

## New Farm Management

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Ask farmers why they farm and you will probably get about as many different answers as the number of farmers you ask. “To make money” will probably be somewhere on most farmers' lists, but only a few will put it at the top. Those who do so are identifying their farms as agribusinesses driven primarily by the pursuit of profits and growth. *New farms* are not agribusinesses and *new farmers* understand that making money is but a means of pursuing happiness, the ultimate goal of all purposeful human activity. Some farmers won't have a ready answer to the question of purpose, because they have never really thought much about why they do what they do. They are just farmers; that's all they have ever been and all they ever have wanted to be. To them, farming obviously is their way of life, not their business or hobby; it is who they are. Regardless of their reasons, farmers need to give some thought to why they farm. If they don't know why they are farming, they have no way of knowing how to manage their farms to achieve either profits or happiness.

A farm is an organization, a collection of resources – land, labor, and capital (equipment, buildings, and such) – assembled for a specific purpose. Living organisms are assembled by nature and nature has designed them to fulfill some predetermined purpose. Plants, ants, and animals all have specific roles to play in the grand scheme of things. Farms are assembled by farmers, not nature, thus farmers must design them to fulfill their specific purposes, as individual farms have no predetermined purpose or design. If a farm has no particular purpose, then any collection or organization of land, labor, and capital may be about as good or as bad as any other.

Conventional farm managers simply assume the purpose of farming is to maximize profits and growth. Certainly, farmers' logical concerns for such things as family, community, and land stewardship are taken into consideration, but profits are assumed to take priority of over all else. Profits are maximized subject to some set of social and ethical constraints or restrictions. The farm manager attempts to design and organize the farm operation to make as much profit as possible, without doing anything that the family or society simply will not tolerate. For the most part, if something is legal and profitable agribusiness people do it, regardless of what their neighbors think. Regulations that protect nature and society from economic exploitation naturally limit their profits; that's why some farmers are always fighting against regulations.

This approach to management inevitably leads to greater specialization, standardization, and consolidation of control because these industrial strategies have proven to be the most effective means of maximizing profits. Farm enterprises are analyzed individually to determine which enterprises are the best candidates for specialization and expansion. Specialized processes are then standardized, routinized, and mechanized, so that each function fits together with the others, to make fields and feedlots function as biological assembly lines. The routinized processes can then be consolidated under the control of ever-larger farming operations. That's how industrial operations gain their economic advantage, through the economic and political power of large-scale production. A farm is treated as a factory without a roof and farm management becomes agribusiness management.

This conventional approach to farm management apparently has made sense to many farmers because over time farms have become more specialized, routinized, and larger in size. However, it apparently has not made sense to even more farmers because small, diversified farms are still far more numerous than are large, specialized farms. Most farmers apparently have been farming for purposes other than maximizing profits and growth because they haven't gotten bigger and haven't gotten out of farming. To most farmers, farming apparently is about the pursuit of happiness rather than wealth, about creating a good place to live, as well as a place to make a good living, to achieve a desirable quality of life. For these farmers, the conventional approach to farm management has never made sense even though it's the only option most have been offered.

Managing for happiness or quality of life requires a dynamic balance or harmony among the economic, social, and ecological dimensions of farming. Happiness has emerged as a popular new field of scientific inquiry in behavioral psychology and most of the conclusions thus far simply serve to confirm our common sense of what it takes to make us happy. First, some people tend to be happier than others by nature. We appear to be genetically predisposed to be more or less happy – probably for a purpose. Happiness is also affected to some extent by our physical and social environment. Some of us simply have an easier life than do others. But most important, we humans have an amazing ability to cope with our negative genetic tendencies and to adjust to our physical and social environment. The vast majority of all people, certainly those of us in America, have the capacity to be about as happy as we make up our minds to be.

Happiness research is also confirming that some level of material well-being is essential for happiness but more money doesn't necessarily make people happier. University psychologists Ed Diener and Martin Seligman reviewed more than 150 scholarly studies relating wealth and happiness.<sup>1</sup> They concluded that beyond some very modest level of income – around \$10,000 per person in the U.S. – increases in income do not necessarily bring greater happiness. A 2003 British cabinet office report also confirmed, “Despite huge increases in affluence compared with 1950, people throughout the developed world reported no greater feelings of happiness.”<sup>2</sup> Happiness studies have consistently found that personal relationships – friends, family, and community – are necessary for happiness. And perhaps most important, they have concluded our happiness depends on our having a sense of purpose and meaning in life to guide us in making moral and ethical choices. The most important aspects of happiness are pretty much common sense and are largely within our realm of control.

For new farmers, a desirable quality of life depends on managing to cultivate positive relationships within their families, communities, and society as a whole. They find happiness in managing with a sense of ethical or moral purpose for their lives and for the farm, and with a commitment to stewardship of their land and their community. “Man does not live by bread alone,” however, man does not live very well for very long without bread. So, new farmers also must manage to achieve an *acceptable* level of income or economic standard of living.

This new approach to farm management is guided by a three-dimensional purpose of happiness rather than the old single goal of constrained profit maximization. New farms are managed specifically to maintain the natural productivity of the land, so it will sustain the next generation and all generations to come, even when there is no economic incentive to do so. New farms are managed specifically to strengthen purely personal relationships among family members and

workers on the farm and with neighbors and customers in the community. New farms are also managed for profit, but it makes a big difference whether caring for family, community, and the land are treated as constraints to profits or as important reasons for farming. New farm management is holistic; economic, social, and ecological purposes are three aspects of the same purpose and economic, social, and ethical values are given equal importance in management decisions.<sup>3</sup>

The new farm is organized by a process of synthesis rather than analysis, by assembling the diverse elements to create a productive and sustainable whole farm system. The farm is a living organization, and living things depend on diversity for their productivity and sustainability. Diverse crops and livestock enterprises are assembled and spread across space, time, and among people – utilizing crop rotations, integration of crops and livestock enterprises, and individual abilities and aspirations to maintain dynamic harmony and balance. The new farm management relies on creating mutually beneficial relationships among the diverse components of whole farm systems to enhance both the productivity and regenerative capacity of the farm.

The new farm management may seem complex, at least at first, but it is actually quite manageable. The key is to understand the farm as a whole, but to manage the whole a piece at a time, just as we manage individual actions as complex, living beings. We have learned to concentrate on doing one thing at time, while remaining intuitively aware of the critical connections and impacts of the thing we are doing with the other aspects of our life. When we try to concentrate on doing everything at once, we end up not doing anything very well.

In the new farm management, each management decision is evaluated, individually, but in terms of its potential direct and indirect effects on the rest of the overall farming operation. It is evaluated in terms of its contribution to the overall economic, social, and ecological purpose of the farm. For example, a new crop may add to farm income and diversity, but if its increased labor requirement detracts from time spent as a family or if the new crop depletes soil productivity, it may not add to the overall quality of life or happiness of the farm family. On the other hand, if its net overall contributions are expected to be positive, the action may be worth taking. A farm cannot be controlled, but it can be managed for both profits and quality of life, for happiness.

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<sup>1</sup> Ed Diener and Martin EP. Seligman, “Beyond Money. Toward an Economy of Well-Being,” *Psychological Science in the Public Interest*, 5 (1), 2004, 1–31.

<sup>2</sup> Oliver James, “Children before cash; better childcare will do more for our wellbeing than greater affluence,” *The Guardian*, May 17, 2003.

<sup>3</sup> Alan Savory with Jody Butterfield, *Holistic Management* (Covelo, CA: Island Press, 1998).