The shock of economic and agricultural reform**

Farm subsidies (Supplementary Minimum Prices) were introduced in late 1978 to offset the market distortions of earlier policies\(^3\) that had been brought in to raise export production. While these incentives really only became effective from 1980, their impact on the mix of livestock farmed was felt for the following decade (Griffith & Grundy 1988). By 1984, nearly 40% of the average New Zealand sheep and beef farmer’s gross income was from government subsidies (Federated Farmers 2001). They were unsustainable, and they introduced distortions and inefficiencies. They acted as a disincentive to diversification by being more generous to sheep-meats (Rayner 1990), so that when support was suddenly completely eliminated, the sheep and cattle sector was more affected than dairying. Meat and wool farming went through massive change. The reforms included (Johnson 2001):

- a 20% currency devaluation
- the floating of the exchange rate
- abolition of all farm subsidies and pricing support
- cessation of interest rate concessions to farmers and the marketing boards, and removal of government control of interest rates
- introduction of user-pays systems for farm advisory and research services, and for meat hygiene and veterinary inspections
- taxing land-based activities like any other activity
- removal of import licences and export assistance.

In addition, while agricultural input and output markets were largely deregulated from government interference, the same did not apply to the institutional arrangements within which farming operated (Johnson 2001). This worsened the situation for farmers. Farm profit was virtually halved as income fell and operating costs rose. At the same time, the Government and many private businesses closed their rural services and centralised operations in the larger urban areas, increasing the cost of farm inputs and impeding access to services.

**Immediate impacts of the reforms on New Zealand farming**

Farmers reacted to the reforms by making major cuts in expenditure (Reynolds & SriRamaratnam 1990; Walker & Bell 1994). This included:

- halving fertiliser purchases to below maintenance levels (thus reducing farm output after 4–5 years)
- cutting-out non-essential repairs and maintenance
- ceasing land development (so that recently developed land lost production potential due to inadequate follow-up)
- stopping capital expenditure on new plant and equipment

© 2015 New Zealand Geographical Society
severely curtailing personal drawings for family expenditure (although drawings did increase over time)
• laying off labour and undertaking more farm work themselves.

The cessation of farm spending also impacted on the rural service sector and rural communities. For each dollar not spent by a farmer, approximately three dollars were no longer available to be spent in rural communities (Walker & Bell 1994).

With the removal of subsidies, land values crashed. The withdrawal of government support to agriculture virtually halved the value of land and livestock overnight, exposing previously secure farm debt. Worst hit were those farmers who had borrowed heavily to buy land just prior to 1984. Farm debt rose as interest rates on borrowing increased. In 1985–86, the average interest rate climbed to 12% and for new mortgages to 19% (Johnson 2001). Smith and Saunders (1996) identified in one survey that one southern Hawkes Bay farm family was paying 29% on a $130 000 mortgage. Repayments took 70% of the farm’s gross income and the family quit the farm in 1989 after 21 years on the property.

The rapid acceleration in farm debt loading meant that debt rapidly outstripped the rate of increase in farm equity, with many farmers facing a debt/equity crisis. With lower income levels, farmers either had to sell or financiers had to write off debt. However, neither farmers, financiers, nor the government wanted large numbers of mortgagee sales which would have further undermined the sector by reducing land values further and exposing more debt. Consequently, the government encouraged farm debt restructuring, wrote off some of the loans to its (then government owned) Rural Bank and Finance Corporation and encouraged private sector lenders to do likewise (Walker & Bell 1994).

In 1986, a discounted loans scheme was introduced, available to farmers for one year, and many farmers went through creditor mediation meetings. For most farmers, this meant debt restructuring and loan write-offs and/or write-downs (Walker & Bell 1994). In all, about 20% of the total debt owed by the farm sector was written-off. Few banks actually foreclosed on loans, and despite predictions few farmers walked off the land (Willis 2003). Federated Farmers estimated that of the 8000 farms that were expected to fail, only about 800 farms faced forced sales (Federated Farmers 2001). Where farmers were able to negotiate a sale, they were usually able to retain sufficient assets for successful re-establishment, with wider choices of lifestyle and occupation (including in some cases the purchase of another farm).

