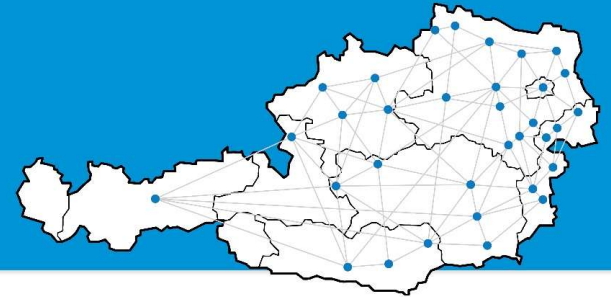


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# What we can learn from successful farmers

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Montegrotto, Italy, 9<sup>th</sup> of October 2024



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# Research questions



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1. What are the **characteristics** of successful farmers?
2. Are there different **models, strategies** and **types** of successful farmers? If so, what do they look like?
3. Why are **farmers successful**? What role does their personality and farm management take in this?

## Study in cooperation with:

- ✓ University College for Agriculture and Environmental Education
- ✓ Federal Institute of Agricultural Economics, Rural & Mountain Research
- ✓ Ministry for Agriculture, Forestry, Regions and Water Management



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# Material and methods



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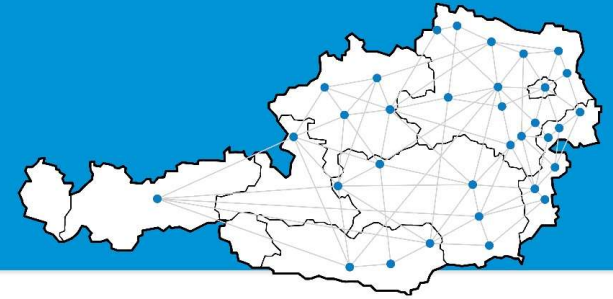
- **Evaluation of the farms** in course of the Green Report (Panel of 2017-21 => 1.475 farms)
  1. Ranking of farms according to the profitability coefficient
  2. Analysis of operational and personal characteristics
  3. Pool for selecting farms for qualitative interviews
- **Qualitative interviews with successful farmers**
  - ✓ Selection of 26 farms in coordination with LBG (selection based on profitability coefficients and business orientation)
  - ✓ Face to face interviews
  - ✓ Evaluation with qualitative content analysis

