

Workshopping the business of farming

Playing farmer for a day can have great benefits for anyone associated with the agricultural industry, according to researcher Dr Amir Abadi.

Dr Abadi, a business analyst with the Department of Environment and Conservation (WA) and the FFI CRC, facilitates workshops where participants experience the sorts of challenges farmers face on a regular basis. Participants use a computer model to make planning, managerial and financial decisions for a hypothetical dryland broadacre farm. They are confronted with opportunities, risks and uncertainties posed by climate,

i key points

- A computer model has been developed to help simulate a hypothetical dryland broadacre farm
- Workshop participants are confronted with realistic challenges and opportunities which replicate real-life, on-farm experiences
- The workshops simulate up to 25 years of farm management experiences in a single day.

By Jill Griffiths
Kondinin Group

environment and markets, all of which interplay in a real-world scenario.

Dr Abadi said that a wide range of people have participated in the workshops and all can benefit in doing so. Participants have included scientists, students, researchers, bankers, natural resource management officers and farmers.

Growers who participate benefit from seeing how innovations such as perennial pastures, trees or drains fit into their business from a whole-of-farm perspective. It helps participants see the cash flow, profitability and hydrological consequences of past decisions and their implications for the future. The CRC also benefits because Dr Abadi brings the perspectives of the participants back to the centre to help inform future research directions.

"Farming is complex," Dr Abadi said. "It incorporates many things – biology, hydrology, finance."

Facilitating a greater understanding

Dr Abadi said it is useful for researchers and bankers to see the many different aspects that farmers need to contend with in making their decisions. And for farmers, it is good for them to see how their decisions in managing

ABOVE: Workshop participants work in pairs to experience the vagaries of farming during a one-day workshop featuring a complex computer simulation. (Photo: A Abadi)

one area of the farm can affect other areas of their business.

"It's not a lecture, seminar or symposium," Dr Abadi said. "It is a group of participants working with a facilitator to go through a set of circumstances. The software keeps us on track and ensures that agronomic and financial requirements are met."

The software at the heart of the workshops was developed by Dr Abadi and colleagues at the FFI CRC. It places participants as the managers of a hypothetical broadacre dryland farm.

Credit, topographical and hydrological information is provided for the farm's nine paddocks. Year-to-date and forecast rainfall, market information, and commodity prices are also provided, but in a limited way – participants receive the information as 'news', piece by piece. They must make their decisions on the information available, then wait to see what happens in a way that mimics real-life, where farmers must make decisions on the basis of available information but with much uncertainty.

Group interaction

The workshop is run over one day, during which up to 30 participants work in pairs

to manage their 'farm' for up to 25 years, dealing with the cumulative impacts of their decisions and seasonal fluctuations. Everything is explained to participants – they are not expected to have expertise or extensive background knowledge on the subjects discussed.

Real-life dynamics

Participants are challenged to make commercially viable choices. For example, the program will not allow participants to revegetate the entire farm at once. The program will not provide 'finance' for such a project; the software tracks the equity of the business from year to year and it will only permit commercially viable options.

Similarly, decisions must be agronomically sound. Participants will see their profits continue to decline, and their need for inputs continue to rise, if they try to crop wheat across the entire farm year after year. However, if they sow lupins for a year or lucerne for a few years, then they will see an increased return on the wheat they sow the following year, reflecting the real-life benefit of crop rotation.

The parameters of the game are set, but the results are contingent on the decisions made by participants. During the course some participants find that their earlier management decisions impede their ability to implement desired farm plans. Depending on how they manage their 'farm', participants may have insufficient funds and equity to cover the costs of their proposed farm plan. Understanding this dynamic aspect of running a business is a real eye opener for many participants.

Capacity building

Dr Abadi considers this workshop to be a training opportunity that is ideal as a capacity-building exercise. It enables mutually beneficial consultation between CRC researchers, growers and agribusiness specialists.

