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Adopting New Zealand dairy farm principles and practices in Argentina

A thesis presented in partial fulfilment of the requirements for the degree of Masters in Applied Science in Agribusiness

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ABSTRACT

The dairy sector is important to Argentina because it creates genuine wealth and employment. The competitiveness of Argentine dairy farms is crucial to the endurance of the dairy sector. One way to increase the competitiveness of dairy farm systems is to incorporate beneficial innovations. New Zealand (hereafter NZ) dairy systems are internationally known for their competitiveness without the presence of subsidies. Argentine dairy farmers have been attracted to NZ systems for more than 40 years. Simultaneously, NZ researchers and extension agents have been interested in extending NZ knowledge to Argentina. Despite the fact that the NZ knowledge appears to be beneficial to Argentine farms, and after so many resources spent, NZ practices have been rarely adopted. This seemingly fruitless effort in extending this technology shapes the research question of the present study: Can Argentine dairy farmers benefit from adopting New Zealand dairy farm principles and practices?

The main objectives of the research are the following: 1) Define a group of New Zealand ideas, practices and technologies that could be considered potentially useful innovations for Argentine dairy farmers. 2) Assess the adoption and rejection of the NZ innovations by a group of Argentine farmers. 3) Identify the reasons of adoption and rejection for each innovation. 4) Describe the impact of the adoption in the physical and financial performance of the farms. 5) Assess which have been the main causes of the non-spread of NZ innovations in Argentine dairy farms.

Seven Argentine dairy farmers, who were aware of NZ dairy systems, were selected as case studies. The data was collected through interviews, farm physical and economic records, and a field visit to the farm. In order to investigate the Argentine socio-economic environment and the Argentine dairy sector, relevant literature was reviewed and two key industry informants were interviewed. Two frameworks were utilized to analyse the qualitative and quantitative data: the Diffusion Theory (Rogers, 2003) and the IFCN network (International Farm Comparison Network www.ifcnnetwork.org), respectively.

Ten NZ innovations were defined; they were principles and practices considered typical in NZ dairy farms and not common in Argentine dairy farms. The innovations were related to four areas of the dairy system: pasture management, herd management & genetics, farm structure & organization, and human resources. The seven farmers differed in the level of adoption or rejection of the innovations.

The two innovations most adopted were: Focus on Production per Hectare and NZ Style of Milking Shed and Milking System; and the two least adopted were: Less than 15 cows per Set of Teat-cups and other innovations related to labour productivity and Utilization of Formal Pasture Budgets. Some associations were found between the level of adoption of NZ innovations by the case study farms, the most relevant follows: increments in Return on Investment (ROI); reduction of land costs per kg of milk produced and increments in labour productivity. The NZ principle Less than 15 cows per Set of Teat-cups was found to be the innovation most closely associated with increase in labour productivity. NZ Genetics cows were found to be necessary for the adoption of seasonal calving. An association was found between the adoption of NZ Genetics and higher milk yield per kilogram of live weight, and lower mortality and replacement rates, than those that had not adopted.
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I would like to acknowledge the seven Argentine dairy farmers that participated in the present research. Thank you for your trust and for providing me with data from your farms, thank you also for receiving me so well in your farms and for sharing with me part of your experience and wisdom.

I would also like to acknowledge the staff at Massey University for this wonderful two years of living in Palmerston North. Especially thanks to Susan Flynn from the International Student’s Office, and to Yvonne Parks and Matthew Levin from the Institute of Food Nutrition and Human Health.

To my friends from the Latin America Society for the Development of NZ Dairy Industry Hector Laca-Viña from Uruguay and Rene Pinochet from Chile. Thank you for those passionate discussions about dairy farmers, and their farms’ productivities, risks and returns.

Thanks to you Gonzalo Tuñon and to you Javier Baudracco, for reading my drafts and for providing valuable alternative views of NZ and Argentine dairy systems and dairy farmers. Thank you for sharing the same passion for dairying, but thank you the most for being such good friends.

