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Audits and Sheep/Beef Farm Management

The role of audits

New Zealand's sheep and beef producers are increasingly exposed to the concerns of consumers regarding the safety of meat products in major export markets. In response to several food scares (most notably, the BSE or Mad Cow disease episode in Europe), consumers have demanded more stringent documentation of approved practice on those farms producing the meat they purchase. One consequence of consumer concerns involves the growing utilisation of audit schemes in the New Zealand meat sector. These audits, by shifting responsibility for assuring safe and sustainable meat to producers and processors, are attractive to retailers. The farmers who are subject to compliance, however, often identify audits as a management constraint. The analysis of interviews with ARGOS sheep/beef farmers provides insights to both the features of the audits that farmers find objectionable as well as the characteristics of farmers that contribute to improved compliance with the audit schemes.¹

What makes for an acceptable audit?

A common trait in all agricultural sectors appears to be the growing regulation of not only the tangible qualities (taste, appearance, etc) of their products, but of intangible ones including the social and environmental impact of management practices as well. In the New Zealand sheep/beef sector, for example, farmers are well accustomed to the demands of the meat industry for animals that facilitate the operation of the processing plants. The introduction of quality assurance programmes that stipulate a range of production conditions in addition to the

weight and timing of supply, by contrast, are a less uniformly accepted aspect of meat production. In discussing the role of audit schemes as possible constraints on their management practice, the extent to which farmers considered such forms of regulation to be acceptable reflected their perspectives on several features of audits:

- the potential to include paperwork in understandings of "good farming";
- the perceived level of local/domestic control over excess regulation;
- the value of the intended outcomes of the regulation (and the association between practice and outcome);
- an identifiable reward for compliance, which may include both financial returns and social status.

Indicative of such features, typical complaints by farmers about the audit schemes include:

I can comply with compliance. There's no problem with complying. You have just got to describe everything endlessly and write all this stuff.

Organic²

[Auditing] is creating another whole industry ... that is not actually productive. I do not know where you stop because there are people who will always not be responsible and do stupid things. Somehow there has got to be a different way of doing it really.

Integrated

Quality assurance programmes are a bit of a farce because we do not get anything out of it. They say, "Oh, but you wouldn't be able to kill them at all if you didn't have your quality assurance." I say that's a load of bollocks... And, unless I get some tangible

benefit..., I'm not going to get very enthusiastic about it.

Conventional

Who works well with audits?

It is also evident from the interviews that some farmers are more likely than others to find the practice of auditing to be compatible with their existing management approaches. Such farmers more readily acknowledge the potential rewards of audit certification and are able to develop strategies for reducing the perceived constraint of the associated paper-work. This suggests that audit schemes are more acceptable for those farmers who are able to reconcile their own capabilities and sense of independence with the demands of consumers, retailers and processors to regulate on-farm practice. Representative responses to the introduction of the audit schemes by these farmers include:

You want to sell the product for a premium price and the customer wants a guarantee that this product complies. So, if they're going to pay top dollar, you've got to find a way to make it work.

Organic

Nowadays, [processing firms are] very good at sending information and telling you that this is the direction [they]'re heading in – this is what [they] want. It gives you that early indication that I'm heading in the right direction, or I should veer off a bit and I'm close.

Integrated

Oh, I think it's easy. It's just a thing that you have to work through. It's all just paperwork and I'm sort of used to it because I worked [in industry]. It's just a matter of keeping records. As long as you keep a diary of what you're doing all the time you're right.

Integrated

Life in the audit lane?

The practice of auditing best on-farm practice is an increasingly prevalent feature of food and fibre production. This is especially the case for New Zealand's sheep/beef farmers in their pursuit of higher value markets in the European Union, the United States and Japan. Consumers in these markets show a growing awareness of both the potential social and environmental impacts of diverse management systems as well as their ability to impose their understandings of best practice on other actors in agricultural commodity chains. The concentration of retail power in these markets further strengthens the reliance on

audit schemes as the large corporate entities realise the advantages of shifting responsibility for producing safe, healthy and sustainable food to the farmers. This situation suggests that the ability of farmers and domestic processing firms to comply with audit schemes will become an increasingly obligatory aspect of food and fibre production in New Zealand.

Analysis of the interviews with participants in the ARGOS research programme indicates two important features of a successful response to audit schemes within New Zealand's sheep/beef sector. First, and to the extent possible, audits should be designed such that all stakeholders (from farmers to consumers) believe that their position is respected, that the regulated practices are seen to achieve the desired outcomes and that the rewards of an improved product are both obvious and equitably distributed. Of particular importance in the current context is the framing of regulation as a reaffirmation of shared understandings of 'good farming' as opposed to a means for imposing uninformed constraints on long established management practice. Second, New Zealand sheep/beef farmers will need to develop a greater capacity to accept demands for regulation of their management practices and view these as positive targets for improving the quality of their product.

¹Interviews conducted with 36 sheep/beef farmers from December 2005 to March 2006 and focused on management constraints. A more detailed analysis of this topic is available in ARGOS Research Report 07/05 (www.argos.org.nz).

² These signifiers are used to identify the citations according to the panel membership (organic, integrated or conventional management system) of the speaker.

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