



NEW MFS CHAIRMAN, RICHARD TAYLOR, "BELLEVUE" TAKES OVER THE REINS

Chairman's Note

The first thing I would like to do as incoming Chairman is to thank **Oli** for the huge contribution to MFS he has made in his five years as Chair. He has built on the great foundation that Dave Mitchell laid, and taken it up a level in terms of delivering hard hitting information relevant to profitable farming on the Monaro. Fortunately Oli is staying on the Board for another twelve months, and I am sure will keep things heading in the right direction.

The other Board change is that **Denham Williams** has completed her three year stint on the Board, and has also made a wonderful contribution, particularly in the difficult job of gaining sponsorship, and with her expertise from the research world.

Denham has agreed to continue to provide assistance in the establishment of a worm club. Denham's spot on the board has been filled by **Georgie Hood**, who has a wealth of agricultural

business experience and knowledge.

We had a very good response to our recent **member's survey**. It turned up some interesting thoughts and figures, and showed a major shift toward meat production since the last survey, with meat enterprises now taking up half the area of our member's farms.

We will be looking at what projects MFS can do in terms of looking at profitability of different meat production systems and pastures. Another survey theme was the cost of worms to farm businesses. We are working to set up a **worms club**, along the lines of the soil club, to facilitate more drench, worm and fluke testing, and sharing of information from this.

While we will look at new ways in which MFS can improve agriculture on the Monaro, we will stay strongly focused on delivering on what the Board sees

MFS Newsletter



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as our five key programs: soils club, seasonal outlooks, the wether trial, trainees, and benchmarking.

Finally, I would like to thank Nancy, who has held MFS together over its eight year history, and does most of the real work in making things happen.



Denham Williams helps with wether trial at Knockalong, 2014

Rabobank widens farm succession expertise to Goulburn

A national survey of 1000 farmers – commissioned by leading agribusiness specialist Rabobank – has shown that close to two-thirds of farmers are actively looking to incorporate the next generation into their business either through transfer of asset or shared ownership.

However as many families know, the process of family farm business succession is not always smooth.

Rabobank has been actively helping farmers initiate those important discussions for the past 15 years, and recognising the growing need for succession services to rural operators, has bolstered the expertise of its dedicated succession planning team by employing another facilitator - this time in Goulburn.

Succession planning manager, Darren Secomb brings a wealth of experience to the role having grown up on a broadacre cropping and sheep property on the Adelaide Plains and working for the past 18 years in the financial services sector.

"Having grown up on the land, and continuing to be involved with family members still on the farm, I know the attachment that farming families have to their business," says Mr Secomb.

"But I also know the financial reality, and how important it is to start the succession planning process early to manage the expectations of all those involved in the farming business."

As part of Rabobank's quarterly Rural Confidence Survey, 66 per cent of Australian farmers last year said they wanted to share ownership of the farm or transfer the farm to the next generation as a result of their succession planning process. While just 23 per cent said they were intending to sell the farm and exit the industry.

Mr Secomb says that "while it is never too late to start talking about succession" it should be "on the table when a new family member joins the business."

"Often a good time to start is when the son or daughter expresses an interest in coming home, to ensure that everyone is on the same page and there

are no misconceptions - as these over time could magnify into big issues," he says.

"To get input from all family members of the business, they are each given a questionnaire which allows them to jot down their goals and any issues they may have," Mr Secomb says. "This essentially gives them a forum to open up, as both generations often don't feel comfortable bringing up some of the big issues in front of each other – particularly in the initial stages of the process.

"It is then my job, as the facilitator, to collate those views and ensure they are addressed in the family meeting so that all on-farm stakeholders have their expectations and concerns on the table for discussion."

Mr Secomb says it is also important that the process involves the family's accountant and solicitor to ensure that the proposed plan is realistic from a financial perspective, and that it can be supported by appropriate legal structures.