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# Panel 2017-21

## Statistical evaluation of FSDN farms



# Characteristics of the farms in the Panel

## (Five year period 2017 - 2021)



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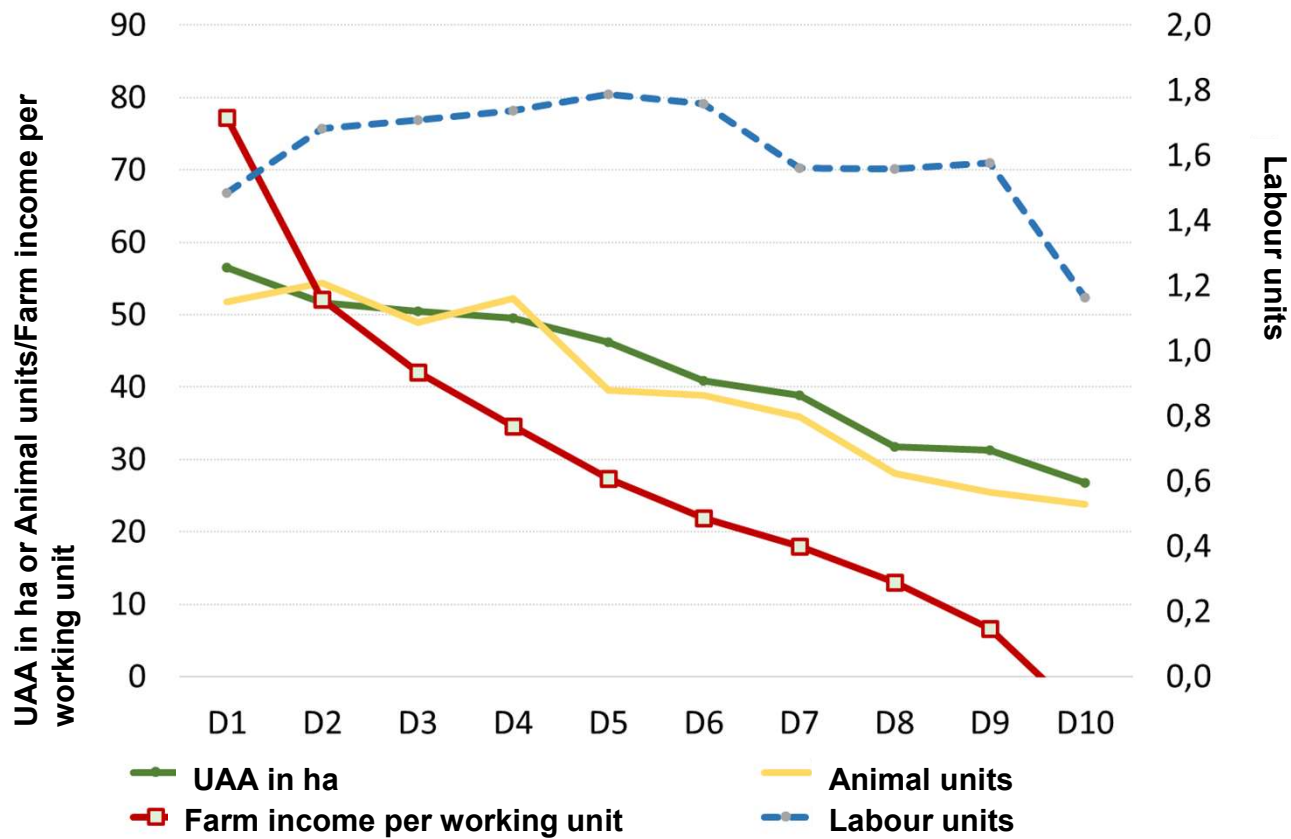
Key figures	Unit	Average	Stand. deviation	min.	max.
Farms	Number	1 475			
Organic farms	%	31,5			
Non Less favoured areas (Valley)	%	42,2			
Less favoured areas (hill)	%	46,9			
Less favoured areas (mountain)	%	10,8			
Total Standard Output	€	99 027	62 940	14 607	332 801
Utilised Agricultural Area	ha	42,4	34,7	0,0	424,8
Animal Unit	Livestock	39,0	27,7	0,0	150,3
Agricultural Labour	Labour	1,60	0,75	0,11	7,07
<b>Income from agriculture</b>	<b>€/farm</b>	<b>41 463</b>	<b>36 113</b>	<b>-54 204</b>	<b>293 849</b>
Income from agriculture per worker	€/Worker	28 737	26 020	-55 005	207 866
<b>Profitability coefficient</b>	<b>factor</b>	<b>0,54</b>	<b>0,45</b>	<b>-1,74</b>	<b>3,77</b>
Age of farm manager	years	50,2	9,8	23,0	77,0