Alan & Carola, Ana, Vicky and Maca, you are incredible people that have made the word “friendship” more meaningful. Thank you for enriching our perception of the world with your different views. We feel lucky that God crossed our paths. My parents and brothers and sisters back at home, I missed you all a lot. Dad I am especially grateful to you for your constant support, for introducing me into the fascinating world of dairy farming, and for initiating me in the adoption of NZ principles in Argentine farms.

Finally, my greatest gratitude and appreciation goes to my brilliant and beautiful Maria Elisa. Thank to you Eli for helping me so much by correcting patiently my grammar, and for your constant support and encouragement during these two years of intensive experience. I am so happy that I married to you; life would be meaningless without you. Lastly, thank to you God for the gift of our baby that is still to be born.
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# Table of Contents (in brief)

1 INTRODUCTION .................................................................................................................. 13
2 THEORETICAL FRAMEWORK ............................................................................................... 17
3 DAIRY SECTORS: NEW ZEALAND AND ARGENTINA ......................................................... 41
4 DAIRY FARM SYSTEMS: NEW ZEALAND AND ARGENTINA ............................................. 53
5 METHODOLOGY .................................................................................................................. 89
6 NEW ZEALAND INNOVATIONS FOR ARGENTINA ............................................................ 107
7 RESULTS (PART 1) ............................................................................................................. 120
8 RESULTS (PART 2) ............................................................................................................. 176
9 DISCUSSION ...................................................................................................................... 215
10 CONCLUSIONS ............................................................................................................... 235
11 REFERENCES ................................................................................................................... 241
# Table of Contents (in detail)

1 **INTRODUCTION** ................................................................................................................. 13
   1.1 **BACKGROUND** ........................................................................................................ 13
   1.2 **THE PROBLEM, THE QUESTION AND THE OBJECTIVES** .................................... 15

2 **THEORETICAL FRAMEWORK** ............................................................................................ 17
   2.1 **DIFFUSION OF INNOVATIONS** ................................................................................. 17
      2.1.1 **History of the Diffusion Theory** ..................................................................... 17
      2.1.2 **Innovation-decision process** .......................................................................... 21
      2.1.3 **Factors Influencing the Rate of Adoption** .................................................... 25
      2.1.4 **Innovativeness and adopter categories** ......................................................... 31
   2.2 **CRITICISMS OF AND RESPONSES TO DIFFUSION THEORY** ................................. 33
      2.2.1 **Pro-Innovation Bias** ..................................................................................... 33
      2.2.2 **Person-Blame Bias** ....................................................................................... 35
      2.2.3 **Pro-Innovativeness Bias** ............................................................................... 35
      2.2.4 **Heterogeneous Social Systems** ..................................................................... 36
      2.2.5 **Diffusion Theory and “top-down” Models of Extension** ............................... 37
      2.2.6 **Participatory Approaches and Diffusion Theory** ......................................... 37
   2.3 **CONSTRAINTS ON ADOPTION OF INNOVATIONS IN AGRICULTURE** ...................... 38
      2.3.1 **Perceived Attributes of Innovations** ............................................................. 39
      2.3.2 **Characteristics of the Social System** ............................................................. 40
      2.3.3 **Communication Channels** ............................................................................ 40
      2.3.4 **Extension Agency and Agents** ..................................................................... 40

3 **DAIRY SECTORS: NEW ZEALAND AND ARGENTINA** ................................................. 41
   3.1 **NEW ZEALAND DAIRY SECTOR** .......................................................................... 41
      3.1.1 **Physical and Economic Foundations** ............................................................. 41
      3.1.2 **Economic Environment** ................................................................................. 42
      3.1.3 **Milk Price paid to farmers** ............................................................................. 43
      3.1.4 **Structure of the Sector** .................................................................................. 44
      3.1.5 **Size and Growth of the Sector** ..................................................................... 45
   3.2 **ARGENTINE DAIRY SECTOR** .................................................................................. 47
      3.2.1 **Physical and Economic Foundations** ............................................................. 47
      3.2.2 **Economic Environment** ................................................................................. 48
      3.2.3 **Milk Price paid to farmers** ............................................................................. 49
      3.2.4 **Structure of the Sector** .................................................................................. 50
      3.2.5 **Size and Growth of the Sector** ..................................................................... 51