**Longer-term impacts**

One of the more dramatic impacts of the reforms has been the change in the type of stock farmed. In 1984, sheep/beef production (including wool) dominated New Zealand’s farm production and export income. It made up 36% of New Zealand’s total exports compared with dairying’s 22%, and at the time was the principal land use/farm type using 63% of farmed land, while dairying occupied only 6% of farmed land. Between 1984 and 2014, however, sheep numbers dropped from a peak of 70 million to just under 30 million (B&LNZ, 2015). Beef cattle numbers also dropped as farmers shifted into dairy farming (a reflection of world market trends which, over the last three decades, have favoured dairying).

Despite the spectacular fall in numbers, sheep/beef farming continues to dominate in terms of land use. It still occupies almost four times the area of land used by dairying (the second largest land user) and twice as many farms are engaged in sheep/beef production as are engaged in dairying (B&LNZ, 2015). The value of sheep/beef production, however, has fallen dramatically over the three decades since reform was introduced. In 2014, dairy products contributed 34% of New Zealand’s total export income, while sheep/beef meat and wool contributed only 12% (B&LNZ, 2015).

**Response**

Many commentators in the years immediately following the reforms appear surprised at the numbers of families who held on to their properties (Cloke 1996; Johnsen 2003). Farmer surveys supported the view that ‘there was life after subsidies’. For example, a survey of 238 pastoral farmers from two South Island districts in 1986 showed farmers adjusting to the changed economic environment by reducing inputs and production output, and borrowing
to support development. A second survey in 1992 of the same districts showed improvements in farmers' financial position with ‘85 per cent in a financial surplus situation in 1992 compared with 64 per cent in 1986’ (Fairweather & Gilmour 1993). The government’s intervention in debt restructuring was crucial and Cloke (1996) reflects on ‘the irony of government “baling out” “deregulated” farmers through the writing off of loans’. It was the farmers’ level of indebtedness and access to capital rather than their managerial abilities, skills and knowledge which were critical for holding onto the farm (Smith & Montgomery 2003).

**The case studies**

For an in-depth analysis of how sheep-beef farmers coped with the reforms, farm owners in two North Island pastoral farming districts who had been surveyed in 1984 just prior to the reforms were re-interviewed nearly 30 years later.

The districts selected (see Fig. 1) are representative of sheep/beef production because of their contrasting climates, vegetation and development histories. Central Hawkes Bay on the east coast is dry and drought prone, while Waitomo district on the west coast is comparatively wet. Both are hill country areas with some particularly steep (‘hard hill’) areas. Both areas have alluvial flats suitable for cropping or horticulture, alongside the predominant pastoral (sheep/beef and dairy) production. Central Hawkes Bay was occupied by pastoralists on ‘vast stations’ from the late 1840s. While most of the ‘great estates’ had been broken up by the 1930s, some large properties remain alongside former ‘rehabilitation’ farms balloted to returned soldiers from the two world wars. The Waitomo district (noted for its limestone caves) was closed to European occupation until the 1890s, and the land first had to be cleared of often dense indigenous vegetation before European style farming could commence. The area’s agricultural potential even then remained unrealised until it was discovered that the cause of ‘bush sickness’ which affected livestock was due to cobalt deficiency in the volcanic soils. Farming did not prosper in the area until cobalt-enriched aerial fertiliser application became available after World War Two.

The original 10% samples of sheep/beef farms were derived by the Ministry of Agriculture and Fisheries from the 1983 Census of Agriculture. Farms had at least 500 sheep4 and the sample was stratified into four size classes. In Central Hawkes Bay, 75 farms were selected from a total of 692 farms, and the owners (or in four cases the leasee, or the farm manager) from 66 of these properties were interviewed. In the 2012 follow-up survey, 53 (80%) of the people originally interviewed (or their successors5) were contacted. On the west coast, 59 farms were selected from a total of 526 farms in 1984, and interviews were conducted with 50 owners and three managers. In the 2013 follow-up study, owners (or successors) of 41 (77%) of the 53 farms were traced and interviewed. Additional information about changes in farm ownership in both districts since 1984 was found through researching land records and other sources. Interviews were also conducted with owners who had sold their farms after 1984 but were able to be located.

