

¹ Stewart Organic Farm – Teaching Note

Conor Vibert developed this teaching note to guide the use of the multimedia case entitled Stewart Organic Farm for instructional purposes. It is not the purpose of this material to serve as an illustration of how to effectively or ineffectively address a managerial situation.

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SUMMARY

Alan Stewart, owner of Stewart Organic Farm faces a quandary. For a number of years he has been operating his farm in accordance with the dictates of organic certification. He now needs to consider whether he should continue along the organic path. Advice is being sought as to how to proceed in resolving this real life issue. Students are offered access to a set of transcribed video clips that outline the issue and its cause along with providing context for the issue. In order to arrive at alternative solutions and justify their choice of a solution, students are expected to use sources of information not found in the case.

KEYWORDS

- Organic Farming
- Standards
- Cost Benefits

CASENET VIDEOS

Each video in this multimedia case features a segment of an interview with one of the organization's key decision makers. The videos describe:

1. the *Issue* facing the individual or organization
2. the *Cause* of the issue
3. *Background* information for the individual, organization and industry
4. *Alternatives* for addressing the issue
5. A suggested *Solution* and justification

Transcriptions for each video are also available. Students may not access the *Alternatives* and *Solution* videos or transcripts.

OBJECTIVES FOR TEACHING

There are a number of instructional objectives for this case.

- To enhance the decision making skills of students by having them address a real life issue faced by managers of Canadian or international companies.
- To provide students with a brief introduction to the social entrepreneurship industry.

¹ The Author wishes to thank Alan Stewart for his support of this project. At Acadia University, thanks are in order for Dave Sheehan.

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- To offer students an opportunity to analyze a situation using concepts that illustrate <THEORY>.

POSSIBLE TEACHING STRATEGY

This case is ideal for in-class case analysis or as an assignment. Assuming an 80 minute class, here is an approximate class schedule:

Time (minutes)	Task
5	Introduce case and divide students into groups.
15	Students view <i>Background</i> case videos and make notes.
5	Instructor plays the <i>Issue</i> and <i>Cause</i> clip(s).
25	Students identify alternatives, a solution and rationale.
20	Instructor guides a discussion around alternatives, solution and rationale.
10	Instructor plays the <i>Alternatives</i> and <i>Solution</i> clips.

If the case is used as an assignment, the instructor may want to focus assessment on:

- 1) **Decision-making process.** The instructor would evaluate writing style, appropriateness of information sources, alternatives, solution and rationale. This approach recognizes that the alternatives and solutions offered in the case are not necessarily optimal, and other choices may be equally effective. Students can be rewarded for their selection of decision making approaches, analytical frameworks and cited reference material.
- 2) **Outcomes.** The instructor would evaluate how closely student responses match those offered in the *Alternatives* and *Solution* video clips. Or, the instructor could use the insight of an existing research paper or analytical framework as the basis for judging outcomes.
- 3) **A combination of process and outcome.** The instructor may apportion the grade between process and outcomes.

POSSIBLE QUESTIONS FOR ASSIGNMENTS

Students can be asked to identify a set of alternatives to address the issue outlined in the case, a solution and rationale. Other questions that will help students prepare for their case analysis include:

- In terms of farm grown food what is the definition of 'organic'?
- How big is the market for organic food?
- What are some of the major challenges associated with organization farming?

CASE ANALYSIS

Issue: The *Issue* and *Cause* video clips outline the problem or challenge of the case.

- Hi my name is Alan Stewart. I own Stewart's Organic Farm here in Wolfville, Nova-Scotia. I have been certified Organic for 20 years. I.E. following very strict growing protocols in order to achieve that. My issue is, is that something that I want stay with that is the certification? I think the largest context or reason for my needing to ask myself whether I stick with certification or not is tied up largely with people's food IQ in this

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part of the world. Food is not something that people know very well and what we are doing is sort of an extreme way of producing food. We have to continue to ask ourselves whether that has any real value to any large degree. It's always been a niche market opportunity but if we want to grow the business any further than we are now than we have a feeling that certification by itself is not a large enough vehicle to accomplish that. Getting back to growth, if we want to grow more and plant more, we feel the certified organic market is somewhat limited. The limitations are not within certified organic itself. It's more about the pressures of other products that are seemingly similar to ours, but actually fundamentally different, are placing on us. Consumer's perception of local food to some degree is all-organic. That's very real. Getting back to their lack of knowledge about food, they have become distant from their roots as being more agricultural. They simply do not understand what is involved with producing food. Within the local marketplace, we have food that is assumed to be organic; it's not, next to food that is certified organic. The difference is the growing and the effort of inputs or to boost their product is quite large and the price point is not that different.

Analysis:

To start their analysis of the case, students should view the *Background* video clips. These clips should help students grasp the following points or case facts.