4 **DAIRY FARM SYSTEMS: NEW ZEALAND AND ARGENTINA** ....................................... 53
   4.1 **THE IFCN** ............................................................................................................. 53
   4.2 **TYPICAL DAIRY FARMS (IFCN)** ......................................................................... 55
      4.2.1 **NZ-239-cows and AR-350-cows farm models** ............................................ 55
      4.2.2 **Contrast of NZ-239 and AR-350** ................................................................. 58
      4.2.3 **Four More Typical Farms** ............................................................................. 59
   4.3 **THE IFCN METHOD FOR DAIRY FARMS** ............................................................... 62
   4.4 **PERFORMANCE OF TYPICAL FARMS** .................................................................. 64
      4.4.1 **Milk Prices, Profits and Returns on Investment** ............................................ 64
      4.4.2 **Operating Profit Margin and Management Levels** ....................................... 68
      4.4.3 **Milk Production Costs** .................................................................................. 69
      4.4.4 **Costs of Milk Production Only, and Non-milk Returns** ................................. 70
      4.4.5 **Costs components (IFCN)** .......................................................................... 74
5 NETWORKS AND THE FRAMEWORK

5.1 Research Strategy
5.1.1 The Context
5.1.2 The Case
5.1.3 The Research
5.1.4 Data Collection
5.1.5 Data Analysis

5.2 Data Collection
5.2.1 Main Data Collection Techniques
5.2.2 Principles for Data Collection
5.2.3 Perception Questionnaire

5.3 Data Analysis
5.3.1 The Cases
5.3.2 The Context

6 NEW ZEALAND INNOVATIONS FOR ARGENTINA

6.1 Selection of the New Zealand Innovations
6.2 Definition of New Zealand Innovations for Argentina

7 RESULTS (PART 1)

7.1 The Case Study Farms: Adoption and Rejection of New Zealand Innovations
7.1.1 Farm 1
7.1.2 Farm 2
7.1.3 Farm 3
7.1.4 Farm 4
7.1.5 Farm 5
7.1.6 Farm 6
7.1.7 Farm 7

7.2 Summary of Adoption of NZ Innovations by the Case Study Farms
7.3 The Context: Perception of the Attributes of the Innovations

8 RESULTS (PART 2)

8.1 Performance of the Case Studies: Association with Adoption of New Zealand Innovations
8.1.1 Definition of the Seasons to be Analyzed
8.1.2 The Case Studies in IFCN Format
8.1.3 Financial Performance
8.1.4 Total Costs
8.1.5 Costs of Milk Production Only, Non-milk Returns, Animal Purchases, and Replacement and Mortality Rates
8.1.6 Costs Components (IFCN)
8.1.7 Labour
8.1.8 Land
8.1.9 Capital
8.1.10 Milk Yield
8.1.11 Costs as Means of Production

