



Evaluation of Grain and Graze 3 Business Discussion Groups

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Summary

Semi-structured interviews were undertaken in June 2016 with participants and consultants to determine the value of the Grain and Graze 3 business discussion groups.

Overwhelmingly, both consultants and participants (farmers) found value in the business discussion groups. There is evidence that changes in critical thinking and decision making have occurred. For many people interviewed, the groups have not been going long enough to identify significant changes which may have occurred within farm businesses.

Each group approached its operation and formation differently. Commonly, benchmarking and farm finances were open to all participants within a group. This was a highlight for many participants. Participants appreciated the openness of their colleagues within the group, and were learning from each other about their colleagues' decision making processes, and the successes and failures that have occurred.

Key Points for successful business discussion group management:

1. Keep group size small (4 – 6 businesses max)
2. Selection of members for each group is integral
3. Have a focus for group discussion
4. Have an agenda for each day which is sent out early
5. Include all members of the family partnership (not just the male farmers)

Unintended consequences of the business discussion groups:

1. Women participants had confidence in attending more “production” field days after being involved in the business discussion groups
2. Seeing that others are in the same financial position has many non-tangible advantages, such as improved mental health (e.g. “I’m not in this alone”)
3. Consultants are learning as much about business management and decision making as the participants

Opportunities for program improvement:

1. Improve the diversity of the age groups within a group (farmers with more experience and wisdom could help groups with a younger age profile)
2. Ensure that everyone has a voice, and is heard
3. When changing consultants/facilitators, ensure that this is effectively communicated to all members of the group

Key finding

The discussion groups offer a low cost method for the dissemination of business management skills and are highly valued by all who are currently participating.

BACKGROUND & METHODOLOGY

Grain and Graze Business Discussion Groups Background

One of the key outcomes of Grain and Graze 3 was that *“farmers are making informed decisions about farm business mix that best meets their needs”*.

During the program logic (MAKAT) development of Grain and Graze 3 in 2013, one of the key activities identified that would lead to the adoption of this outcome was the formation and delivery of business discussion groups. Over the course of the past three-years, nine groups have established across the major mixed farming areas of WA. This evaluation report provides an insight into the operation of these groups, and their success (or otherwise) in meeting the program outcome.

Given that business discussion groups were a novel approach to the delivery of business skills and information in WA, and the general industry interest in the adoption approach, it was decided to undertake an external review of the program (funded internally by the Grain & Graze 3 – Western Region program). The budgeted cost for the delivery of the business discussion groups was \$216,000 over three years.

Evaluation Background

Business discussion groups have formed part of the mix of activities involved in the Grain and Graze 3 program (GG3) since 2014. Their design reflects the “group facilitation /empowerment model” as proposed by Coutts and Roberts, 2011. This type of extension is commonly used in the eastern states, whereby participants learn from their colleagues as much as from the ‘teacher’/facilitator.

The purpose of this evaluation is to identify:

- General and specific insights that can be used for extension purposes
- How these business discussion groups differ from general benchmarking that is routinely undertaken by WA consultants
- The value to different people with different demographics (in particular, younger farmers)
- Common lessons for funders and participants to take forward
- Any gaps that can improve the business discussion group program
- Recommendations to GRDC for future investment

Method

Following a desktop review and analysis of project reports and program documentation, a short semi-structured questionnaire was developed.

All nine (9) consultants were contacted by directly email and then by telephone to arrange a convenient time for the interview. Interviews lasted 15-30 minutes. Confidentiality was assured. A total of 7 consultants were interviewed. Two were unavailable.

During the interviews consultants were asked to identify significant changes they had observed within their business discussion group. They were also asked to nominate at least 1-2 participants from each group to be interviewed as part of this evaluation.

The participants were interviewed at the completion of the consultant interviews and this occurred during the week 21-24 June. All farmers contacted returned calls, and eight farmer participants were interviewed. Seven of the nine groups had farmer participants included in this evaluation.

Sample questionnaires are provided in Appendix 1 and 2.

Results

Desktop review

The desktop review provided background information about Grain and Graze 3 as well as the formation of business discussion groups. Reporting about the business discussion groups varied between the consultants. It varied in length, depth and insight.

