

EMBARGOED UNTIL 5 AM MONDAY 25 JUNE 2012

Does corporate agriculture mean the death of the family farm?

The term *corporate farming* is often used as a derogatory term to infer a heartless, industrialised system of agriculture, which is contrasted with the more warmly perceived and traditional concept of family farming. In fact consumer market trends are increasingly placing emphasis on locally produced food and the creation of stronger links between consumers and local small-scale farmers as a reaction against the industrialised and corporatised farming model.

However, in contrast to consumer trends, there is a growing view amongst policy-makers and others that corporate farming is inevitably going to grow in the future, and that farm businesses increasingly need to develop the scale and professionalism that is only possible within a well-capitalised structure, such as a corporate farm business.

This Winter 2012 edition of the *Farm Policy Journal*, 'Will corporate agriculture swallow the family farm?', reviews what is currently known and unknown about the importance of corporate farming in Australia and worldwide.

'The papers included in this edition of the *Farm Policy Journal* do not identify a "winner" in the contest between family and corporate farm business models. Instead they reaffirm the notion that a contest between the two models is unrealistic, as there are many more than two models of farm business structures.' said Mick Keogh, Executive Director of the Australian Farm Institute.

'The question of whether or not corporate farm structures will displace family farms cannot be answered without looking carefully at the socioeconomic context, type of industry, and nature of the markets in which farm businesses are involved.

Australian farmers are facing a future market environment in which consumers will increasingly dictate what is good or bad farming practice, irrespective of the science, and irrespective of whether it is clear the average consumer really understands or demands that food be produced in a particular way. Farm businesses that can best respond to these pressures will succeed, irrespective of their business structures.'

'Good data and objective economic research is necessary to better understand the changes that are occurring in farm business structures. Perhaps just as importantly, research is also essential to enable the changes that are occurring in farming to be explained to consumers so they are at least comfortable with them, and do not react in ways that impose long-term constraints on the sector.' said Mick Keogh.

The contributors to the Winter 2012 *Farm Policy Journal* are:

- David Freshwater, 'Corporate farms: should they be a concern?'
- Derek Byerlee, Alex Lissitsa and Paula Savanti, 'Corporate models of broadacre crop farming: international experience from Argentina and Ukraine.'
- Roger Wilkinson, Neil Barr and Carole Hollier, 'The choices farm families make.'
- William Hartley Furtan and Kostas Karantininis, 'Reverse franchising: reversing the road to mega farms.'
- Brendan Lynch, Rick Llewellyn and Wendy Umberger, 'What can family farms gain from corporate farms' business models?'

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