

Outcomes from landholder involvement and investment in landcare (2001 to 2013)



July 2013

Executive summary

Every decade the Woody Yaloak Group conduct in-depth interviews with a small number of landholders in the Catchment to understand the **outcomes** from a decade of landcare activity. The interviews explore the changes in attitudes, knowledge and skills towards natural resource management, how this translates into investment in landcare (much of which is not adequately captured by just using grants as an indicator) and then how this effects the profitability and resilience of the farming business. Twenty one farm businesses were interviewed in the 2013 survey, with 13 also involved in the 2001 study.

Landcare remains a critical part of farming businesses in the Woody Yaloak Catchment. Members of the Catchment Group managed 58% of the private land over the past decade (the same as the decade before). Ninety three percent felt they were making 'good' or very good' progress in landcare, with 64% continuing to undertake projects that link with their neighbours. This is despite 43% surveyed not receiving a grant in the past 3 years.

The average investment in landcare in 2013 (excluding grants) was calculated at \$4,340 per property, a reduction from the \$5,960 per property in 2001. Based on the number of active landcare members, this equates to an annual investment of \$720,000. In the past three years (2010 to 2012), grants for on ground activities have only been \$44,000 per annum, indicating the vast majority of activity is not grant related and highlights the significant landholder contribution to landcare.

To make this level of annual investment, farmers need to be making a profit and they need to chose to invest in landcare. The survey data shows farms in the catchment have got almost 10% larger, farm profit and equity have risen slightly but the pressure on margins through rising costs, climate variability and volatile returns has intensified. More than 70% believe they have made improvements to the natural resources and to their own skills and confidence that has improved the resilience of their farming business to cope with these external stresses. The Woody Yaloak Catchment Group is acknowledged as having contributed to this improvement, especially in keeping people motivated and improving people's knowledge.

The way farmers see and engage in landcare has matured over the past decade. Ongoing maintenance 'to keep things under control' is now part of the annual farm program, the indicators of improvement from landcare include the results of activities, such as production increases, positive changes to financial indicators and observing stock seeking shelter and shade from older plantings.

To meet future challenges the Woody Yaloak Catchment Group will need to refocus on productivity gains to counter the challenge from increasing input costs, climatic variability and volatile returns. Survey respondents clearly believe improvements to the soil will help them achieve the productivity gains they want.

Background

Every 10 years the Woody Yaloak Group conduct in-depth interviews with a small number of landholders in the Catchment. The last survey was conducted in 2001.

The intent of the survey is to understand the **outcomes** from a decade of landcare activity. The measures used are not the number of trees planted, waterways protected, pasture improved or weeds removed. Instead the interviews explore the changes in attitudes, knowledge and skills towards natural resource management, how this translates into investment in landcare (much of which is not adequately captured by just using grants as an indicator) and then how this effects the profitability and resilience of the farming business.

Twenty one farm businesses were interviewed in the 2013 survey (20 were surveyed in 2001). Thirteen of these businesses also participated in the 2001 survey, with the other six either sold (five businesses) or changed ownership through succession. Six new farm businesses with similar area and enterprise mix were included in the 2013 survey plus one additional farm to ensure adequate geographic spread. More than half of the 22 questions asked in the 2013 survey were directly comparable with 2001 responses. A copy of the 2013 survey is provided (appendix 1).

Surveys were conducted on the phone by Jennifer Clarke and Karen O'Keefe in June and July of 2013. Analysis of the results was undertaken by Cam Nicholson.

Results

The average land holding was 825 ha (owned and leased), with the largest being 2250 ha and the smallest 38 ha. Average holding has increased by 97 ha or 13.3% from 2001 to 2013. A comparison of the same 13 farms surveyed in 2001 and 2013 shows a similar trends with the average holding, increasing by 9.9 %. Interestingly five of the 13 farms increased in area, five remained the same and three decreased in area.

The number of people involved in the farming operation increased from 2.6 in 2001 to 2.9 in 2013. This involvement may only be in a part time role and includes the accounting and natural resource management aspects of the business. A similar level of involvement (2.8) was seen with the repeat group of 13 farms.

Farm profit and farm equity, two important indicators of business sustainability have increase in the past decade (figure 1). While the increases are not large (average profit increase of 9% and equity of 13%), the direction is positive, given the increase in area farmed and the cash flow and liquidity challenges facing many farming operations around Australia.