CONSULTANT RESPONSES

Involvement in Grain and Graze 3

Previous involvement in Grain and Graze 3 ranged, with some consultants having been involved since Grain and Graze's inception in 2011, and others whose involvement commenced with the formation of the business discussion groups. Consultants with previous involvement had managed trials, and delivered presentations and workshops. Involvement in the business discussion groups varied between 7-8 months and 2 ½ years.

Motivation for involvement in the business discussion groups

The consultants became involved in these groups through interest ("it sounded interesting"), personal development and an overwhelming desire to focus more on the business of farming rather than the technical aspects of farm production.

Recruitment of farmers into the business discussion group

Participants were selected into the business discussion groups through a variety of processes, and for all consultants, it was largely a selective process. There was a limited open call to recruit participants into the groups.

On average, the consultants rated the recruitment process as 7.7/10, with a median of 8.25/10. In some cases, there were difficulties in recruiting to the groups as people volunteered, and were then unwilling to share the information.

In some cases, the farmers were directly responsible for recruitment with key individuals contacting colleagues, friends, etc., inviting them to be involved.

Highlights for involvement with the groups

Highlights included:

- Having like-minded farmers in a room together, discussing individual problems
- Leveraging the "collective wisdom" in the room to solve individual problems
- Exposure to participants in similar (or different) environments with different (or similar) farming systems

Changes to attitude to risk/risk profile for their clients

It was difficult to elicit specific changes that the consultants may have made in their attitude to risk or the risk profile of their clients. For some, it was "too early to tell", given the short time frame that their groups had been in operation. For others, they felt they were already aware of risk profile of their clients/group members. Another suggested that the use of the @Risk program had cemented already held views and "*put numbers on what I already thought*". It is possible that subtle changes have occurred, and these may not have been recognised or disclosed.

What has worked well?

Key methodological responses included:

- Having a structured approach to facilitating the group, including a theme to pursue
- Involving all members of the family partnership (husbands and wives)
- Being the person who does the 'leg work'
- Setting next meeting dates at each meeting to ensure maximum participation
- Having group members who have had careers outside farming who have challenged the norms
- Starting a meeting with highlights since the last meeting, and collective feedback around this

What has not worked so well?

The key challenges for these groups included:

- Managing common time for meetings, especially when dealing with situations such as the early 2016 break of season
- Keeping the groups focussed on the business and not delving into agronomical issues
- Challenges with sharing information
- Participants not coming along well-prepared
- Concern by participants about sharing information

Other general comments provided by the consultants included:

- "Really excited, learning from peers"
- Concern regarding the longevity of the group (that is, the future of GRDC funding)
- Taking people through benchmarking for the first time has been an eye-opener
- There have been challenges with distances that farmers are travelling to attend meetings
- Great program, has broadened the outlook of the farmers
- Really good project, see the benefits for the farmers, women have increased their confidence

FARMER RESULTS

The length of time involved in the Grain and Graze 3 business discussion groups ranged from 6-16 months. One group was formed for another purpose 4 years ago, and have appreciated a reason to keep working together.

Out of a rating of 1-4 (where 4 was good), six of the participants rated the groups 4, two rated the groups as 3.

Reasons for the high rating included:

- Wanted to learn from people (consultants/farmers) with exposure to other businesses
- Get different perspectives
- Insight into other people's businesses is really valuable
- Great people providing honest feedback, evaluating their business
- Sharing ideas and getting off the farm for a day
- Ability to go in depth with people of a similar age and business structure and open my eyes into how people 'do it'
- Getting together with like-minded farmers with consultants who have good farming and business knowledge

What has worked well?

- Some of us knew each other and were happy to share information
- Going into the details of major issues like labour, insurance, finances
- Good trust
- Mutual respect
- Dealing with things like tax planning, input costs and commodity pricing
- As a group, we have meshed well
- Sharing of problems and ideas of how to solve them
- Having a small group
- Open financial format
- Having flexibility in the discussion

What has not worked so well?

- Time commitment (this was mentioned by a few people and it included the time required for data collection for the benchmarking)
- Not getting to see the other participant's farms (as opposed to their business)
- Finding times suitable for all group members
- Managing dominant personalities with some people wanting to speak more than listen

Changes to how participants manage risk

Responses to this question provided some examples of how the participants have changed their attitudes to risk and managing that risk.

One key finding was that risk comes in many forms and means different things to the individuals. For example, one participant had prior experience in the financial services industry and felt that with that experience that they knew about risk. However, while price risk was managed exceptionally well, production risk was not considered as a part of the risk profile.