**Resilient farmers – survey findings**

How did this sample of farmers manage in the years following the abrupt removal of subsi-
dies? Did they go into debt and sell the farm? Did they find off-farm work, change their land use, lay-off labour? If none of those, how did they cope?

**Continuity of ownership**

Given that nearly 30 years had elapsed between the two sets of interviews, and that all support was removed and not reinstated, it is noteworthy how many of the farmers originally contacted in 1984 in both districts are still farming the same land holdings. While 61 (51%) of the 119 properties had been sold, 58 (49%) are still in the hands of the same person/couple that had been interviewed in 1984, or their descendants.

Of the 58 farms still in the same family, 44 are in the hands of the people originally interviewed. Of these, 24 (41%) continue to farm without assistance from the younger generation. (They include five who have sold off part of the land so the remainder is now a lifestyle block, four who lease the land to neighbours and one who has a manager to run the property.) The other 20 (35%) are still farming, but with their now adult sons/daughters or nephews/nieces. The remaining 14 (24%) farms are now in the hands of succeeding generations following full retirement or the death of the person interviewed in 1984.

In the 1984 survey, a considerable 36% of farms in the well-established Central Hawkes Bay had been in the same family for three or more generations, compared with only 12% in the more recently developed Waitomo district. Half the Waitomo farms, and 40% in Central Hawkes Bay, were first generation in 1984. However, the longevity of family ownership had no impact on whether or not it was sold after 1984. Nor is there a significant (statistical) difference in the numbers of generations who had owned the farm in 1984 and whether or not the family kept it (see Table 1).

**Farm sales before and after 1984**

Selling the farm (or pieces of it) is common. By 1984, 48% of the farmers had bought (and sometimes sold) at least one other fully economic stand-alone farm unit in addition to the one they were then on (this does not include purchases or sales of smaller land parcels). Of those who had owned a farm prior to their current one, almost 40% had bought or sold three or more farms prior to 1984. Unsurprisingly, therefore, 30 years later 42% of those who sold after 1984 had previously owned more than one farm. Of those who did not sell after 1984, 53% had purchased at least one other economic farm unit before 1984. Sometimes those other properties had been ‘stepping-stone’ development blocks which were sold prior to the shift to the current farm, and sometimes they were added to the mix of properties that still make up the current farm business.

While most farmers interviewed in 1984 had not thought about giving up farming, 16 of the farmers indicated they were thinking of selling, and of these, 12 did sell – though not all immediately, and while some retired, others chose to continue farming elsewhere.

**Reasons for selling the farm after 1984**

The 2012–13 interviews provide information on what happened to 37 of the 61 farmers who sold their farms after 1984. Only one family sold the property and got out of farming because the ‘returns to agriculture were totally unacceptably inadequate’. At the 1984 interview, the farm was to be the base for further business ventures, but in fact it was sold and the profits invested in motels (which have been highly successful). The family has since invested in other businesses and readily acknowledge lacking a passion for farming.

<table>
<thead>
<tr>
<th>Generations owned</th>
<th>Farms sold after 1984</th>
<th>Farms retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>29</td>
<td>48%</td>
</tr>
<tr>
<td>Second</td>
<td>14</td>
<td>23%</td>
</tr>
<tr>
<td>Third or more</td>
<td>18</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100%</td>
</tr>
</tbody>
</table>

© 2015 New Zealand Geographical Society
What of the other 36? Unsurprisingly given their propensity to buy and sell, 12 of the farm families who sold their farm after 1984 used the proceeds to buy another, and are still engaging in farming (elsewhere in the district or elsewhere in New Zealand). Of these, two farm families had moved to properties close to urban areas which provided more amenities (particularly schooling) for family members; one family had moved to farm on ‘easier’ country; one swapped sheep/beef production for a kiwifruit orchard; and the remaining eight had scaled down by purchasing smaller ‘retirement’ or ‘lifestyle’ properties, or are now living on a retirement block that had been part of the farm holdings in 1984 (having sold the remainder of the farm).