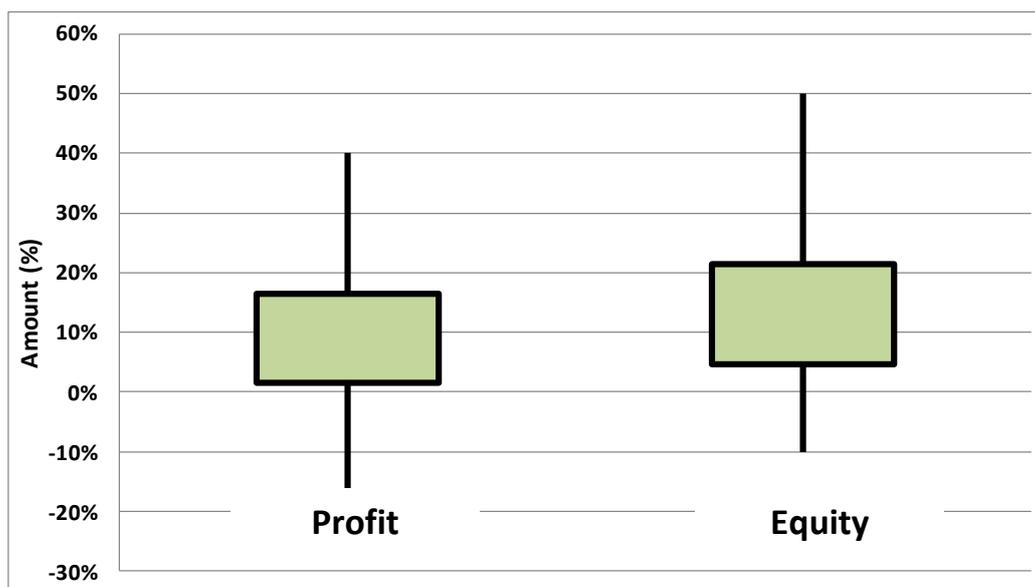


Figure 1: Change in farm profit and equity in the past decade. 67% of results fall within the box, ends of the lines represent extreme values.

The desire to reduce debt and increase financial security was a common response by participants when asked what business outcomes they were looking for in the future. More than half (52%) mentioned debt reduction and a further 38% mentioned increased profitability. Surprisingly only two farmers mentioned both, suggesting the primary focus is on debt reduction rather than increases in profit, although this may be achieved by increased profit.

The biggest challenges to meet these business goals were rising costs and volatility in markets/prices, leading to diminishing and fluctuating profits. Eighty six percent of all respondents mentions one or both of these factors as a major challenge. Responding to climate variability was the next most mentioned challenge followed by age and time constraints (figure 2).

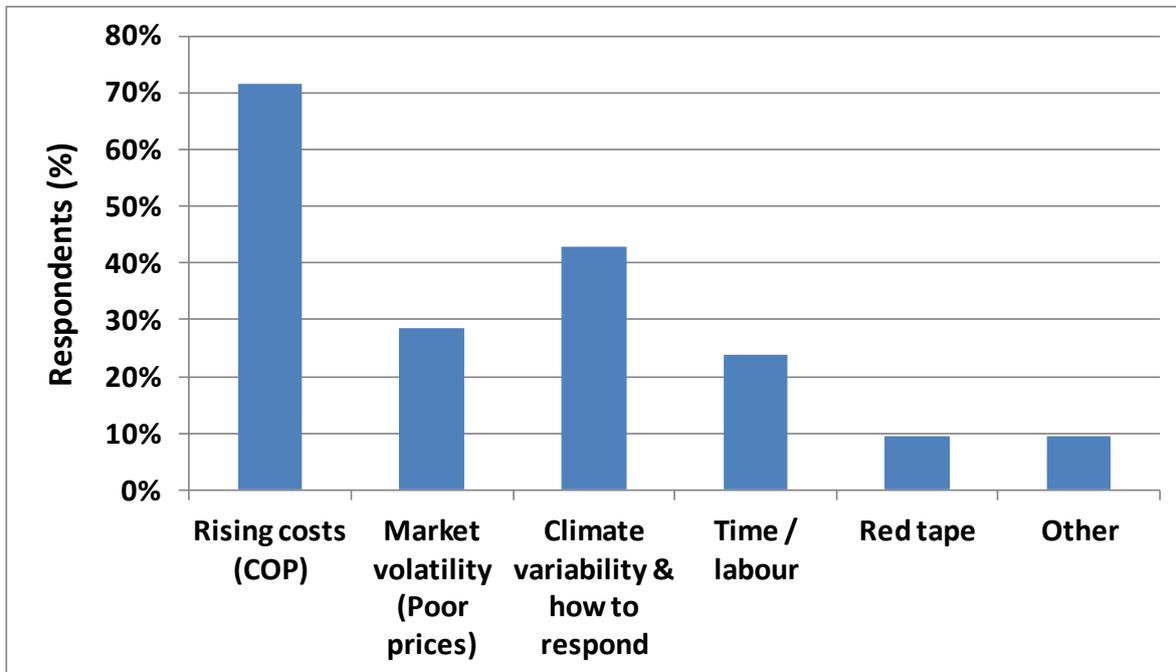


Figure 2: Greatest challenges to achieve business goals (more than one answer possible).

Despite these ongoing challenges, 71% of respondents believed improvements they had made to the natural resources (soil, water, native vegetation, pastures) over the past decade had increased the capacity of their farm to cope with these fluctuations in climate, farm prices and costs. Only 5% believed it had decreased. Respondents who believed the resilience of their farm had improved, attributed some of this change to the influence of the Woody Yaloak Project. The average influence rating was 3.8 (on a scale of 1 = no influence to 5 = large influence).