Investigating other people's financial situation, and having discussions about it, has had an impact on participant's appetite for risk, approaches to risk and its management.

Examples of changes to how risk is managed in the business included:

- Increased knowledge of how risk affects appetite for expansion and debt loading
- Recognition that there are different appetites for risk
- Increased examination of cost-effectiveness of decisions and exposure to how others approach their challenges
- Increase in confidence to take risks due to comfort knowing others are in similar situations
- Realisation that early decisions generally 'pay off'
- Ability to provide their input into risk models
- Widening of exposure to their own risk and others, and the opportunity to discuss it, has expanded their scope for critical thinking (for example, realising that what could be a disaster one year may work the next)

This changed view of risk was not universal. There was recognition and understanding that risk was a natural part of farming and they are used to it, they manage it anyway, and/or there is no need to change.

Highlights of group membership include:

- Seeing inside other people's businesses (other than gross benchmarking results), and analysing the key reasons and influences on the performance of the business
- In-depth conversations about different parts of the business with different challenges
- Being with a group of like-minded people with a positive attitude to farming
- Critically analysing big decisions, such as machinery and land purchase, and employing staff
- Sharing ideas, learning from others, bouncing ideas of people in the same area with similar problems

Areas for improvement

It was hard to find areas for improvement to these groups by the farmers. This is largely because the participants enjoy them, they think that it's a *brilliant* idea and want them to continue.

Communication between the consultant and group members was mentioned, specifically because a consultant changed within a group and the group felt they weren't notified appropriately about this change, causing some confusion. One mention about wanting to visit the farm was made.

Other comments

When I asked the question "Do you have any other comments?" there were many other positive comments. These included critiques of the role that consultants play in the farm business, strategies that make the groups work well, gratitude to be involved in something as dynamic as this and increases in critical thinking.

DISCUSSION

This evaluation has identified that the survey respondents genuinely appreciate being involved in these business discussion groups. This includes both the consultants and the participants.

The following are direct comments about the groups: *really good initiative, brilliant idea, group of people is fantastic, grateful to be considered, worked really well for us, hope that this can keep going, able to bounce ideas off people, great idea to bring communities together, good value for money [for GRDC], getting together with like-minded farmers, information sharing with farmers.*

In interpreting the responses from both consultants and participants, there were some themes which emerged. Notwithstanding that each group operates differently, and to an extent has different purposes, these collective insights have been used to provide answers to the key evaluation questions:

General and specific insights that can be used for extension purposes

Attendance at the group meetings was high, and was commented on by a number of respondents. Clearly, these groups are fulfilling a need for the target audience.

Key characteristics of why the groups were seen to be so valuable by the target audience (farmers) included:

- Group size (keep it small)
- Include all members of the farming partnership (that is, actively include the women). Note – while this works well for those with the women involved, it was not mentioned where women do not have this involvement
- Groups select their own facilitator/consultant
- While ensuring an overall focus, providing each group with the opportunity to decide their own destiny was a common theme

- Starting the group with ground rules, which included mutual respect, honesty and confidentiality
- Having an agenda which is circulated prior to the meeting to encourage pre-meeting thinking for later discussion.
While “homework” may not be completed, where a family partnership travel together to a meeting, the partners discuss the agenda while travelling to the meeting
- Setting the next meeting date at each meeting. If it’s in the calendar people tend to work around it
- Employ group facilitators to organise the group meetings, manage dominant personalities, and do the benchmarking
- Reconsider the role of consultant compared with facilitator (e.g. *I was asked to Chair and direct the group compared with I learned to question participants to get their opinion, rather than being the “expert”*)

How these business discussion groups differ from general benchmarking that is routinely undertaken by consultants

The groups have taken benchmarking to a new level. Not all participants surveyed routinely engage in benchmarking and commonly, do not believe the results, anyway. In an environment where all financial information is shared and disclosed, participants are able to drill down to understand why someone’s benchmark differs. Understanding the explanation for why this is the case, provides a richer picture of each farm business.

Sharing all financial information in a facilitated (and safe) environment has highlighted the challenges that are faced by all participants. The groups have worked together on members’ potential new decisions for the farming business. These may have involved off-farm or on-farm expenditure decisions. By working through these decisions group members have been exposed to a different decision making processes, different rationales, and different attitudes to risk; and have learnt from successes and failures made by their fellow group members.