In addition to those who sold in order to farm elsewhere, farms generally went on the market when the owners decided to fully retire (9), or following major accidents or deaths (9). In these situations, farm owners either had no children or no one from the next generation had the desire or aptitude to farm. A further three properties were sold to enable their owners to focus on their existing non-farm business operations (and a fourth farm is soon to be sold for this reason). Another two families sold their farms – but continue to live on a farm or farmlet for lifestyle reasons while working in non-farm occupations elsewhere.6

Two farm business owners were leasing the land, and inevitably had to move on when the owners wanted the land back. One of these was elderly, with no successors, and presumably retired. The other purchased land elsewhere in the district (and is still farming), while the original landowners farmed the property for some years then sold it to a farm family who moved in from another district.

Although the owners of the remaining 24 farm businesses that were sold could not be traced, information from their 1984 interview provides some information about their circumstances at that time. Given their age at the time of interview, and the numbers of years they had been farming, 14 of the remaining farm owners who were 45 years or over, and had farmed 20 or more years would have either retired or died. Half of these farmers had no successor in 1984. The remaining ten farms that were sold were mostly making reasonable returns in 1984, their owners were ‘farming as a way of life’ rather than ‘farming for the profit’, and mostly did not agree with the statement that ‘in future farmers would need to work twice as hard as they do now to get the same returns’.7

There was no difference between how well (or poorly) developed the property was, and whether it was kept or sold. Similarly, how long the farm had been owned also did not appear to influence the decision to keep or sell it (see Table 2), although the majority of farmers who had owned their farm business for fewer than five years in 1984, sold.

**New owners**

Of the 61 properties that were sold, information is available for 35 (57%) of the new owners. All but three of the farm families who left were replaced by either local families (nine properties were purchased by, or divided between family farm neighbours to improve the viability of their farms) or farm families from elsewhere (a further 23 were sold to families that had previously been owners of farms in other parts of the district or elsewhere in New Zealand). Of the other three, one new owner was an overseas business investor and philanthropist (who has recently resold the farm), while the remaining two farms were purchased by corporate investors.

Ten of the 61 properties have been bought and sold more than twice in the last 30 years –

---

**Table 2** Years on the farm in 1984 by its later sale

<table>
<thead>
<tr>
<th>Length of time on the farm in 1984</th>
<th>Farm sold after 1984</th>
<th>Farm retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>On farm since birth</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>10+ years</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>6–10 years</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>5 or fewer years</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>58</td>
</tr>
</tbody>
</table>
either due to the deaths of purchasers, or sometimes because owners overextended. In these latter cases, farmers were unable to service the debt when they purchased too much land too quickly at an unsustainable price. Despite this, several in this category are still farming after ‘downsizing’ their debt by selling some of their land. In at least two cases, there have been repeat sales because the land is not suitable for agriculture, being very steep, ‘difficult’ country that should have been left in native vegetation.

**Farm size change – buying and selling land parcels**

The willingness with which land is bought and sold implies that most farm families have no special attachment to particular parcels of land. The sale of land is generally treated as a business decision. This does not mean that those who have not sold land are keeping the farm for purely business reasons. Several owners seriously question the economic value of the return they get from farming. Nevertheless, sentiment can play a part in decisions not to sell, given the work put into developing a property by previous and current generations. Lifestyle factors also often outweigh purely financial considerations, but these rarely impede sales when it is in the interest of the business. For example, new owners on one farm had no hesitation in selling the property’s colonial homestead and a few acres surrounding it, in order to secure the viability of the business being operated on the remaining land.

Size is relative of course, given the class of country and the nature of the soils. Many of the farms are located on a number of separate blocks which act as a form of insurance (providing summer wet, or enabling winter grazing), and land is frequently bought or sold elsewhere until the right range of climate and soils for the farm operation is achieved. While land is often bought simply because it has come onto the market, is seen as affordable and able to add to the value of the business, it also tends to be sold off with impunity to meet the needs of the business or to suit family circumstances. For example, land was bought, sold or swapped between neighbours to improve access, to round off or remove awkward boundaries, or remove pieces of land cut off by road straightening. Parcels of land were also sold to free up capital to pay parents’ retirement expenses, buy out siblings or cover divorce settlements.

