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A SURVEY OF STUDIES ON RURAL
SMALLHOLDINGS (1970-1983)

by

A.D. Meister

DISCUSSION PAPER IN NATURAL RESOURCE ECONOMICS NO. 8

Department of Agricultural Economics and Farm Management,
Massey University, Palmerston North, New Zealand

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FOREWORD

In New Zealand, as in other industrialized western countries, important changes in community values are taking place. There is increasing interest in the quality of life. The expansion of cities which took place post World War II often resulted in a deterioration of urban living conditions. As people became dissatisfied with life in the city they became more aware of their rural surroundings. Increasing incomes allowed some to move out into rural areas.

This urban-rural drift, especially noticeable at the perimeters of large urban centres, brought with it competition for land, and conflict; the basic conflict being one where on the one hand there is the desire of some people wanting to live and work (on a full or part-time basis) in the rural area on a piece of land they can call their own, while on the other hand, there is the desire of others to keep the rural area in full-time, larger scale farms so as to protect the land for agricultural production.

This area of conflict has now been part of the rural scene for a decade and a half. The time has come to look at the evidence and ask if the conflict is a real one. Or whether it is possible to satisfy the desires of these two groups of people simultaneously?

To answer this question it is necessary to study what the impact has been of those rural subdivisions that were allowed to go ahead. This discussion paper provides this material, or evidence, and it is left to the reader to draw his own conclusions.

It is hoped that this discussion paper will lead to a greater understanding of the nature and impact of small rural subdivisions. As a further consequence, it is hoped that this greater understanding may contribute to better rural planning so as to increase society's welfare as a whole.

On behalf of the author I would like to thank the following people for their assistance:

Ian Ritchie, New Zealand Association of Small Farmers, for his encouragement and support for the undertaking of this project;

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R.J. Townsley,
Head, Department of Agricultural Economics and Farm Management.

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INTRODUCTION

1.1 Rural Subdivisions and Conflicts

Over the last two decades, the demand for rural subdivisions has risen dramatically. The reasons for this increased demand can be found in rising incomes and changing community values, the latter often being reflected in a search for a better quality of life.

New Zealand, although well endowed with land on a per capita basis, has little good agricultural land. What it does possess in terms of good or elite soils is often found round the major population centres. Nearly all of this good land is currently used for a wide variety of agricultural or horticultural activities or it is covered over by houses and cities.

Subdivision of land to satisfy the demand for smallholdings to be used for part-time or full-time farming, for crafts or for rural residential living will in many cases imply the carving up of larger farm units or the subdivision off of corners or small lots from larger units. This in itself does not create any problems and can be achieved at a small legal and surveyor's cost. However, physical feasibility does not immediately imply social desirability. And it is with regard to social desirability that many conflicts have arisen in New Zealand, typified by the title of an early paper dealing with this subject, "That Contentious Ten Acre Block!"

Although many of the conflicts have national importance, most of the conflicts have to be dealt with and resolved at the local or County level. It is here that County Councils, using the authority given them under various Acts of Parliament, set down objectives and formulate regulations (or ordinances) which may or may not allow for rural subdivisions and the conditions that may apply.

The broad guidelines for rural planning (especially land use planning) are found in statutes like the Town and Country Planning Act of 1977. But these guidelines are general and non-specific. The 'nitty-gritty' of land use planning, as found in District Schemes, is the result of a process of interaction between county councillors, planners, ratepayers and government departments all having their biases, fears, suspicions and hopes.

When faced with the rapid changes occurring in land-use in the early seventies, many County Councils were caught unprepared. On the one hand there was the Town and Country Planning Act exhorting them to encourage 'wise' land use, to protect productive agricultural land for food production, and to avoid urban sprawl, while on the other hand there was the demand of ratepayers and others to allow more subdivision to stop rural depopulation and bring back vitality to a countryside depleted of people. The task of rural planning was to many Councils, a daunting one, and their initial reaction was in many

cases to put into place restrictive measures in terms of minimum subdivision and 'economic unit' criteria. The philosophy basically was a 'knee-jerk reaction' against change, to avoid the unknown and to wait and see. In some areas this actually did accelerate the amount of subdivisions as people tried to get in before the restrictions came on (Winn, 1970).

The arguments put forward by Councils to justify their action were often put in terms of:

- loss of high quality agricultural land and a reduction in productivity,
- urban sprawl and demand on services,
- speculation and the pushing up of land prices,
- urban nuisance and undesirable element in the rural area,
- etc.

All the points raised above, if true, would provide some reason for rural subdivision control. However, when the arguments were raised little was known about the impact of rural smallholdings on the rural area. New Zealand as such had had little experience with this new development in land use, and overseas experience, often from countries with much greater population pressures, was not always relevant. Therefore a lot of the objections raised against rural subdivisions and the creation of smallholdings was based on conjecture and guesswork. Now, many years after the initial flush of land-use changes, the time has come to evaluate the effects that smallholdings have had in terms of economic, social and environmental parameters. It is the aim of this discussion paper to provide the basic information so that readers can make their own evaluation of what the effect has been all over New Zealand of the creation of rural smallholdings. To this end as many studies as possible (many of which are unpublished) have been put together in a summary form to provide a quick but thorough overview of the extent and impact of rural smallholdings in New Zealand.

1.2 Scope of This Publication

In this discussion paper 25 studies on rural smallholdings are summarised. Most of these studies are surveys of smallholdings. However, some are detailed discussions of previous surveys done.

For each study the following information is provided:

- Author(s)
- Date published
- Objectives
- Area surveyed
- What/who surveyed
- Type of survey

Who did the survey
 Summary
 Conclusion.

All the information is factual and taken straight from the studies. The summary and conclusions however, often had to be made up as none was provided. Care has been taken to only reflect what the author(s) said. All conclusions reflect the opinion of the particular study's author(s) and not the opinion of the writer of this discussion paper.

The twenty-five studies selected are the ones this writer is most familiar with. Other people have been consulted to determine if important studies have been missed out. So, even though the list is not exhaustive, it is felt that these 25 studies represent the majority of studies done between 1970 and 1983.

Not included in this discussion paper are studies that discuss rural planning or smallholdings in general. Although these studies are clearly related and very informative, including them was felt to be outside the scope of this paper which mainly aims at providing factual information about actual surveys. For those wanting to read more widely about this subject a brief bibliography of selected references is provided with the references of the actual studies discussed.

The studies included cover a wide area of New Zealand (see Figure 1). The majority of studies are in the North Island around major population centres. If important studies do not appear, especially ones in the South Island, the writer of this paper offers his apologies for this 'unintentional' oversight.

1.3 The Ultimate Aim of This Publication

As stated in the introduction, the time has come now to evaluate the role and place of smallholdings in the rural area of New Zealand. The conflicts about subdivision for rural smallholdings still have not disappeared. Many Councils are still struggling with the 'nitty-gritty' of how to write the ordinances to control or not control rural subdivision. Much of this uncertainty is based on fear of the unknown. It is the writer's contention that the effect of smallholdings on an area is no longer an unknown. There is now plenty of evidence for all to see and read to form a judgement as to the contribution smallholdings have/have not made to the welfare of New Zealand's society.

A rural smallholding is, of course, not a single, easily definable entity. It has in reality many facets. Smallholdings can be full-time farming units, part-time farms, stepping stone units, homes for rural contractors, places to pursue arts and crafts or a rural residential dwelling. Therefore, depending on the use made of the smallholding it may or may not increase agricultural productivity. *But agricultural productivity or economic efficiency is not the one and only criterion by which smallholdings should be judged.*