Improved mental health among participants has been attributed to the groups. This comes from the opportunity the groups provide to gain insight into neighbour’s and local businesses. The participants have come to realise that *we are not in this alone* and that others share their level of debt and/or financial challenges. This is despite the group members (in some cases) being relatively good mates. The type of conversation occurring in these business groups does not happen in the pub or after the footy. Participation in the business discussion groups has given group members the confidence in their decisions as they move into the future. Pub talk focuses on *how many tonnes/ha*, business discussion groups focus on *how much did it cost to get it and what is the equity:debt ratio?*

The value to different people with different demographics (in particular, younger farmers)

There was evidence that younger farmers are learning from their wiser and more experienced colleagues. In some groups, women are leading the way and ensuring that the focus is on the farm business, not on the farming activities (e.g. the agronomy). One respondent suggested that their (young) group could benefit from a few members with more experience.

Common lessons for GRDC to take forward

Participants clearly valued the ability to get together with “like-minded” people. Self-forming groups, based around social networks, which include people with similar goals, values and methods of farming have proven to be valuable in agriculture. The ability to choose their own consultant and select group members has proven to be a positive outcome of these business groups. The participants wanted to continue with the groups provided that there was a reason to exist and that the groups had focus. That the groups operate differently are a necessary factor to support different learning styles, values and backgrounds.

For GRDC, enabling flexibility while providing a focus is a key element in the success of these business groups. With these ingredients, the groups are empowered and the group members will increase their sense of ownership of their membership.

Communication and agreement with group rules has been critical to the success of these groups. I suggest that there might be more changes that have occurred, however, the participants interviewed were reluctant to discuss changes that other group members had made, as a result of their adherence to the confidentiality part of the group rules.

Are there any gaps that can improve the business discussion group program?

Consider the role of consultant vs facilitator

These business discussion groups have been established under the guise of the 'group empowerment' model (Coutts and Roberts, 2011). However, when interviewing respondents, it seemed that there are some consultants who are acting as a 'purveyor of knowledge', rather than as a knowledge broker. Given the nature of these groups, consideration could be given to widening the role of the group consultant to that of a facilitator and/or a knowledge broker. For those participants who have shared financial details, this may require some technical expertise to enhance the learning of participants. However, the key to these groups appears to be in ensuring that all opinions are heard, and that comments and statements are continually questioned. This then leads to the critical thinking skills which are part of evaluating decisions and making change.

It is essential to allow for the different knowledge systems which operate throughout the farming community. Placing like-minded farmers in groups using self-selecting processes, forms part of that process. Enabling those farmers to determine who facilitates that group, what they wish to achieve and how they want to achieve it (within boundaries) is the next step.

The survey results indicated that there is an important role for the 'group organiser'. Participants admitted that there was a need for an external person paid independently to organise the meetings, manage the agendas and facilitate the meeting outcomes, particularly ensuring that the meetings keep on track to focus on the business, not the agronomy.

Sharing lessons between group consultants and facilitators

Regular meetings of consultants can allow for sharing of lessons, activities and outcomes for the participants. The participants also expressed an interest in meeting with other farmers and learning from people outside their own networks (that is, extending their networks, which contributes to improved critical thinking).

Respecting different knowledge systems – how do you know what you know?

The survey results reflected different knowledge systems that were in operation between participants and consultants. This could be explored, particularly if the role of group consultant changed to group facilitator.

Friends vs strangers within the groups

There were differing opinions amongst participants about the value of having a group comprised of people with whom they socialised compared with the inclusion of people outside the group. Some participants were very happy with the current group membership, even where they were of the same social networks. At the same time, there was some (minor) trepidation about sharing all financial details with friends. Friendships contribute to the group dynamic in a positive way.

Again, flexibility with group membership and joint meetings can overcome some of these challenges.

Farmers as competitors

It is widely assumed that farmers are not competitors and that they have limited influence on the price they receive for their product (largely true). However, at a local level, farmers can be competitors. The block of land that a mutual neighbour owns can be a valuable piece of real estate for two enthusiastic farmers who border the farm and wish to expand their business. Placing two farmers into the same group, where each knows the others' financial position, and shares their decision making process, can potentially be fraught. That the participants are competitors for land in local areas was mentioned a number of times. Strategies may be required to manage this and some participants can provide them.

Labour is another area where farmers are competitive. Fear about detailing strategies and labour rates were raised. However, discussions about labour were viewed positively in that it enabled people to gain different perspectives.