Many of the farms have changed size since 1984. Given that the original sample was of farms that could carry a minimum of 500 stock units, the smallest property in 1984 was 72 ha and the largest 2023 ha (6% were over 1000 ha). Farms under 160 ha which supported a family in 1984 are no longer economic units (there were 19 (16%) of these in 1984) and are regarded as lifestyle blocks or retirement farms today. Farms sold after 1984 were predominantly the smaller ones (see Table 3). By 2014 (excluding nine lifestyle properties, and other farms owned by the interviewees but not farmed as part of the ‘home’ farm), farm size ranged from 172 to 2200 ha (15% were over 1000 ha).

Information on changes in farm size is available for 28 of the 61 farms that were sold, plus all 58 properties still with the families who owned them in 1984. Of these 86 properties, 42% are much the same size today as in 1984 (despite some buying and selling of land parcels, and replacing of leased land with freehold land), while 31% have increased in size and 27% of the farms are smaller.

Farms have been enlarged through purchase to accommodate sons and daughters joining the ‘family firm’ or to make a more economic unit, or sometimes because more land became available close by (and it seemed a good idea to purchase it). Farmers frequently lease land to

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Size of farms sold after 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Farm size in 1984</td>
</tr>
<tr>
<td>Median size</td>
<td>290 ha</td>
</tr>
<tr>
<td>Average size</td>
<td>400 ha</td>
</tr>
</tbody>
</table>

†Excluding nine lifestyle blocks under 160 ha.
enlarge their holdings or to gain access to soils and micro-climates missing on their own properties. While these leases can extend for decades, particularly Crown leases, most of the lease arrangements current in 1984 had been extinguished by 2014. Sometimes this leased land has been replaced by freehold land, sometimes not.

For the most part, decreasing farm size is due to changing family circumstances. This includes owners winding down their efforts but reluctant to cease farming altogether. Some properties had been broken up into several farms to enable members of the next generation to invest in and manage their own businesses as separate entities. In other cases, farmers gave up leased land (as the owners decided to sell, or sons and daughters of the owners returned to take up farming themselves), and did not replace it with freehold land. In some cases, farm couples near to retirement have not wanted to move so they remain in the farmhouse, and lease the land around it out to other farmers to farm. This also has the advantage of keeping options open for their children to sell or retain the property.

**Farm debt**

In 1984, a few (9%) of the sample of farm businesses were debt free. Some 80% had loans for land purchase and/or stock, plant and land development (including farm buildings). The remainder had generated debt by purchasing off-farm businesses or properties on which they intended to retire. The level of farm debt/equity in 1984 had no influence on whether or not the property was sold after 1984 (see Table 4).

Today, 23 (31%) of the 75 farms, for which this information is available, are debt free. Unsurprisingly, all but three of the debt-free farm businesses are owned by the families originally interviewed in 1984. Nevertheless, 36 (62%) of these original families have outstanding mortgages, while 16 (84%) of the 19 new owners for whom this information is available have mortgages. Despite the high proportion of farm businesses carrying debt, most farm owners are less daunted by this now compared with 30 years ago when the aim was to get rid of debt as soon as possible.

Excluding seasonal overdrafts, mortgage debt held by the farmers interviewed in 2012–13 varies from around $100 000 to $8 million. The major difference compared with 1984 is that this debt is set against a much larger capital base (i.e. properties are now worth many millions of dollars). Unlike 1984, when few knew how the expected removal of subsidies would impact, today’s farmers seem less worried by their debt situation. They are pragmatic about debt and regard it as a business expense. In other words, the returns on production are seen as (over time) sufficient to service their debt and provide an acceptable standard of living. Farmers also claim that mortgage debt enables them to lower their tax bill.

