

ABC Farms Trust is a large sheep and beef farm which runs 70% sheep and 30% beef/dairy. This includes 17,000 breeding ewes and 5,000 hoggets.

### **Social influences**

The fact that ABC Farms is structured as a trust influences the decisions made by the farm. Mr and Mrs R are the biggest shareholders in the Trust and their intention is to hand their family business down to their sons in the future. **This ensures the viability of the farm as it is likely to operate for at least one more generation though possibly for future generations too.** A negative social influence is that the farm is in a remote rural area. The couple and their workers do not have a social life because they live more than an hour from any city. Over the years this has affected the morale of several farm workers or their family members and they have resigned. Mr and Mrs R have set up some social activities for staff members so they have people to socialise with.

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### **Biological influences**

Biological factors play a large part in keeping ABC Farms Trust future proof. The biggest biological factor is how good the farm stocks are. Mr R said that he does not pay a premium price to buy stud ewes but he tries to buy ewes with good genetics which will still produce high quality wool and meat. Mr R said that it is important to have medium to high genetics because it helps to sell the products. Customers want to buy products from high quality animals.

1

### **Political influences**

Mr and Mrs R cannot control outside influences such as fluctuating milk prices. This means that when they have a good pay-out year they need to save for when the pay-out drops. **This is important because sustaining a steady bank balance ensures the farm can meet its expenses and debts. If they couldn't do this, suppliers or banks might force them out of business.**

2

### **Animal welfare influences**

One of the best ways to ensure healthy animals is to feed stock sufficient good quality food. This is a major expense as the Trust runs three huge farms. If the feed quality or quantity is not right the quality of end products is reduced and sales will drop. The farm recently introduced a traceability system so that end products can be traced back to actual animals. This is important in selling their wool and meat because, in case of problems with quality, it allows them to know which animals produced which products.

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### *Biosecurity influences*

1

Biosecurity has a major impact on the Trust. New Zealand is very strict on what you can import and export. This means that when Mr and Mrs R export their products overseas they must make sure the products are free from disease. It is important that the farm keeps its good reputation for being disease free and that no diseases or pests are detected at the border. Bad reputation or having to recall products will decrease income and profit.

2

### *Environmental influences*

1

Mr and Mrs R are very concerned to look after the Trust's land, to farm in a clean manner (for example, minimising waste) and to comply with legislation. A big factor affecting ABC Trust is the protecting the waterways. Environment Southland requires the farm to fence off all waterways on the property. The cost of fencing is huge as the farm has over 70 km of waterways which pass through the property.

3

### *Technological influences*

The farm uses old fashioned techniques for most farm jobs. This might be effective currently but may not work in the future. It is important to keep up with the latest technology because it is always changing. If Mr and Mrs R stick with their current practices their farm might not be as productive and profitable as it could be. They might also find it hard to attract or keep staff who might prefer to work on farms with more sophisticated technology or more modern farming methods.

2

### *Legal influences*

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The farm must adhere to local government bylaws, such as set by Environment Southland, and central government laws, such as for employment and health and safety. Failure to comply with legal requirements could mean that the farm is fined or must appear in court. Any legal consequences could be damaging for the farm financially and could harm the Trust's reputation as an employer or a farm. For example, if ABC Farms Trust became known as a "dirty farmer" because it allowed waterways to be polluted, customers might be unwilling to buy their products and the business might eventually close down.

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