Commitment to a longer funding time frame

The groups are in their infancy and there was some concern raised about their future. All farmers wanted to see a future for these groups with funding from GRDC. Most were happy to be flexible about what this could be.

RECOMMENDATIONS TO GRDC FOR FUTURE INVESTMENT

In Victoria, the Victorian Government (with support from AWI and MLA) has adopted a model whereby groups form, select a coordinator and then undergo annual planning cycles to determine what they wish to achieve that year. In this program, group topics can range from production based issues to business management principles.

While the Grain and Graze 3 business groups program does not necessarily have that degree of flexibility, there are some lessons that can be drawn from this approach. The self-selection process, the selection of consultant/facilitator by the group and the direction and method to achieve a goal are similar themes and models that could be considered.

Participants viewed these groups as a low-cost, effective use of their levy funds. They felt that their involvement in determining the methods and activities suited their needs. The term "People are voting with their feet" was commonly cited.

REFERENCE

Coutts, Jeff and Roberts, Kate (2011) Theories and approaches of extension: review of extension in capacity building. In Jennings, J, Packham, R, Woodside, D. Eds (2011) *Shaping change: Natural resource management, Agriculture and the role of extension*. Australia: Australasia-Pacific Extension Network (APEN)

MORE INFORMATION

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Linda is a recognised leader within Australian agriculture and is based in Brisbane, in south-east Queensland. Over the past 20 years in the Australian agricultural industry Linda has worked with research organisations, natural resource management organisations and farm businesses to optimise farm profitability and productivity.

Linda has a long-term interest and passion for the agricultural industries and has managed significant projects for Meat and Livestock Australia and NRM groups in north Queensland. Her key skills include project and program management and evaluation, relationship management and building relationships across diverse interest groups. Prior to moving to Queensland, Linda worked as a farm management consultant in south-eastern Australia. Linda has strong connections to the farming community and understands how new technologies fit into farming businesses.

Linda studied her honours degree in Agricultural Science at the University of Adelaide and has completed post-graduate qualifications in Agricultural Economics (UNE) and Masters degrees in Environment and Program Evaluation through the University of Melbourne.

Linda is a member of the Australian Evaluation Society, the Environment Institute of Australia and New Zealand and is a Fellow of the Australian Rural Leadership Program.

Appendix 1

Consultant survey

Hello, this is Linda Hygate and I have been engaged by Danielle England to evaluate the Grain and Graze Business discussion groups.

Thanks for your time today

1. Advisors
 - a. How long have you been involved in Grain and Graze?
 - i. In what capacity?
 - b. What motivated you to start working with these groups?
 - i. How did you recruit farmers into these groups?
 1. Selective Vs Open call
 - ii. On a scale of 1-10, with 1 being hard and 10 being easy, how hard was it to recruit farmers into these groups?
 - c. Has your involvement in these discussion groups changed:
 - i. How you consider risk to mixed farmers?
In what way?

Why not?
 - ii. How you consider a client's risk profile

In what way?

Why not?
 - iii. What have been the highlights for you?
 - d. What has worked well for you and the groups? (Benefits of their involvement)
 - e. What didn't work so well?
 - f. Do you have any recommendations farmer participants that I can contact as part of this evaluation?

Appendix 2

Farmer survey

Hello, my name is Linda Hygate and I have been engaged to do an evaluation of the Grain and Graze business discussion groups by Danielle England. The reason for this evaluation is to gain some insights into the value of the business discussion groups and how they are working for participants.

This evaluation will go to the Western Panel of GRDC.

You will not be identified within the survey, unless you give me permission to use your comments. What you say to me will remain confidential. I'll be aggregating the results for the report that I will write.

How long have you been involved in the Business discussion groups?

On a scale of 1-4, with 1 being bad & 4 being great, how would you rate your involvement in these business discussion groups?

Can you give me a comment about why you rated the groups in this way?

So, what has worked in these groups?

What hasn't worked so well?

As a result of your involvement in these groups,
Have you changed how you consider risk in your business?

Why? Why not?

How you manage that risk?

Why? Why not?

Have you changed how you think about enterprise mix to meet your risk profile?

Why? Why not?

Have you seen changes amongst other people in the group?

If yes, what are these?

What have been the highlights from your involvement in these groups?

Do you have ideas for improvement?

Any further comments?