

CREATING NEW VENTURES, VALUE AND FUTURES ON FAMILY-OWNED FARMS IN NEW ZEALAND

Sub theme: Entrepreneurship (Diversification & adding value)

Tracy Nelson and Michael Mackay

AgResearch Ltd, Ruakura Research Centre, New Zealand

Abstract:

Our research - which is part of a broader study of current transitions of New Zealand agriculture - is concerned with the rise of the multidimensional family farm in New Zealand. These hybrid business entities combine, in novel ways, traditional production- orientated activities ('farming as usual') with new on-farm enterprises. Some of the new businesses we have encountered and analysed in our work can be characterised as an obvious extension of the production arm of the existing farm, involving, for example, the growing, processing and marketing of new agricultural products: others can be characterised by their consumption-orientation - the selling of a rural experience to tourists and visitors. While diverse in nature, the new ventures we have studied all add value to the farm. Our main research goal is orientated towards the development of a clearer understanding of the rural entrepreneurship process: how farmers identify new business opportunities and then orchestrate the necessary resources (physical, economic and social) to bring their idea(s) to fruition. Our interpretation draws on a thematic analysis of qualitative data collected during twelve in-depth interviews with entrepreneurial family farmers throughout New Zealand, complimented by observations made during interpretative farm walks. Our analysis and findings draw attention to the common challenges experienced during the start-up phase of the new farm business (often related to the need to navigate new and unfamiliar rules and regulations) and the importance of the local and local-global support networks created as farmers develop their new enterprises. Management implications are also considered. Our findings also point to a unique way-of-working among rural entrepreneurs: isolation and associated resource-constraints are common to the experience of rural business start-up requiring a tactical approach to the appropriation of materials and resources, including information and advice. The study highlights two particular challenges for entrepreneurial family farmers in New Zealand: balancing the demands of new venture creation with the exigencies of family and rural community life, and the difficulty (in peripheral rural settings particularly) of scaling up their enterprise. The entrepreneurial farmers we spoke to also talked about their reasons for establishing the new farm venture, thus providing interesting insights into the current drivers of farm diversification. Interestingly, these narratives pointed to the strategic 'family-orientated' thinking that, along with the need to be financially viable, sits at the core of the decision to broaden the farm business. Important to nearly all the farmers we interviewed was creating a farm business portfolio that offered diverse career prospects on the farm for the next generation of family members, particularly those who were not keen on farming per se (thus providing a new link between rural entrepreneurship and farm succession planning).

Keywords: *New Zealand, entrepreneurial family farmers, diversification, succession*