They also believed the Woody Yaloak Group had increased their personal skills, confidence and decision making. Seventy two percent of those who answered the question felt they had increased their skills, confidence and abilities and attributed a score of 3.0 to the influence of the Woody Yaloak Group (again on a scale of 1 = no influence to 5 = large influence).

Landcare in the farming business

Landcare remains an integral part of these farming businesses. Ninety one percent of farm businesses in the 2013 survey indicated they were currently involved in landcare activities. The two businesses that responded 'no' had been active in the past decade but were still spending a small amount (<\$1,000) on landcare type activities. This is a similar result to 2001. However 43 % of the farm businesses surveyed did not received any grant funding for on ground works in the past 3 years, but still believe they are involved in landcare. Those who did not receive individual grants may feel they remain involved by participating in rabbit and fox baiting programs, farm productivity information sessions and on farm trialling.

Working with neighbours remains important to the farm businesses surveyed. In response to the question 'Are you or your family members currently on the farm engaged in landcare activities that link with your neighbours?', more than two thirds indicated yes. This is less than the 80% who responded yes in the 2001 survey (when neighbourhood groups were used for project planning), but is still a strong result.

Participants believe they are continuing to make progress in Landcare, although the rate at which this is occurring has declined from 2001 to 2013 (figure 3). Less people in 2013 believe they were making very good progress and more felt they were only making good progress. However the level of progress in 2013 is higher than in 1991 when landcare was just starting.

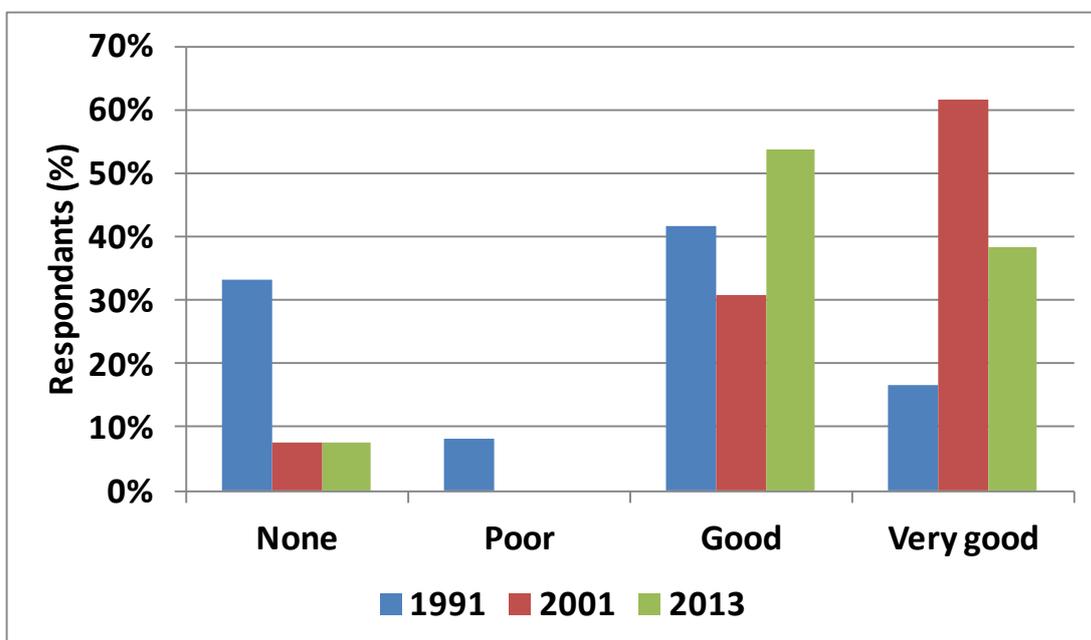


Figure 3: Participant rating of progress in landcare during the past decades.

The main indicators used by landholders to measure this progress are the visual impact of trees across the landscape, improved pastures that grow more and retain greater groundcover over summer and livestock / crop production increases (figure 4).

