

## Healthy Livelihoods

*“People assume that if you take purchased feeds, drenches or antibiotics out of a system, everything will fall apart. But that's not the case. If your stock are fed well and looked after, some of those inputs aren't actually required.”* (Waikato farmer George Moss)

*“There's no such thing as an average farmer. But organic farming is unforgiving and to be successful in organics you have to be a pro-active manager because you don't have the fall-backs that conventional systems have. If you are a good manager, you should be able to manage an organic system well.”* (Professor Nicola Shadbolt)

### **Key findings**

The 9 organic farms in the study were benchmarked against a larger number (between 40 and 65) comparable non-organic farms (owner-operated, low input, North Island farms) in Dairybase, and both sets of farms were studied for 5 years. The organic farms were on average 25% smaller in milking land area than the benchmark, and had 9% fewer cows per hectare.

In terms of **production** the organic farms produced on average 15% less milk solids per hectare and 8% less per cow over the 5 year study period. However, with regard to peak and average production of milk solids per cow per day the difference between the organic and benchmark farms was less than 1%. The organic cows ate 8-9% less feed than the benchmark, but their feed conversion efficiency was only 4% less.

The organic farmers harvested 20% more hay and silage from their own farms than the benchmark farms, and they applied 77% less nitrogen. As well as the environmental benefits of producing more feed on farm and applying less nitrogen, these practices - along with other savings on inputs - also contributed to improving the **financial performance** of the organic farms. (The other main contributor was the organic farms' differentiation strategy to achieve a competitive advantage, rather than the cost leadership strategy used by the rest of the dairy industry. This means they produce a product that attracts a consistent premium price, rather than trying to produce large amounts of product at a low cost.) The bottom line was that in terms of profitability and wealth creation most of the organic farms studied were doing as well or slightly better than the benchmark farms.

A detailed analysis of the production and financial performance results from the GOD project can be found in *Dairybase Analysis of Organic Dairy Farm Performance (2013)*, a report by Dhananjay Apparao, Nicola Shadbolt and Esther Dijkstra, which is available in the Grow Organic Dairy Project section of the Organic Dairy and Pastoral Group website: <https://organicpastoral.co.nz/resources-2/grow-organic-dairy-project/>