**Changes in land use**

Almost all the farms are still in sheep/beef production. Of the 93 farms for which this information is available, only 9% have converted to, or been purchased by a neighbouring dairy farm, or added a dairy unit to their enterprise mix in the last 30 years. A further 14% graze (dry) dairy cows in their farms over winter (dairy support). For some, this has replaced bull beef that they carried in 1984 (and farmers note that these cows do less pasture damage than the heavier bulls). While farming sheep in particular is the kind of production to which the districts’ soils, typography and climate are well suited, the reason for not shifting to dairying
seems tied into the owners’ lifestyle preferences as much as to market returns. At the time of the second round of interviews, dairying was more profitable than sheep/beef, but the cost of conversion (i.e., building milking platforms, purchasing dairy cows and hiring staff) is high, and good money can still be made from sheep/beef production. These land owners are in farming for the long term and most are just not interested in dairying (and are reluctant to engage in the inconvenience of employing staff necessary in most dairy operations).

Cash cropping provides an income for 15% of Central Hawkes Bay farmers, while wool (a major money earner in 1984) no longer figures. Five farmers currently also run deer units compared with two in 1984.

Farm labour
Few farmers employ full-time labour – whether in 1984 or today. With 84% of farms requiring just one or two workers in 1984, farm labour was easily met by the owner(s), or from within the farm family. In 1984, two-thirds (79) of the farms employed family labour only, just over one-quarter employed both family and non-family labour, and on 8% of the farms the owners were absent and the work was undertaken by a manager. To get the work done in 1984, all farm owners employed contractors irrespective of whether or not they used family labour or hired non-family full-time employees. All the farms employed shearing contractors, fencers, and fertiliser contractors (land or aerial), and carriers (for moving stock). Most (90% or more) also hired haymaking or silage baling contractors, builders and painters, and heavy equipment operators (for ditch digging, farm road construction/maintenance, building farm structures, etc). Some farmers provided these contracting services themselves as a sideline to the farm business. Casual workers were also employed as needed.

Thirty years later (excluding the two farms owned by corporate investors which are of course run by hired staff), of the 66 farms for which this information is available, only 13 farms (20%) hire non-family labour in addition to family labour. Most of these are the farms which have converted to dairying or have dairy units on them. The rest (53 or 80%) use family labour (and it should be noted that today, family members who work on the property but are not owners, are paid market rates9).

Today, 25 (38%) of the farm owners do not even employ fencers or shearers, but own their own equipment and do all farm work themselves. In this respect, the owners of nine farms are the sole labour unit, and there are no other family or non-family employees, contractors or casual workers – though these are smaller farms. There is, however, no statistical relationship between size of property and employment of non-family labour.

Whereas in 1984 it was reasonably common for farming neighbours to help each other undertake some tasks (such as harvesting hay or silage, or crutching sheep), today this is rare. Equipment is expensive to repair if a neighbour borrows and breaks it, so today when a neighbour requires assistance it tends to be a business relationship based on contracts rather than neighbourly collaboration. Equipment and labour are more readily shared when the neighbour is a relative.

Almost all farmers employ the services of professional specialists (such as veterinary practitioners, accountants and lawyers), although some now supplement this with Internet searches for information (such as for animal remedies) where possible.

Off-farm income
To what extent have family farmers maintained their businesses by undertaking off-farm employment? In 1984, excluding the five farms run by a manager in the absence of their owners, 83% of the farms’ main decision-makers did not have off-farm employment. Of the few that did, the majority (nine or 8%) owned and ran an agricultural contracting business (mostly to supplement their farm income), while a further six (5%) owned and managed other businesses (such as a newspaper, veterinary practice, factory, etc.) and the farm was secondary to that business. The remaining four (4%) who did agricultural work took employment because they needed the extra money, and by 2014 all four had sold their farms.

Of the 19 farmers who worked off-farm (whether doing agricultural contracting or other work), nine worked because they needed to earn additional money to enable the survival of the household or farm business. Of these
nine, three are still on the same farms, two own farms elsewhere (one an orchard, one a retirement farm), the elderly brothers on one farm retired, the family that owned a farm that was leased out has now taken it back (it was the leasee who was struggling financially) and the remaining two farm owners could not be located.