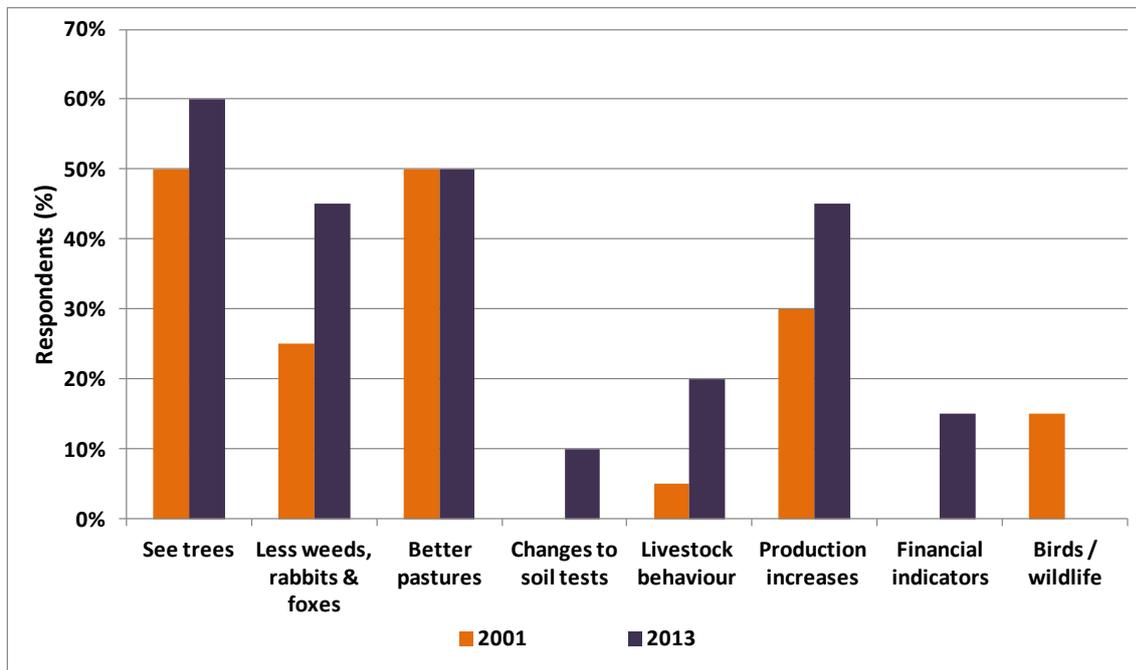


Figure 4: Main indicators used by landholders to indicate progress in landcare.

It was noticeable the use of production increases and animal behaviour (observed animals seeking shelter and shade) were two indicators that has risen from 2001 to 2013. This probably reflects the benefits being obtained as pastures and trees mature. Also of note is the other indicators that advisors routinely use, namely soil testing and financial indicators, were not mentioned at all in 2001 and only by a few in 2013.

A quarter of survey participants said they had decreased their landcare activity in the past decade. Several reasons were cited for this decline in activity, the most common being that major works had been done or there was no funding available for their local landcare issue. Limited cash for investment, increasing age and having a stronger productivity focus and were also mentioned.

The decrease in landcare activity is reflected in the amount of money survey participants said they spent annually on natural resource issues. In response to the question 'Over and above any grants, how much money would your business spend annually on traditional landcare activities eg tree planting, weeds, erosion, waterway work, native vegetation work etc', the average investment was \$4,340 per annum. In 2001 the average investment was \$5,960. The range in spending has also altered, with the maximum spend in 2001 of \$19,000 compared to \$15,000 in 2013 and the minimum from \$0 in 2001 to \$700 in 2013 (figure 5).

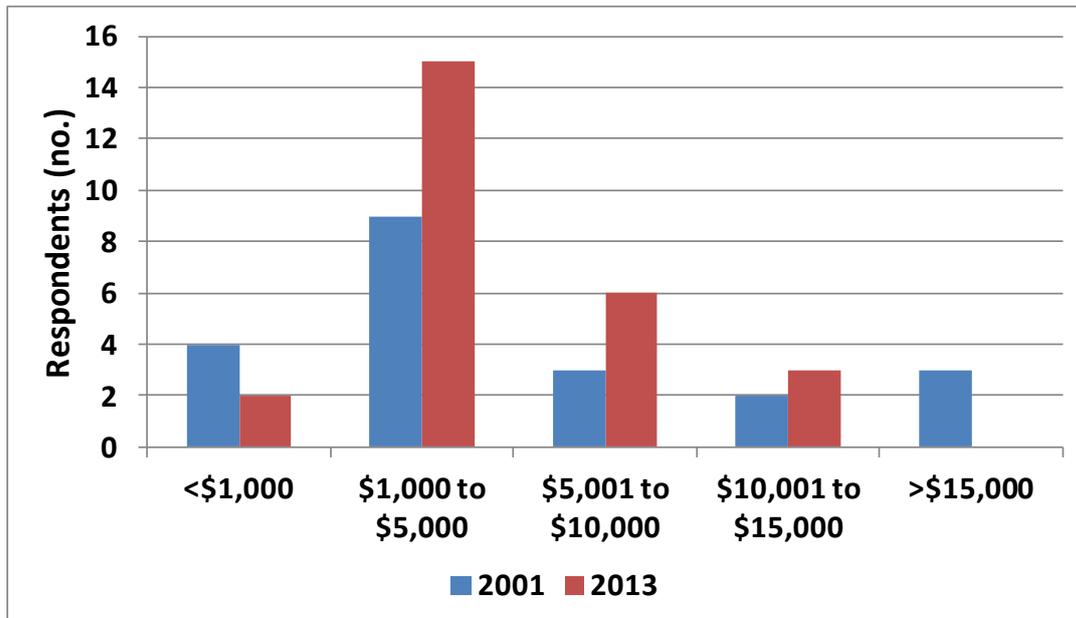


Figure 5: Annual business expenditure on traditional landcare activities in 2001 and 2013.

