SMALL SCALE PRODUCER SURVEY 2023

BACKGROUND

Sprout Tasmania, a not for profit which supports small scale producers in Tasmania, received funding through the Strategic Industry Partnership Program (SIPP) from the Tasmanian State Government to conduct their second producer survey.

This follows on from support which was also provided to conduct the first survey in 2021. The findings of the first survey can be read here.

The importance of the small-scale producers was widely recognised in the Tasmanian community during COVID-19 stay home, save lives phase. Research conducted in the Tasmanian general community confirms that they regard small-scale producers as an important part of the Tasmanian food system and want the sector to be well supported.[1]

GLOBAL VS LOCAL CONTEXT

The importance of responding to the impacts from the food system on climate change and preparing for adaptation to climate change impacts on our food system is now acknowledged. The recently published CSIRO Reshaping Australian food systems after wide consultation, created a roadmap outlining options that transition to a more sustainable, productive, and resilient future for Australia's food, environment, and people. The report calls for re-localisation, diverse short supply chains and improving environmental health, biodiversity and sustainability outcomes of agricultural practices, in our future food systems. These opportunities mean our small-scale producers will become increasingly essential as part of regional food security models and approaches.[2] The viability of small-scale producers is vital for our Tasmanian food future.

Within the Tasmanian context there is a shift in the language and strategy at many levels of government and industry, including (but not limited to) NRE strategic plan referencing the UN Sustainable Development Goals, the inclusion of localised food system work in the most recent grant round for Strategic Industry Partnership Program. The Small Business growth strategy being released, and the Tasmanian Hospitality Association strategic plan referencing Tasmanian produce being at the heart of their businesses.

WHAT DID WE DO?

The Survey
The Sprout Tasmania team used the past survey as a starting point. We reviewed and refined the survey, including new questions to respond to the context of inflation for small scale producers. The refined survey was shared with a select group of member producers for their testing and comment. The survey was further refined to accommodate their input and uploaded into survey monkey.

Dissemination
The Sprout team disseminated the survey using a variety of channels and methods – social media, a pop up on the landing page of the Sprout Tasmania web site, promotion through media channels (radio and print) and asked small scale producer champions to amplify the survey invitation through their communications channels. While the survey was opened 3 newsletters were sent to the Sprout database.

Data
The data was 'cleaned', and analysis was conducted using the survey monkey platform and also by creating a dashboard using excel which allows variables to be grouped together and relationships explored.

Outputs
To share the findings, Sprout have created an infographic of high-level highlights and this report which provides more detailed analysis plus comparison with the first survey and ABS Farm Census data, where the findings are of note.

RESULTS

Where do small-scale producers farm in Tasmania?

Small scale producers from 28 of 29 local government areas in Tasmania participated in the survey.

The Huon Valley, as it did in the 2021 survey, had the highest number of contributors accounting for 22% of participants, followed by Kingborough (10%) and West Tamar (9%). There is a small number of farmers who farm across multiple local council regions.

As with the first survey over 100 small scale producers participated in the survey (n=114)

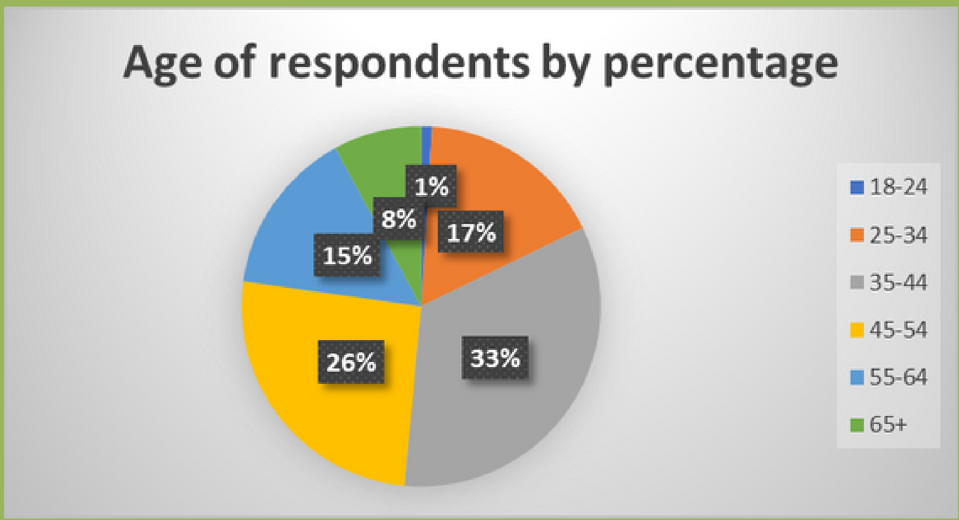
Land custodians

Regarding land ownership of where small-scale producers farm, 43% have mortgages on their land, 47% own their land outright, 17% lease land that they farm and 3% share farm (the fact that some farm across multiple sites is the explanation for whey these figures add up to more than 100%).