8.2 Chapter Summary
List of figures

Figure 1: Adoption of Hybrid Seed Corn in Two Iowa Communities ............................................. 19
Figure 2: A Model of the Innovation-Decision Process .................................................................. 22
Figure 3: Adopter Categorization on the Basis of Innovativeness .................................................. 32
Figure 4: Evolution of the New Zealand Company Payout (1973/74-2002/03) ................................. 43
Figure 5: Evolution of NZ Milk Production (1974/75-2002/03) ...................................................... 45
Figure 6: Argentine Exports in Percentage of Total Milk Production ............................................. 47
Figure 7: Evolution of the Argentine Milk Price to Farmers (1974-2003) ......................................... 49
Figure 8: Monthly Evolution of the Argentine Milk Price to Farmers (2000-2003) ......................... 50
Figure 9: Evolution of the Argentine Milk Production (1970-2003) ............................................. 52
Figure 10: Milk Price (season 2002) ......................................................................................... 65
Figure 11: Milk Price (season 2003) ......................................................................................... 65
Figure 12: Returns and Profits (season 2002) .............................................................................. 66
Figure 13: Returns and Profits (season 2003) .............................................................................. 66
Figure 14: Return on Investment (season 2002) ........................................................................... 67
Figure 15: Return on Investment (season 2003) ........................................................................... 67
Figure 16: Operating Profit Margin (season 2002) ....................................................................... 68
Figure 17: Operating Profit Margin (season 2003) ....................................................................... 69
Figure 18: Total Costs and Returns (season 2002) ....................................................................... 70
Figure 19: Total Costs and Returns (season 2003) ....................................................................... 70
Figure 20: Costs of Milk Production Only (season 2002) .............................................................. 71
Figure 21: Costs of Milk Production Only (season 2003) .............................................................. 71
Figure 22: Non-milk Returns (season 2002) .................................................................................. 72
Figure 23: Non-milk Returns (season 2003) .................................................................................. 72
Figure 24: Labour Costs (season 2002) ....................................................................................... 74
Figure 25: Labour Costs (season 2003) ....................................................................................... 75
Figure 26: Average Wages (season 2002) .................................................................................... 75
Figure 27: Average Wages (season 2003) .................................................................................... 75
Figure 28: Labour Productivity (season 2002) .............................................................................. 76
Figure 29: Labour Productivity (season 2003) .............................................................................. 76
Figure 30: Land Costs (season 2002) ............................................................................................ 77
Figure 31: Land Costs (season 2003) ............................................................................................ 77
Figure 32: Market Value of Land (season 2002) ............................................................................ 78
Figure 33: Market Value of Land (season 2003) ............................................................................ 78
Figure 34: Level of Land Rents (season 2002) .............................................................................. 79
Figure 35: Level of Land Rents (season 2003) .............................................................................. 79
Figure 36: Land Productivity (season 2002) .................................................................................. 79
Figure 37: Land Productivity (season 2003) .................................................................................. 80
Figure 38: Capital Costs (land not included) (season 2002) .................................................. 81
Figure 39: Capital Costs (land not included) (season 2003) .................................................. 81
Figure 40: Capital Structure of the Typical Farms (season 2002) ........................................ 82
Figure 41: Capital Structure of the Typical Farms (season 2003) ........................................ 82
Figure 42: Capital Input in Buildings and Machinery per Cow (season 2002) ....................... 82
Figure 43: Capital Input in Buildings and Machinery per Cow (season 2003) ....................... 83
Figure 44: Price per Heifer Sold (season 2002) ................................................................... 83
Figure 45: Price per Heifer Sold (season 2003) ................................................................... 83
Figure 46: Capital Productivity (land not included) (season 2002) ....................................... 84
Figure 47: Capital Productivity (land not included) (season 2003) ....................................... 84
Figure 48: Milk Yield per Cow (season 2002) .................................................................... 85
Figure 49: Milk Yield per Cow (season 2003) .................................................................... 85
Figure 50: Costs as Means of Production (season 2002) ....................................................... 86
Figure 51: Costs as Means of Production (season 2003) ....................................................... 86
Figure 52: Research Design, Multiple and Embedded Case Study ......................................... 93
Figure 53: Data Collection .................................................................................................. 102
Figure 54: Feeds Eaten by Farm 1 Cows ............................................................................. 123
Figure 55: Feeds Eaten by Farm 2 Cows ............................................................................. 131
Figure 56: Feeds Eaten by Farm 3 Dairy Animals ................................................................. 140
Figure 57: Feeds Eaten by Farm 4 Dairy Animals ................................................................. 147
Figure 58: Feeds Eaten by Farm 5 Dairy Animals ................................................................. 153
Figure 59: Feeds Eaten by Farm 6 Lactating Cows ............................................................... 158
Figure 60: Feeds Eaten by Farm 7 Dairy Animals ................................................................. 166
Figure 61: Summary of Adoption of NZ Innovations by the Case Study Farms ...................... 171
Figure 62: Milk Price (season 2002) ................................................................................. 180
Figure 63: Returns and Profits (season 2002) ..................................................................... 181
Figure 64: Operating Profit Margin (season 2002) ............................................................... 182
Figure 65: Return on Investment (season 2002) .................................................................. 182
Figure 66: Milk Price (season 2003) .................................................................................. 183
Figure 67: Returns and Profits (season 2003) .................................................................... 184
Figure 68: Operating Profit Margin (2003) ......................................................................... 184
Figure 69: Return on Investment (season 2003) .................................................................. 185
Figure 70: Number of New Zealand Innovations Adopted and Entrepreneurs’ Profit (season 2003) ................................................................. 187
Figure 71: Number of New Zealand Innovations Adopted and Operating Profit Margin (season 2003) .................................................................................. 188
Figure 72: Number of New Zealand Innovations Adopted and Return on Investment (season 2003) .................................................................................. 188
Figure 73: Total Costs and Returns of the Dairy Enterprise (season 2002) ......................... 189
Figure 74: Total Costs and Returns of the Dairy Enterprise (season 2003) ......................... 189
List of tables