The type of landcare work being undertaken remains broadly the same from the first decade of landcare (1991 to 2001) and the second decade (2002 to 2013), suggesting issues take a long time to solve. However the number of people involved in multiple landcare issues has increased from 2001, especially in the areas of rabbit, fox, weed and erosion control (figure 6). This is most likely a result of the neighbourhood group processes used from 1999 to 2008, where smaller groups of neighbouring farmers were encouraged to take on multiple landcare issues.

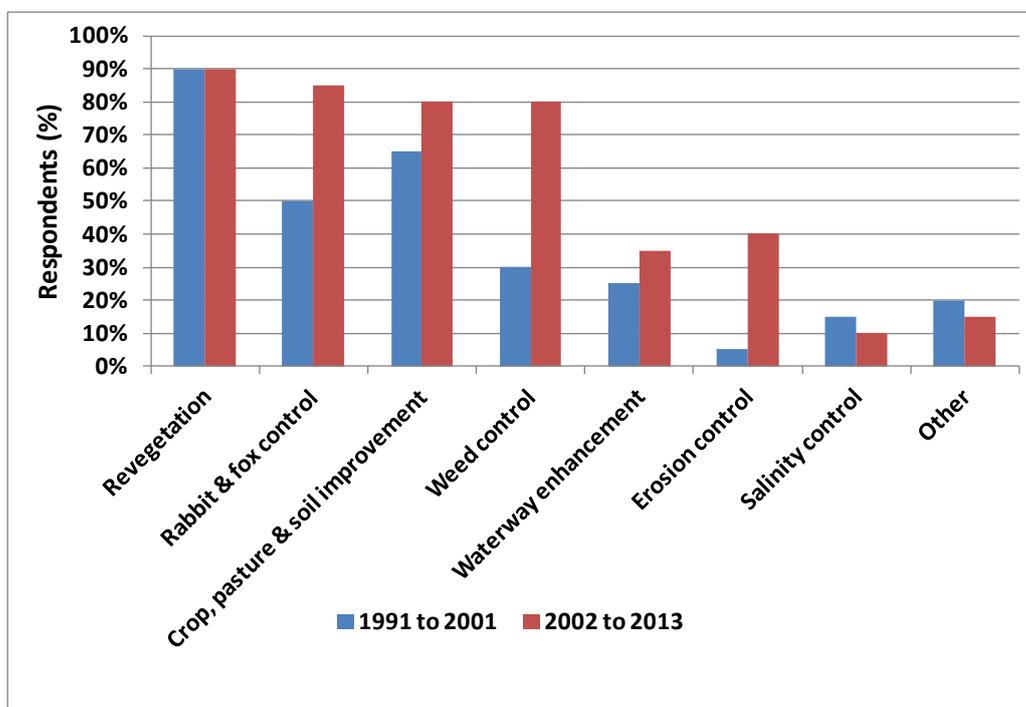


Figure 6: Landcare activities undertaken in the past decades (more than one response possible).

The Woody Yaloak Catchment Group has invested significant resources into projects that build the skills and confidence of landholders to undertake various natural resource and farming activities. Survey participants were asked to rate the importance of the Woody Yaloak group in influencing motivation, attitudes, knowledge and skills/capacity, from 1 = not important to 5 = very important (table 1).

Table 1: Importance of the Woody Yaloak Catchment Group in various aspects of natural resource management in the past decade.

	Average score	Highest score	Lowest score
Motivating me to be involved in landcare	4.0	5	2
Changing my attitude towards natural resource management and sustainability	3.0	5	1
Increasing my knowledge on landcare issues	4.1	5	2
Increasing my skill and capacity to undertake landcare work	3.2	5	1

Comments that accompanied the score provides further insights into the influence of the Woody Yaloak Group. Representative comments are presented.

Motivating me to be involved in landcare

- *Woody Yaloak has been instrumental in getting people together. Talking through issues motivates you to take action.*
- *Woody Yaloak provided funding for a bridge across a waterway (not a lot of money) but that bridge has made my business more user friendly. This project sparked my ongoing involvement with landcare.*
- *Great help, advice, enthusiasm from the Woody Yaloak Group encourages you to get things done.*
- *I get motivated by the Woody Yaloak Group showing individuals the benefits of landcare. Trial work helps us make informed decisions, with local results and best practice presented - we learn together.*

Changing my attitude towards natural resource management and sustainability

- *Originally there were four trees on this farm. The family has always been tree orientated, but this has been supported by Woody Yaloak.*
- *Woody Yaloak has influenced my attitude to soils through pasture plots, lime trials*
- *Not really, my attitude changed pre 2001.*