They have a median land size of 5 hectares under production with a range of 0.1. to 330 hectares.[3]

WHO IS A SMALL-SCALE PRODUCER IN TAS?

Small–scale producers are split equally across people who identify as men or women.



For comparison the average farmer was 58 years of age and male (77% of farmers were male)[4] in the ABS Commodity Farm Survey.

Half of the small-scale producers completing the survey have dependent children.

Education

Small- scale producers have a higher level of education than the general community in Tasmania.[5]

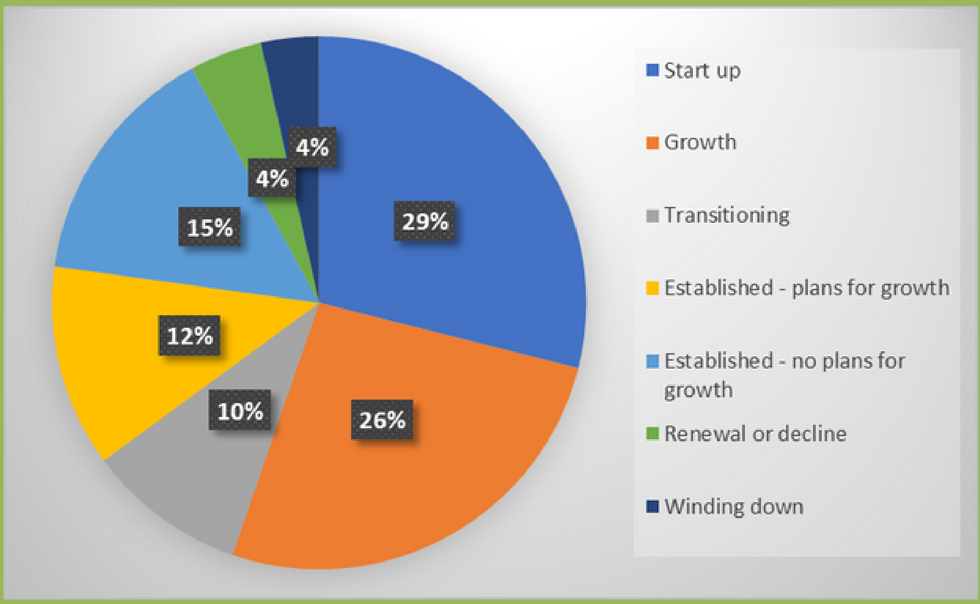
- 93% year 12 or higher.
- 55% are university educated.
- 36% have completed a TAFE/Diploma.

ABOUT THEIR FARM BUSINESS

The survey asked participants what phase their businesses were in. The following explanations were used to help survey participants choose the correct business phase category. The percentage for each category is within Diagram 2.

- Startup is the phase you are in when your business is very new, and you are establishing your product and business model.
- Growth is often the next phase, where you build on your success.
- Established plans for growth.
- Established with no plans for growth.
- Renewal or decline.
- Winding down.

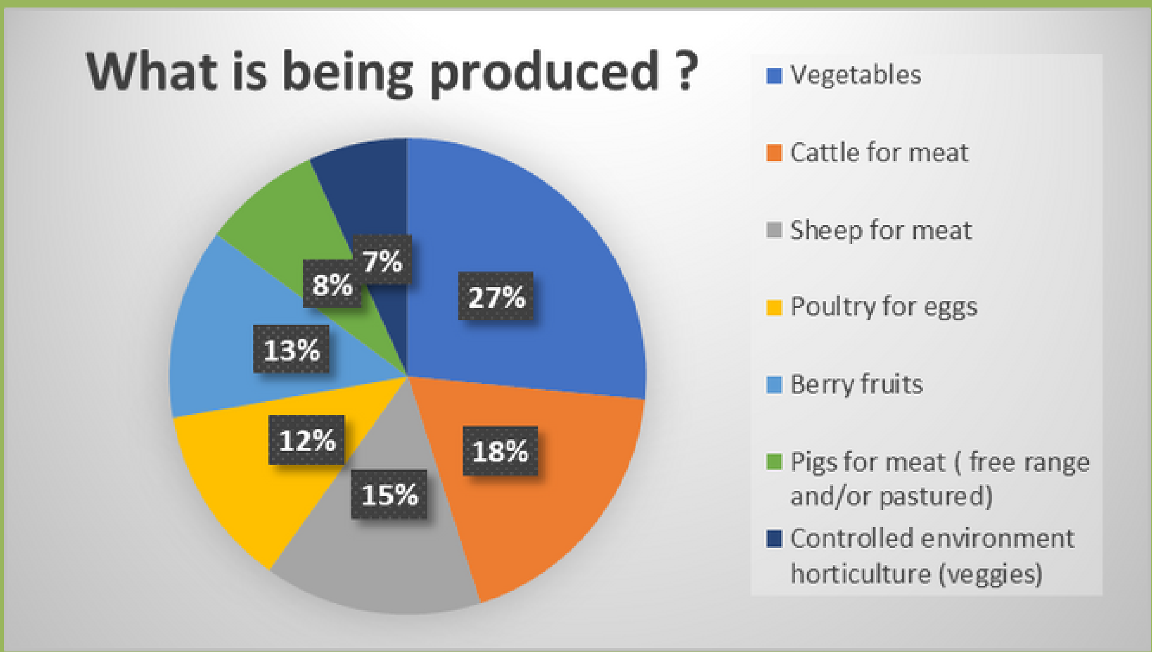
The below diagram shows the % of businesses at various stages:



WHAT DO SMALL-SCALE PRODUCERS FARM?

On 2 in 3 farms, multiple enterprises are operated on small-scale mixed farms. This is often a strategy on small-scale farms to 'smooth' income across the year and seasons, and also to diversify income streams. The 66% of mixed farmers in small scale producers in Tasmania compares with only 16% across all Australian farms.[6]

Small-scale farmers in Tasmania produce:



CHANNELS TO MARKET

Just as small-scale producers are more likely to be mixed farmers to diversify their income, they are also more likely to sell their produce through diverse channels/customers with over 60% of respondents selling through 2 or more channels. This reduces their reliance on a single customer. Small-scale producers sell to a variety of customers including business and direct to consumers.

In rank order they sell to:

1. Hospitality 38%
2. Retailers 33%
3. Farmers markets 26%
4. Farmgate 25%
5. Online shop 19%
6. Co-op collective 19%
7. Wholesaler 16%
8. Via subscription 14%
9. Other 21% - included a variety of direct to customer methods such as via word of mouth, bartering.

FARMING PRINCIPLES

The survey found that 82% of small-scale producers were using a range of sustainable farming practices, such as regenerative, organic in principle or certified, and agroecological. The survey asked about current farming practices compared with how they would like to farm in the future. The results are captured in the Table 1 below.[7]

Of those farming using regenerative or agroecological methods, 63% have animals on their farm (this includes cattle, sheep, pigs, goats, alpacas, chickens) and they are farming to improve the landscape function, a common goal of regenerative or agroecological farming.

How do they farm now and how would they like to farm in the future?

CURRENT		FUTURE
61%	Regenerative agriculture	68%
50%	Organic in principle	52%
7%	Organic certified	14%
28%	Pastured	24%
28%	Free range	24%
15%	Agroecological	19%
11%	Conventional	4%

DIVERSE ENTERPRISES

To diversify income, 60% of small-scale producers engage in other on farm activities beyond production, to generate income.

They include:

- Agritourism events 15%
- Training/education/workshops – 18%
- Value- adding on-farm 14%
- Consulting 11%

CONTRIBUTION TO THE ECONOMY

Beyond the sales generated by small-scale producer producers, around half of small-scale farms employ workers across the year, 9% are permanent jobs and one in three employ casuals to assist with farm work. It may be ongoing or seasonal work, such as fruit harvesting. At the peak of harvesting fruit growing small scale producers can employ teams up to 20 casual workers.

BUSINESS VIABILITY

Income

Many Tasmanians engaged in small-scale farming rely on off farm earnings - 53% of households get 50% or more of their income from off farm. This compares with the Australian average of 14% of farming households nationally earning off farm income.[8]

Sixteen percent of Tasmanian small scale producer household have no off-farm income.

The median farm income for small scale producers in Tasmania is between $25,000 – 50,000.

Profit

- 20% of small-scale producers made a loss – this is consistent with the number of producers who identify as being the startup phase of their farming enterprise.
- 32% report making a profit.

BUSINESS CHALLENGES

The survey explored what the challenges for small scale producers in the last 12 months have been and also what they anticipate will be the future challenges. The biggest were business costs and impacts of inflation.

What is of great interest to Sprout Tasmania was the difference in the past and future challenges, captured in Table 2 below. The economic uncertainty, which did not rank highly in the previous 12 months is becoming increasingly important for small scale producers in Tasmania. Inflation impacts and business viability also rank very highly.