# Successful farmers cultivate more land and keep more livestock



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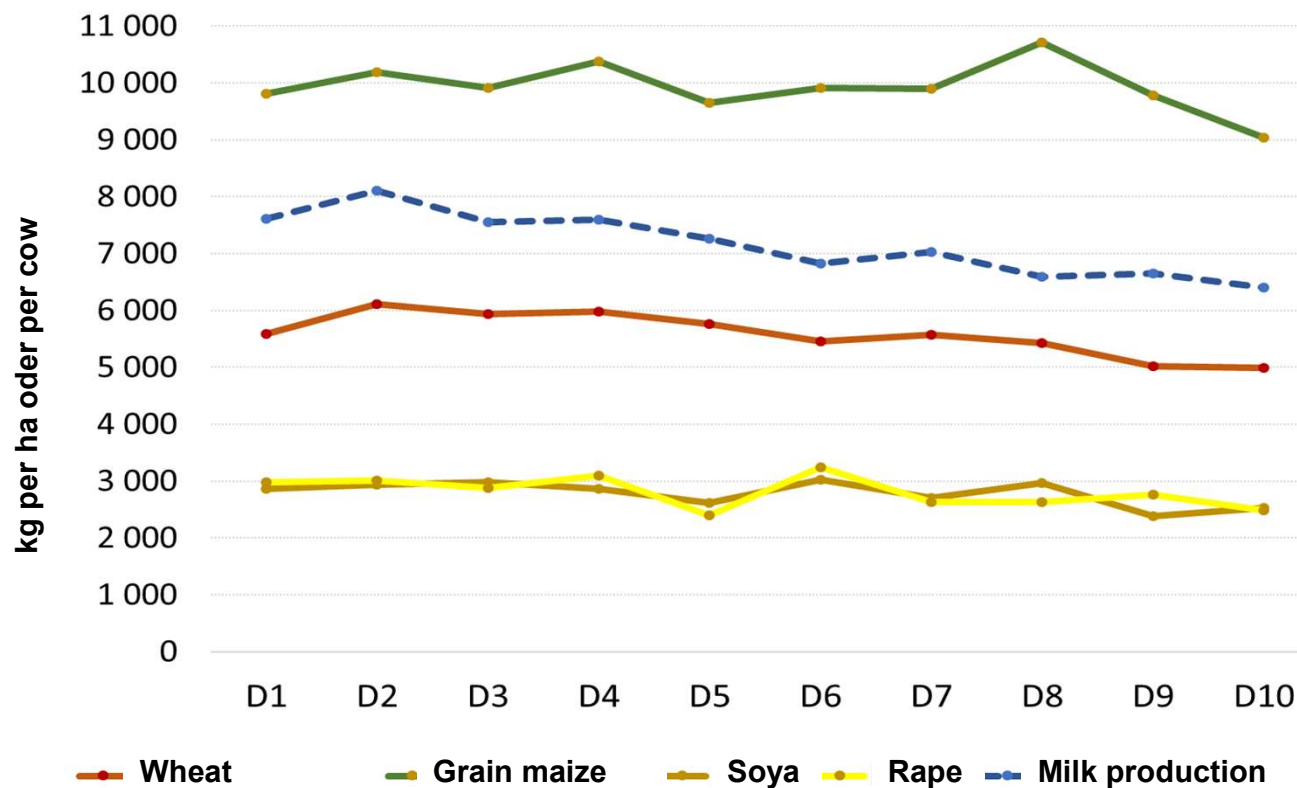
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# Slight differences in field yields, bigger differences in milk production



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# First conclusions



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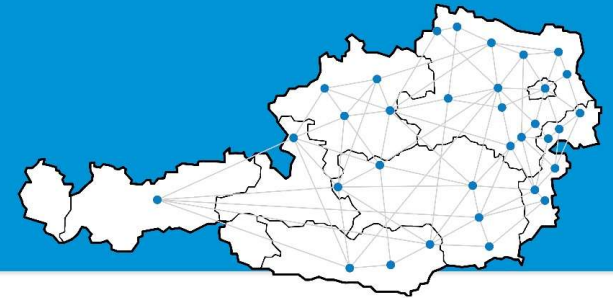
- ✓ **Larger farms** achieve a higher income and are situated in **favoured areas** (valley).
- ✓ **Higher agricultural education** correlates positively with the success of the farm.
- ✓ The **age of the farm managers** or the **type of farming** (organic vs. conventional) shows **no** significant **connection** with the success.
- ✓ Successful farms have a **similar number of working labour**.



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# Qualitative analysis (n=26)

## Concrete farms and statements



# Organic winery in Styria



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## The authentic wine tavern

- ✓ Clear positioning: everything organic, everything plant-based, special 'Brettljause', ...
- ✓ Motivated employees and high employee retention
- ✓ High level of knowledge in production and marketing
- ✓ Network with other farms

*'That's how I got the employees, the ones who now make the food snacks, they've been coming to me for 8 years, the whole family helps out too, ..., I don't really have any changes at all.'*



# Organic Dairy farm in Salzburg



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## Efficient milk production with high product quality

- ✓ Continuous growth to 60 cows
- ✓ In addition to milk production, broiler chickens
- ✓ Lucrative milk marketing through organic hay milk and the gold standard
- ✓ Good work organization with modern technology: two people run the business.