Increasing my knowledge on landcare issues

- *Woody Yaloak is the only way we find out about landcare issues. Woody Yaloak puts lots on the table for people to get involved with.*
- *A great learning experience going through the native vegetation stuff with Karen. It may influence the management of our native vegetation sites in the future.*
- *Woody help in sharing ideas. The knowledge gained on lime and soils biology trials, Jen on pasture and fertiliser work has been valuable.*
- *Increased my awareness of serrated tussock.*

Skill and capacity

- *No great changes in skill base on the landcare side of things.*
- *Had never sown a pasture until I joined Woody Yaloak. We were introduced to soil tests - how to do and read them.*
- *Skills haven't altered in last decade.*
- *Getting better results from planting trees. Initially we only got 50% survival, now with exclusion of severe dry, we get up to 97% survival.*

The results show the Woody Yaloak Group have been most effective in continuing to keep people motivated and imparting new knowledge about natural resource issues.

The future for landcare

Survey participants were asked to consider landcare and their farming business in the future. The responses indicate traditional landcare issues such as revegetation and waterway enhancement may be overshadowed in the future by the immediate need to address the profitability issues facing farmers. The highest ranking future need was increasing farm productivity (figure 7). Historically productivity improvements were equal to natural resource enhancement but this is not the case beyond 2013.

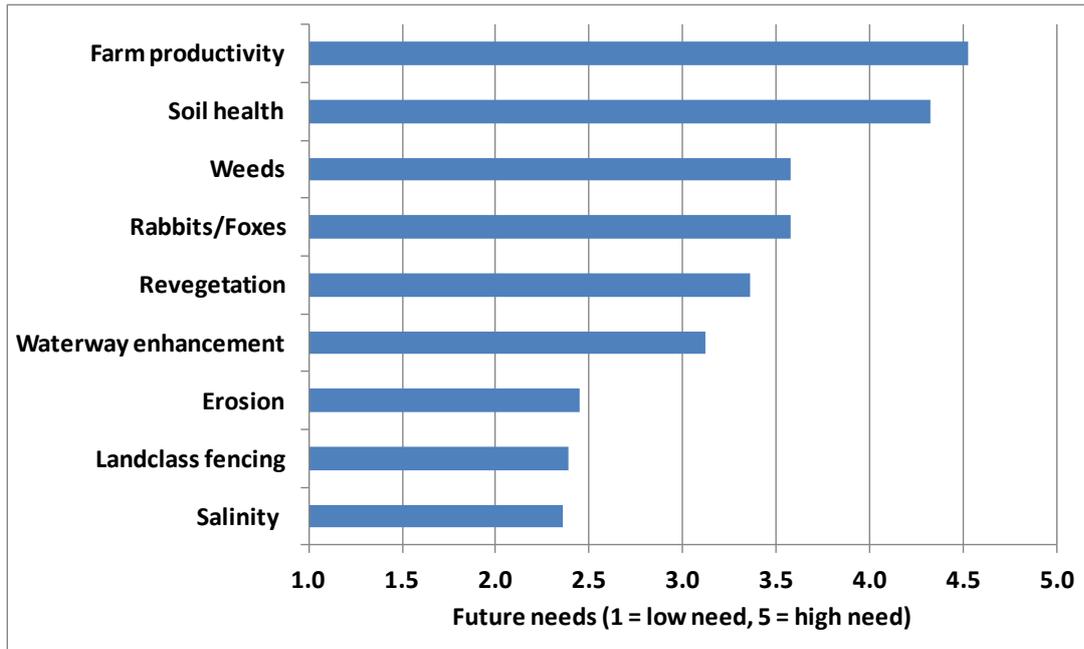


Figure 7: Ranking of future needs

Respondents identified improving soil health as the main natural resource need in the future. Previously pasture improvement (species and grazing) and shelter (tree plantations) were considered the natural resource improvements required to achieve increased farm productivity. It now appears the focus has shifted more to the soil and getting the chemical, biological and physical conditions right as the means to achieving productivity improvements.

Discussions and implications

The Woody Yaloak Catchment Group has been operating for more than 20 years. The main land use on the 100,000 ha of private land in the catchment is agriculture, primarily grazing and cropping. A further 20,000 ha is public land. Consequently the natural resource management outcomes achieved in the catchment are mainly dependent on the practices adopted by farmers. Engagement with these individuals remains critical.

Landholders who were members of landcare groups managed only 22% of the private land in the catchment when the Woody Yaloak Catchment Project started in 1992. In the two decades since the average membership has been 58% of private land. Membership at the time of the 2001 survey was 64%, wider community interest in Landcare was high and significant Government and Corporate investment was being offered.

The landcare environment changed after 2001. Governments increasingly adopted an assets based approach, where high value assets under threat were deemed a higher priority for investment than enhancing or repairing degraded landscapes. The Woody Yaloak Catchment had very few high value assets but a lot of degraded asset in need of attention. This Government policy made it more difficult to attract investment and created conflict between regional and local priorities.