Table 1: General, Agricultural and Dairy Sector Data for Argentina and New Zealand .......... 15
Table 2: New Zealand Economy – Financial Indicators ......................................................... 42
Table 3: Argentine Economy – Financial Indicators ............................................................. 48
Table 4: Differences in Size Between IFCN Models and Statistical Average for NZ (2000/01) .............................................................................................................. 56
Table 5: Differences in Size Between IFCN Models and Statistical Average for Argentina . 56
Table 6: Typical Farm Models for New Zealand and Argentina (IFCN, 2002) ....................... 57
Table 7: Non-milk Returns, as a Percentage of Total Returns, for New Zealand and Argentine Typical Farms ................................................................................................................. 73
Table 8: Cost Components, as Percentage of Total Costs, for New Zealand and Argentine Typical Farms ................................................................................................................. 74
Table 9: Basic Types Designs for Case Studies ...................................................................... 91
Table 10: Case Study Tactics for Four Design Tests ............................................................... 96
Table 11: Selection of New Zealand Innovations for Argentina ............................................. 108
Table 12: Case Study Farms Outlook (season 2003) ............................................................. 121
Table 13: Summary of Innovations Adopted or Rejected by Farm 1 .................................... 130
Table 14: Summary of Innovations Adopted or Rejected by Farm 2 .................................... 139
Table 15: Summary of Innovations Adopted or Rejected by Farm 3 .................................... 146
Table 16: Summary of Innovations Adopted or Rejected by Farm 4 .................................... 151
Table 17: Summary of Innovations Adopted or Rejected by Farm 5 .................................... 157
Table 18: Summary of Innovations Adopted or Rejected by Farm 6 .................................... 164
Table 19: Summary of Innovations Adopted or Rejected by Farm 7 .................................... 170
Table 20: Results from the Perception Survey with Case Study Farmers (n=14) ...................... 173
Table 21: Results from the Perception Survey with Argentine Dairy Farmers (n=4) ............... 174
Table 22: Results from the Perception Survey with Argentine Dairy Consultants (n=9) ....... 175
Table 23: Definition of the Financial Years of the Case Studies ............................................. 176
Table 24: Names Given to the Case Study Farms on Figures ................................................. 180
Table 25: Number of New Zealand Innovation Adopted (out of 10) .................................... 187
Table 26: Level of New Zealand Genetics Adopted and Mortality and Replacement Rates (seasons 2002 and 2003) ....................................................................................... 194
Table 27: Level of New Zealand Genetics Adopted and Milk Yield per kilogram of live weight (seasons 2003) ......................................................................................... 211