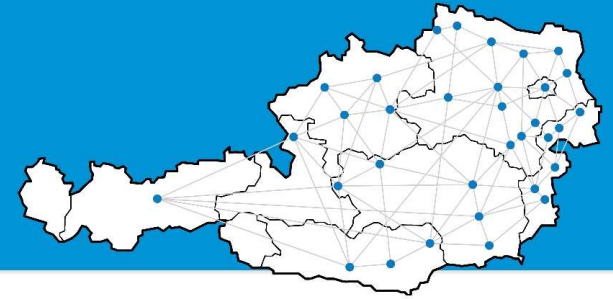
‘Growing step by step. You can already see that more is more. Since we've got bigger, there's more money.’



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# Qualitative interviews (n=26)

## Success factors and patterns



# Secrets of success



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- Early and successful **takeover of the farm** with **free space** and opportunities for development
- **Cost optimization** at all levels, **efficiency** in production and labour management
- **Networks and communities**
- Stable and secure **earnings and revenue**, through company size and/or high **product prices** and **innovative marketing channels**
- **Cohesion in the family**
- **Economic thinking & calculations**
- **Diligence & accuracy**
- ...

Operational factors  
Strategic factors  
Social/personal factors



# Operational factors



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## **Cost awareness & work efficiency(21)**

Optimization of **production** also through hard work and **precision(21)**

Good **returns** through stable **yields** and **animal performance** (20)

High and stable **product prices(16)**

**Economic thinking & business calculations(16)**

*„... what matters is not if I can afford it, but how it will benefit me in my economic numbers.“*

# Operational factors



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*„... I maintain my machines very well. The machines are important to me, I don't need high-tech machines.“*

*„I actually go for a ride almost every day around this time and look at the crops. But not just mine, but with colleagues when I see something special I ask myself how did they do it?“*

*„... this is factory farming, but it's still about how you interact with the animals yourself[...] I want that my chickens feel well, then I have success in the stable.“*

# Strategic factors



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*„... in the early 80s [...] invested for 20 breeding sows, then we increased to 40 [...]. Then with the EU accession [...] there were 60, 70 breeding sows and the last big step was, as was just the case, the animal husbandry regulations [...].“*

**Size** of the farm, growth and specialization (15)

Diversity and **diversification**(9)

Success in direct marketing through **quality** and customer loyalty(8)

**=> the main principle: gradual & financially secure growth with few risks!**



# Strategic factors

## Quality in direct marketing & diversification



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*„I have my photo on my egg-packs, people still recognize me inside the store and that has a certain effect.“*

*„Yes, we focused on the quality... why we have built our own cold storage facility.“*

*„Exactly, it is important to get in contact with the consumers[...], they came to my farm since many years, but what does a company or person stand for?“*

# Social and personal factors



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Early **takeover of the farm** with free space and opportunities for development (21)

**Networks** and communities (21)

**Family cohesion**, quality of life and joy (18)

Appreciative and motivating **collaboration** (18)

*„Yes, and the most important thing is a sensible family life too, across generations.“*

# Social and personal factors

...early takeover of the farm



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*„I have been fully involved in the business and fully responsible since I was 22. That's enough. I was very young when I was able to do the whole thing ...“*

*„We have a free hand, so my parents fully support us in what we like to do, ...“*

*„... And I'm very grateful to my parents for giving me the opportunity to run the farm at such an early age, because there's a different motivation behind it.“*

# Conclusions



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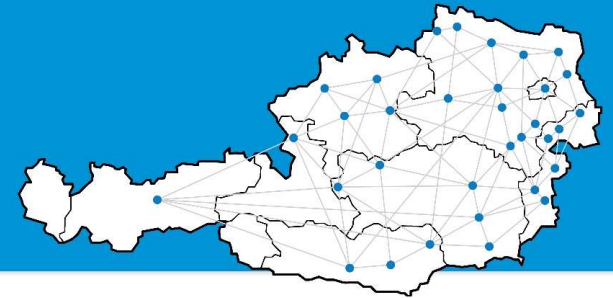
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- The size, type and location of farms influence their success, but it is primarily **the people** and **their decisions** that make the **difference**.
- Successful farms are **run by motivated** and **competent farmers**.
- **According to the study, the conditions for successful farmers are:**
  - ✓ Creative scope,
  - ✓ Autonomy,
  - ✓ Self-realization through early and successful takeover of the farm,
  - ✓ Networks,
  - ✓ Appreciation on all levels and
  - ✓ Social energy.

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