Despite this conflict, the Woody Yaloak Catchment Group has continued to engage their core target audience. Membership of the Catchment Group was 55% of private land in 2012 and averaged 58% over the past decade, the same as the decade before. This is a major achievement, maintaining engagement with the target audience even when less grants were available and priorities differed. The survey data also shows;

- All landholders still believe they are actively involved in landcare, with 43% maintaining participation even though they had not received a grant in the past 3 years.
- 54 % believed they were making 'good' progress and 39% 'very good' progress in landcare, compared to 61% who felt they were making 'very good' progress in 2001.
- 64% of landholders continue to undertake projects that link with their neighbours, down from 80% in 2001.
- The landcare issues largely remain the same, indicating that achieving permanent change is a multi decade commitment.
- The average annual investment in landcare (excluding grants) was \$4,340 per property, down from \$5,960 per property in 2001.

While the rating of progress in landcare, non grant investment and the linkages with neighbours has all declined from 2001, the result is still positive given the Woody Yaloak Catchment Group's ability to encourage this multi-issue, across boundary activity ceased in

2008 and the availability of grants for on ground activities became significantly less. From 1999 to 2008 the Woody Yaloak Group adopted a neighbourhood group approach, where smaller groups within an existing landcare group were supported in planning and implementing a range of integrated landcare activities. It was highly effective in boosting landcare activity and resulted in membership peaking in 2005 at 71%.

Difficulties in obtaining ongoing funding meant the neighbourhood group approach had to be cancelled in 2008, with planning reverting to the landcare group scale. This is thought to be the major reason for the progress rating falling and average annual investment declining.

However positive legacies from the neighbourhood group process were that the concept of working with your neighbour has largely remained, people feel they are still making progress in landcare, albeit at a slower rate, and non grant investment is still occurring on a significant scale. In the past three years (2010 to 2012), grants for on ground activities has totalled \$44,000 per annum, yet the survey would indicate landholders intend to spend \$652,000¹ on landcare activities in 2013. It is thought much of this investment is for ongoing maintenance of landcare projects. The calculated level of commitment without grants is a fantastic achievement and highlights the 'hidden' investment landholders are making to natural resources in the catchment.

To make this level of annual investment, farmers need to be making a profit and they need to chose to invest in landcare. The Woody Yaloak Group adopted the catchphrase *Productive Catchment Management* in 1992, to reflect the connection between business viability and the ability to enhancing and sustain the natural resources in the catchment. The belief was that improvements in one could not be maintained without improving the other. Therefore supporting farmers to achieve a profit in their farm businesses is fundamental to the goals of the Woody Yaloak Catchment Project. In relation to farm viability the survey data shows:

- Farms in the catchment have gotten larger, farm profit and equity have risen slightly but the pressure on margins through rising costs and volatile returns have intensified since 2001.
- The implications of climate variability on business performance is now on the minds of farmers, where it wasn't recognised in 2001.
- More than 70 % believe they have made improvements to the natural resources and to their own skills and confidence that has improved the resilience of their farming business to cope with fluctuations in climate, farm prices and costs.
- Farmers recognise the actions of the Woody Yaloak Catchment Group have contributed to this improvement.

¹ Calculated by average annual expenditure by total membership.

The survey results show the Woody Yaloak Catchment Group have been successful in encouraging people to stay engaged in landcare. Respondents rated the Group highly in motivating them to stay involve in Landcare and in generating new knowledge they could apply.

Prioritising future landcare investment involved weighing up three considerations. The first consideration is maintenance. Many have spent large amounts of money in the past 20 years and now are looking to secure what they have achieved. They are especially vigilant on weeds, rabbits and foxes and monitor these threats on a regular basis but also wish to maintain soil conditions through liming and fertiliser. While incentive payments stimulate activity, they are still likely to invest their own money to ensure previous gains are not lost.

A second consideration is that the investment provides a financial return in the short to medium term. They will invest to achieve a productivity increase and are targeting improving soil condition, with the aim of creating enough profit to continue investing in traditional landcare activities.

The final consideration is the type of funding available. They will elevate a lower priority action if the grant enables the cost of implementation to be reduced.

The way farmers see and engage in landcare has matured over time. After 20 years of activity, some landholders are saying they have completed extensive works and this is beginning to show in the survey responses;

- Ongoing maintenance 'to keep things under control' is now part of the annual farm program and not an add on when funding is available.
- Indicators of progress in landcare include production increases, positive financial indicators and observing stock seeking shelter and shade from older plantings. These were not reported as indicators in 2001 because there was likely to be insufficient time to see the impact of recent activity.
- The range of annual expenditure on landcare, while it has reduced, is more consistent meaning a dedicated amount of money is being put aside each year.
- Many believe they have the appropriate attitude towards natural resource management and have the skills to achieve the outcomes they want. Most interviewed have been involved in landcare for more than a decade and it is likely they developed the necessary skills early on. This most likely explains the lesser influence respondents gave to the influence the Woody Yaloak group has had on changing attitudes and increasing skills and capacity.