If few of the main decision-makers worked off-farm (and even fewer needed the money to support the farm enterprise), what about other key family members? Ninety-two of the farmers interviewed in 1984 were married. Of these, 60 (65%) of their wives (and sometimes husbands) did not work off-farm. Of the 32 who did, 18 (20%) did it for the mental stimulus and companionship, nine (10%) worked because their income was essential or provided useful additional income, while the remaining 5% worked for a combination of companionship and extra income.

Four spouses worked for essential income in 1984, two from farms where both husband and wife had off-farm work. Of these, one couple held on to the farm until they were in a position to sell, whereupon they bought another farm, and more recently sold that and bought an orchard. The marriage of the second couple broke up and the husband (now remarried) continues to farm on the same property. (The other two couples could not be traced.)

On the five farms where off-farm employment of the spouse provided useful extra income in 1984, one couple is still farming the same property, two couples eventually retired, the fourth family stayed another three years on the farm then sold it to concentrate on other pre-existing business ventures and the fifth family could not be located. Of the last five who worked off-farm for a combination of companionship and income, three are still farming, the fourth couple eventually sold when they retired, and the fifth continued to farm after her husband’s death and has only recently sold the property.

Today, none of the male owners has off-farm wage work. Ten of the female owners work off-farm (all in professional capacities such as teacher, nurse/GP). Four of these women are on small (lifestyle) farms and are the main income earners.

A very small minority of male farm owners own other businesses alongside the farm. Six own and operate an agricultural contracting business (bulldozer operation, fencing, hay bailing, etc.), two own non-agricultural businesses, and several own other farm properties (which are run by a manager) or rental properties. Four female owners also own businesses (three of which are tourist accommodation-type businesses which use the farm as a base). The farms associated with these 19 businesses are mostly above the median size.

It is clear that the majority of farm families have been able to maintain the farm business without off-farm employment. Where owners took off-farm employment in the past (prior to 1984), it seems this was a temporary measure (for example: ‘I worked in the freezing works for a while and got rid of the debt’ [Int. 59]). Those few who have off-farm employment today, or are operating other businesses, are doing this more for lifestyle reasons than to compensate for inadequate farm returns.

Changes since 1984

In 1984, farming was about intensifying production by increasing the number of stock units carried per hectare. Growing production irrespective of the environment was the key focus of both government officials and landowners. Today the emphasis is firmly on quality of livestock and animal welfare (including planting for stock shelter as well as for tackling accelerated soil erosion). I was told ‘to be a “good farmer” you need to be a good stockman. It’s not numbers but quality of stock’ [Int. 72, 81, 118, 122]. A key interest is increasing lambing percentages to achieve 150% lambing average up from 120–135%, and getting the size of lamb for which meat processors pay the best price. Farmers agreed that ‘this means using the land you have effectively rather than buying more land’ [Int. 6]. Nevertheless, the key factor for these farmers has been the security of land ownership. By being able to sell parcels of land, or other properties and assets owned in New Zealand and overseas, farmers cope with economic downturns and the droughts, and re-purchase when they can afford to. Those who lack this avenue have to severely curtail expenditure.
The economic pressures of drought alongside the withdrawal of the subsidies gave women who were not particularly interested in farming the opportunity to re-engage in their own off-farm careers (‘It wasn’t “done” to work in the early eighties, but now it’s OK’ [Int. 47, 102]). When times improved, these women did not throw in their jobs but have continued to run their professional lives and businesses. Not only is the money handy for extras like paying for children’s boarding school fees [Int. 63, 90, 102, 116], but ‘husbands have become more self-reliant and can cook, clean and look after the kids’ [Int. 102]. Likewise, greater recognition is now given to the women who have chosen farming as a career. They are seen as farmers in their own right rather than as a helper.

The downside for farm communities of the change in women’s roles and in how farm work is done (and who does it) is that there are fewer volunteers available for running community affairs, and this, together with a more responsible attitude to drink and driving, has changed the way people socialise [Int. 4A, 10, 19, 27, 67, 127]. Despite this, a strong sense of community remains, with farm households actively engaged in sport and other community activities. As in 1984, life cycle stage and age of farm householders influences the extent and type of engagement in community events and consequently impacts on community connectivity. The sheep/beef producers in these case study communities appear strongly resilient as economic entities, but the change in how and where work is undertaken, and who does it may mean that the communities themselves are less cohesive and possibly less resilient than they were.