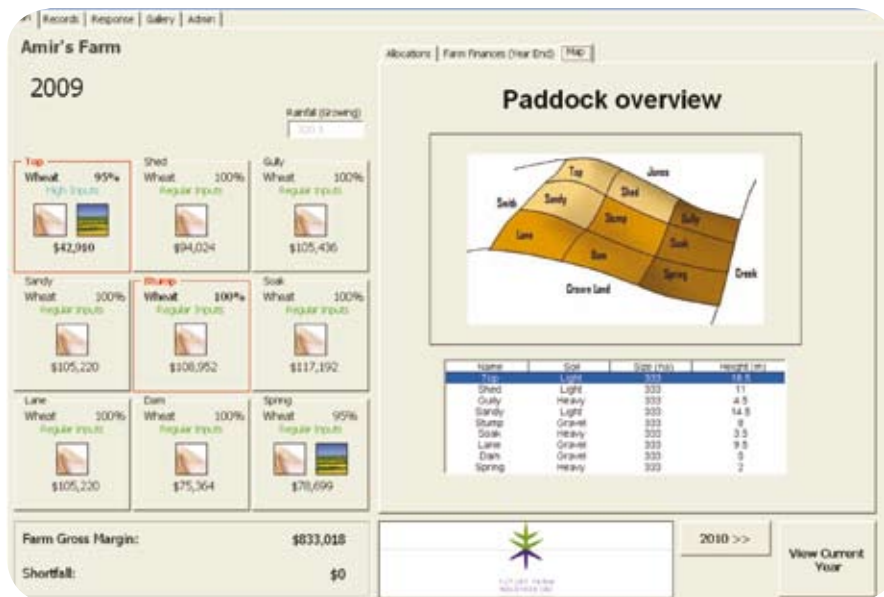
A farmer who attended a precursor to the current workshops said that he enjoyed the workshop and believed it was "a great tool to learn more about risk".

A commodity marketing advisor who attended that same workshop said: "No other workshop so clearly illustrates the real profitability drivers of farm businesses. A good feature is that the program encourages participants to get a feel for risk/reward ratios, or how to handle farm business risk according to their own needs and preferences".

Expert facilitation required

Dr Abadi said that for the workshop to be effective, a skilled facilitator is required.

"It can't go on the internet or be an off-the-shelf product," he said. "Participants benefit from having a facilitator help diagnose the issues, integrate the ideas and question



unrealistic assumptions or perceptions. The facilitator needs to have knowledge of farm management, finance, risk, adult learning, agronomy, livestock and hydrology. This helps the facilitator bring out the teachable moments for the cohort of participants, who come from different walks of life," Dr Abadi said.

Monica Durcan from Avongro and Michael Stace from Rabobank participated in a trial version of the Farm Business Workshop during August this year.

Monica, who is in the business of promoting tree crops on broadacre farmland, said the workshop was a "very good" exercise.

"It's good for people like me who promote tree crops but don't really know about other farm business considerations and it's good for farmers who know all about cropping and planning but don't necessarily know about tree crops," Monica said.

Michael said the workshop was thought provoking and a worthwhile exercise, but felt that it was too biased towards putting trees on farms. He added that he thought the program had been fine-tuned since the workshop he did.

Dr Abadi said the program is updated using information from completed workshops so that errors and biases are removed and the program continually improves.

"The most important thing is that the training workshop has evolved as business, policy and scientific needs have evolved since 1995 (when he first started working on it)," Dr Abadi said. "The workshops are continuing to evolve to address the business and environmental needs of the community."

Dr Abadi said that although the software package was designed to mimic reality, it is not reality; it is a game, and there are no right or wrong answers.

"It's about a narrative that we tell that engenders debate and discussion in the room. It's an awareness-raising exercise," Dr Abadi said.

ABOVE: Each tile (at left of screen) gives a summary of how a paddock is being managed in any given year. It also shows the returns from the field in that year. Participants learn about the farm and its features including the nine paddocks (fields).

"It's real enough to perturb people but it's not so real as to bog people down. It's about having fun and learning something as well.

"The game is a scenario. Where else are you going to be able to see how your decisions will play out 25 years on?"

"You can go to various specialists to find out about different things, but who tells the big picture of how it all fits together? No-one sits down and talks about how all these new things fit together. The game lets people see the 'whole-of-the-farm' concept. It helps people manage risk in the short and long term."

Dr Abadi said that participants work together to bring a new dynamic to the situation. The facilitator's role is to push participants to make new distinctions, to work together to question each others' paradigms and complement each others' work.

The workshops are sponsored by the FFI CRC and attendance is free. 🌱

More information

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