THE BIGGEST CHALLENGES

IN THE LAST 12 MONTHS

Inflation/costs (fuel costs 21%)	42%
Business/financial viability	38%
Weather/rainfall	31%
Climate events (e.g. floods, severe storms, drought)	25%
Access to capital/ financial support (grants and loans)	25%
Government regulation	21%

THE BIGGEST CHALLENGES

IN THE NEXT 12 MONTHS

Inflation/costs	49%
Business/financial viability	47%
Economic uncertainty	32%
Climate events	28%
Government regulation	27%
Weather/rainfall	25%
Access to capital/ financial support (grants and loans)	23%

IMPACTS OF INFLATION

42%

OF SMALL SCALE PRODUCERS SAID INFLATION WAS THEIR BIGGEST CHALLENGE IN THE LAST 12 MONTHS.

IMPACTS OF INFLATION ON SMALL SCALE PRODUCERS

- 1 in 3 increased prices to customers
- Added input costs increased 10% or more for 2/3 producers
- Sales and customer numbers were not stable for around 50% of small scale producers
- 12% experienced a decrease in sales

HOW CAN SPROUT HELP

The role of Sprout Tasmania is to support local small-scale producers to grow and farm ethically and sustainably for their community & the environment. The survey identified several areas for future focus.

What types of skills and knowledge would help you to run your business? Rank ordered.

1. Improving productivity 41%
2. Soil health 38%
3. General business planning 37%
4. Sales and marketing 32%
5. Regenerating landscapes 31%
6. Succession planning 22%
7. Staff management 16%

WHAT DOES THE SECTOR NEED TO THRIVE?

What support do Tasmanian small-scale producers need to grow and thrive?

The survey findings clearly uncover several keyways to support the sector to prepare for the future.

1. Recognition of the sector and its value by government and industry

2. Ready access to finance and capital

3. Building resilience in farming systems to prepare for climate change impact

4. Skill building to improve productivity, soil health and regenerating landscapes; business planning and sales and marketing.

ASPIRATIONS FOR OUR FOOD FUTURE

The aspirations that small-scale producers have for their sector aligns with those of the Tasmanian community. Research by the University of Tasmania found that the community wants more Tasmanian food to be enjoyed in Tasmania, collaborations that build strong networks to support small producers and funding for innovative local food production and distribution that strengthens our local food system.[9]

Diagram 4 below summarises the key themes from the Tasmanian consumer research for building a resilient and sustainable food system.

THE CALL TO GOVERNMENT

Through the survey the small-scale producers ask for the Tasmanian Government to prioritise:

- Developing a small-scale producer Strategy that addresses challenges and supports the sector growth for the future.
- Creating grant funding specifically for this sector.
- Simplifying land use planning and regulation.
- Investing in the training needs of the sector.
- Marketing and consumer education around seasonality and the value of the sector.

THE CALL TO SPROUT

Resoundingly the sector values the role of Sprout Tasmania. Through the survey the small-scale producers ask for the focus to be on:

- Advocacy about the sectors challenges and needs to all levels of government: continue to be the sector voice.
- Working with the government and philanthropic sectors to increase their support of small-scale producers.
- Creating more opportunities for networking and sharing skills and knowledge.
- Workshops and training to build skills.
- Explore a sector research partnership with University of Tasmania and Tasmanian Institute of Agriculture.

THE CALL TO PHILANTHROPISTS

Internationally the philanthropic sector is an important supporter of small-scale producers. The survey results suggest the best way to the support the sector would be to:

- Create grant funding specifically for this sector.
- Invest in the training needs of the sector.
- Support and amplify the advocacy of the sector.

REFERENCES

[1]https://blogs.utas.edu.au/isc/files/2021/10/49.-Learning-from-food-supply-challenges-during-the-COVID-19-pandemic.pdf

[2]https://www.csiro.au/-/media/Services/Futures/Food-Systems/23-00258_FUT_REPORT_FoodSystemsRoadmap_WEB_230609.pdf

[3] The wide range of land size is why we are highlighting the median rather than average. The average was 40 hectares, skewed by several larger farms.

[4]https://www.abs.gov.au/statistics/industry/agriculture/agricultural-commodities-australia/2018-19

[5] In Tasmania, 45.5% of people aged over 15 years had completed Year 12 schooling (or equivalent) as of the Census in 2021.

[6]https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australias-agricultural-workforce

[7] Note: Organic certification must comply with the National Standard for Organic and Bio-dynamic Produce (the National Standard). This is Australia's technical export standard for organic and bio-dynamic goods. The National Standard is owned and managed by the Department of Agriculture and provides the basis for equivalence (government-to-government) arrangements with trading partners.

[8]https://www.abs.gov.au/statistics/industry/agriculture/agricultural-commodities-australia/2018-19

[9] Kent K et al., 2022 Consumer-driven strategies towards a resilient and sustainable food system following the COVID-19 pandemic in Australia https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-022-13987-z

SPROUT

THANK YOU & ACKNOWLEDGEMENTS

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