- The biggest risk facing organic farming is the efficacy of pest control products
- The major environmental issue facing organic farmers is the farming practice of neighbors
- A big opportunity for organic farms is the a desire of consumers to deal directly with the grower
- An important role of industry association is as a conduit of information regarding the successful growing and marketing of organic
- A key resource needed to succeed in organic farming is the right climate

Researching information sources other than the content of the cases should enable students to garner the following insights:

- The combined farm gate value of agricultural products produced on Nova Scotia's farms in 2012 was \$420 million.
- Nova Scotia has 3900 census farms producing food and fibre on 400 thousand acres of improved agricultural land and directly employs over 9000 people
- Farmers have a total capital investment of \$1.6 billion in Nova Scotia's rural economy,
- The agricultural sector produces annually 36,000 beef cattle; 226,000 hogs; 72 million pounds of chicken; 18 million dozen eggs; 173,000 kiloliters of milk; 2 million bushels of apples; 40 million pounds of wild blueberries; and, 200 million pounds of fresh vegetables.
- Nova Scotia is a world leader in research and the production of carrots, wild blueberries, strawberry plants and fur.

Effort focused on research coupled with analysis should enable students to present a series of options. These can be compared to the options offered by the interviewee which are also summarized below and found in the Alternatives video clip.

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- I see three alternatives that I could explore. One of course is to maintain the status quo, and stay certified organic. Continue to bring that level of effort to the equation. Try to keep the purity and quality of the food as high as possible. The second alternative is to abandon the model that I have started and to capitalize more on the local phenomenon which is very real and just move away from certified organic. The third option is a mix of both. Keep both alive, monitor things and see which money I can make more money at and move my farm in that direction.

The *Solutions* video clip offers the interviewees' solution to the issue along with a rationale. Highlighted below, this can be compared to the student response and explanation.

- I feel that I would really like to stick with the certified organic model. It is in my opinion a pure model and even though the landscape might be quite cluttered and there is confusion about what is organic or what is not I have faith that more definition will come to certified organic and that it is a good long term strategy. It has been a good long term strategy for me thus far to take the farm where it was to where it is now and I have a lot faith that it will continue to be a good long term strategy for me. I do not see myself abandoning certified organic and becoming what is called a conventional farmer. I do not have the land base for that, I do not have the ability to penetrate the market in a large way and that is almost a determining factor for conventional farming now is size and scale and being able to produce food at the price points that will allow you to penetrate conventional market. The conventional small farm model I think has some issues that I do not want to get into. Furthermore to abandon my core beliefs with respect to our role in protecting the planet and staying small and focused on direct marketing initiatives one on one with the consumer that it would make it hard for me to abandon certified organic and go down the road with a more conventional model. The idea of trying to keep both models of life does not appeal to me. In fact there are some practical reasons for that. One of the tenants for certified organic is that there is constant pressure from the bodies to which we are responsible to not get into what is called parallel production, either you are organic or you are not, you cannot keep both alive and maintain your organic integrity. So from that sort of regulatory perspective it would not be practical for me to do that. And again referring to my few on my wishes to be involved in conventional agriculture I cannot see that duality model working out for me.

SUGGESTED COURSES

We suggest that this case would be suitable for a number of courses. These courses include:

- Entrepreneurship
- Management
- Organization Theory

ADDITIONAL RESEARCH

The case offers students opportunities to undertake interesting additional research.

Students may want to delve deeper into how managers make decisions. Classic approaches to decision making include works by Cyert and March (1963) and Tversky and Kahnemann (1974).

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Students interested in learning more about the industry in general might make use of numerous online information sources some of which are noted below.

- Atlantic Certified Organic <http://www.atlanticcertifiedorganic.ca/html/about.html>. Information about becoming an organically certified farm
- FarmStart: <http://www.farmstart.ca/>. Online resources for individuals seeking to start a new farm.
- Local Harvest <http://www.localharvest.org/csa/>. Online information about community supported agriculture
- Nova Scotia Federation of Agriculture: <http://nsfa-fane.ca/member-services/corporate-membership-info/quick-facts/>. Quick Facts about Agriculture in Nova Scotia
- Small Farm Canada <http://smallfarmcanada.ca> Subscription magazine targeting small farm owners in Canada.

REFERENCES

A number of articles, referenced below, offer insight that might help instructors effectively explore this case with students.

- Nova Scotia Federation of Agriculture: Available <http://nsfa-fane.ca/member-services/corporate-membership-info/quick-facts/>. Quick Facts about Agriculture in Nova Scotia
- Stuckey, James (2013) Canadian Farmers Prove that size doesn't matter. The Globe and Mail Available: <http://www.theglobeandmail.com/report-on-business/economy/economy-lab/canadas-farmers-prove-size-doesnt-matter/article13262631/>
- Yates, D., (2012) Interest in small scale farming increasing. The Western Producer. Available: <http://www.producer.com/2012/05/interest-in-small-scale-farming-increasing-%E2%80%A9/>