Concluding comments

Apart from people who had been on their farm for fewer than five years (most of whom sold their farms), these case studies of hill-country sheep-beef producers confirm that farms were not sold because of the removal of subsidies. Instead, families have continued to move through their farming life-cycle buying and selling property and farming for the enjoyment factor as much as for the returns. As Smith and Montgomery (2003) found in their research, the capital asset that ownership of land provides New Zealand farmers is the key to the resilience of their farm businesses. Nevertheless, for businesses to thrive, owners have to be deeply interested in the well-being of their animals.

The changes introduced by the reforms were needed to reintroduce the link between production and market. The land market has its own set of dynamics. Often after years of enlarging the farm for production purposes, properties are downsized for retirement by farmers who, still passionate about their chosen vocation, cannot quite give it up. Concerns about ‘aging farmers’ overlook how succession works, with adult successors doing time off-farm in other occupations and in farm apprenticeships elsewhere before buying into their parents’ farm.

Off-farm work is taken up for a variety of reasons. In 1984 it was a quick way to build a deposit for farm purchase. Today it tends to be less about farm economics and more about lifestyle. Similarly, farm owners also own and operate other businesses, sometimes enabling the farming lifestyle, but more usually separate from it.

Farmers said that in looking back over the last 30 years, deregulation was not the issue. It was deregulation coupled with severe droughts that created problems. Harsh weather conditions and poor growing seasons mean no income. Farm families that cut back, spent nothing, did all the work themselves and had a good relationship with the bank were able to survive. Those that could not cut expenses went under. The severity of the back-to-back (three to four years) droughts experienced in the last three decades was new to most of the people interviewed. Farmers found ways to cope. One told me: ‘I took the advice of an old codger and built silage pits all around the property. They can last 30 years or more and they’re great insurance in a drought. When I opened the oldest pit the silage was still good as new. The cattle preferred it to the hay’ [Int. 59]. Drought and other hazards are managed as part of the business cycle.

Few farmers have shifted to dairying, preferring to remain staff free and less time constrained. Improvements in technology enable more work to be done by each individual owner (or owners), obviating the need to pay perma-
This study is part of a larger project conducted by GNS Science/Massey University and funded by the Ministry of Business, Innovation and Employment in 2013–14 on *Building community resilience: understanding the characteristics, determinants and drivers of strong and resilient communities*. The initial set of interviews were for a PhD thesis (Pomeroy 1986), with the field work (which was undertaken in 1984) funded by the National Research Advisory Council. The follow-up interviews, which were funded by the C Alma Baker Trust, were carried out specifically to ascertain how the original sample of farmers had coped following the crisis of subsidy removal in 1984–85.

The Livestock Incentive Scheme and Land Development Encouragement Loans particularly, but also fertiliser subsidies, pest control and some tax concessions, among others.

Five hundred sheep (or equivalent stock units for other livestock) were seen as the minimum number from which an income could be derived in the early 1980s. Fewer stock units indicated an alternative commodity as the source of income (Pomeroy 1986).

Successors were either the descendants of the original owners or newcomer families.

Of these sold the property due to a matrimonial breakup.

In 1984, farmers were asked if they farmed primarily for the profits or primarily as a way of life (or both). Analysing answers against whether or not the farm was sold or kept in the family provides similar numbers in each category; i.e. seven farmers ‘farming for profit’ sold while six kept the farm; 22 farmers ‘farming as a way of life’ sold while 25 kept the farm; and 28 who did both sold while 25 kept the farm.

8 Mostly these are to other family farmers. In only one case is a property leased to corporate interests.

9 In a few cases in 1984, payment was in return for board and keep, with the idea of eventual ownership of the farm (though this did not always eventuate).

References


Paton D (2005). *Community resilience: Integrating hazard management and community engage-