To meet future challenges the Woody Yaloak Catchment Group will need to adapt. Improving the productivity of the farming business is arguably more important now to enable continued investment by landholders in landcare than it was 20 years ago.

Increasing input costs, climatic variability and volatile returns makes for more uncertain business conditions. Survey respondents have clearly indicated they believe major productivity gains will come from improvements to the soil. While the Group have started on this path, more will be required to meet these needs.

Acknowledgements

The Woody Yaloak Catchment Group would like to thank the survey participants who were generous with their time to complete the survey. Their considered responses are greatly appreciated.

Appendix 1: 2013 survey questions

ABOUT THE LAND YOU MANAGE

Q1 (was Q48) What is the current area you farm (own and lease)?

Q2 (was Q50) How many family members are involved?

Q3 (was Q1). Are you or your family members currently on the farm engaged in 'landcare' activities?

Yes / No

Q4 (was Q2). Are you or your family members currently on the farm engaged in 'landcare' activities that link with your neighbours?

Yes / No

REFLECTIONS ON THE PAST

Q5 (was Q4). Can you give some examples of the type of landcare work you have been doing?

Q6 Thinking back to 2001, would you say your level of landcare activity in the past decade has:

Increased / stayed about the same / decreased?

Q7 Why do you think it has?

Q8 (was Q7 - 15). How do you rate your farm's progress in 'landcare' in the past 10 years?

None / Poor / Good / Very Good

Q9 (was Q16-20) What measures do you use to know you are making progress in landcare (what indicates you are making progress)?

Q10 During the past decade how important has the Woody Yaloak Catchment Group / local landcare Group / past neighbourhood group been in... (On a scale of 1 to 5, with 1 being not important, 5 being very important). Also give examples if possible. (with the examples we are looking for outcomes, eg. as a result of increased motivation, I did....., eg. as a result of a change in attitude I did this.....)

10.1 Motivating me to be involved in landcare?

1 2 3 4 5 (very)

Examples _____

10.2 Changing my attitude to natural resource management and sustainability?

1 2 3 4 5 (very)

Examples _____

10.3 Increasing my knowledge on landcare issues?

1 2 3 4 5 (very)

Examples _____

10.4 Increasing my skill and capacity to undertake landcare work?

1 2 3 4 5 (very)

Examples _____

Q11 (Q46,49) Roughly how much has your farm profit (gross income less operating and overhead costs) changed in the past decade?

>-20% -20% -10% unchanged +10% +20% +30% +40% >40%

Q12 (Q51) Roughly how much has your farm your business equity (value of all assets less liabilities) changed in the past decade?

>-20% -20% -10% unchanged +10% +20% +30% +40% >40%

Q13 How has the capacity of your farm to cope with fluctuations in climate, farm prices and cost changed in the past decade? Think about this in terms of the health of your natural resource, ie. soil, water, native vegetation, pasture.

Increased / stayed about the same / decreased

If the answer to Q13 is Increased, go to Q14, otherwise go to Q15

Q14 Has your involvement with the Woody Yaloak Project had an influence on the health of your natural resource assets, ie. soil, water, native vegetation, pasture. On a scale of 1 to 5, what level of influence would you attribute to WYP.

1(no influence) 2 3 4 5 (large influence)

Q15 How has your capacity to cope with fluctuations in climate, farm prices and cost changed in the past decade? Think about this in terms of your own skills, confidence, decision making ability.

Increased / stayed about the same / decreased

If the answer to Q15 is Increased, go to Q16, otherwise move on to Q17

Q16 Has your involvement with the Woody Yaloak Project had an influence on your skills, confidence and decision making ability in relation to coping with fluctuations in climate, farm prices and costs. On a scale of 1 to 5, what level of influence would you attribute to WYP.

1(no influence) 2 3 4 5 (large influence)

FUTURE

Q17 (was Q43) What do you want your farm landscape to look like in the future?

Q18 What business outcomes are you looking for in the future?

Q19 What are the biggest challenges in achieving these landscape and business goals?

Q20 (Q55-59) How would you rate need to address the following areas (1 = low need, 5 = high need)

• Rabbits / Foxes	1	2	3	4	5
• Weeds	1	2	3	4	5
• Erosion	1	2	3	4	5
• Salinity	1	2	3	4	5
• Landclass fencing	1	2	3	4	5
• Revegetation	1	2	3	4	5
• Soil health	1	2	3	4	5
• Farm productivity	1	2	3	4	5
• Improving waterways	1	2	3	4	5
• Other	1	2	3	4	5

Q 21 (Q60-67) Over and above any grants, how much money (roughly) would your business spend annually on traditional landcare activities, eg. tree planting, weeds, erosion, waterway work, native vege work, etc?

Q22 (was Q31, 44) How do you plan and prioritise your future landcare activities?

Any other comments you would like to make?

Thank you for your time.