"When looking at the balance sheet and cash flow, we need to ensure that the business can meet the needs of all those financially reliant on the business and support retirement goals," he says.

"And then we can have those conversations around how to bring in the next generation – be it through leasing arrangements, family loans or equity partnerships – as this creates the building blocks of equity and experience for the next generation."

Mr Secomb appreciates that having those conversations can be hard, but that families can manage the process if they remain honest about their personal and business goals.

"My biggest aim is to equip farmers with the tools to structure their own meetings by ensuring they can communicate openly and freely with all members of their business," he says.

"As once we get to that point, families can hold their own meetings and essentially manage their own succession planning process as it will in most cases, be a plan that continues to evolve over time."

Mr Secomb says Rabobank offers facilitated succession planning meetings and that his close proximity to Monaro means that it can be broken up into two half day sessions to give family members the chance to go away and digest the information in-between sessions.

For more information or to book your family meeting call Darren on 02 4855 1108 or email

Darren.Secomb@rabobank.com.

Rabobank Australia & New Zealand is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 115 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 40 countries, servicing the needs of approximately 8.8 million clients worldwide through a network of more than 1000 offices and branches. Rabobank Australia & New Zealand is one of Australasia's leading rural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. The bank has 94 branches throughout Australia and New Zealand.



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WHATS COMING UP - 2015

- Deadline for submitting MFS Soil Club Soil Samples – **Monday 19th October**
- Soil for food, fibre and environment Day – **16th October**, Sutton Village Hall
- MFS 1st Benchmarking Group Session, 14/15 – **5th November**, McGuffickes
- MFS Soils Club presentation 2015 – **30th of November**, Cooma Alpine Hotel
- Farm Asset Transfer, Panel Discussion on land leasing & business transition – **30th of November**, Cooma Alpine Hotel
- Last chance to register interest in employing the **2016 MFS trainee** for next year.



Local Land Services
South East



WHAT'S BEEN GOING ON - 2015

Thankyou to NSW Farmers for their \$500 contribution to the MFS traineeship program. This money will help to pay for the coordination of the program.



MFS recently submitted two funding proposals through **Local Land Services (LLS) Community Industry and Landscapes fund program for the next three years.**

One application requested financial support to continue and **grow projects** such as the soil club, seasonal forecasts (incorporating soil moisture probes) and benchmarking and the second application requested financial support for the MFS Project Officer position to **help fund coordination of the** organisation.

LLS recently announced the successful proposals and MFS was fortunate to get one of our applications approved. The proposal for coordination support was successful and will **deliver \$32,500 each year for the next three years** to help support the coordinators role. This also ensures MFS operating funds can now be allocated to growing our existing as well as new projects.

We were fortunate to receive this funding as only 1/3 of the applications submitted were approved. We would like to **thank LLS for their continued support** for MFS over the previous 5 years which has enabled us to continue delivering services to the grazing Industry as well as grow the organisation.

MFS will be hosting a **"Farm Asset and Business Transition Panel Discussion"** at the Alpine Hotel in Cooma on the **30th of November.** The issue was highlighted by one of our Board members Stephen Rolfe who has joined with Jono Forrest to put together a paper on how MFS and others can address this issue.

The succession of farm assets and businesses on the Monaro is a considerable issue. Jim Symon's (a private consultant servicing the Monaro) observed that the issue of ageing farmers is more prominent on the Monaro than some other areas.

The **two areas** highlighted for raising awareness include;

1. Farm business and asset owners approaching retirement who believe they don't have any other options than to stay on farm or sell (due to family members not 'coming home');
2. Young farmers (with minimal assets, perhaps owning a house or a small farm) who don't believe they have farm business and/or asset ownership opportunities because of the cost

associated with getting into the industry.

The **Panel** for this event will include;

Mike Stephens (Meridian Ag)

Jono Forest (Boyce)

Brendan Cockerill (Canberra Lawyer)

Peter Muirhead (Rural Financial Counsellor)

Mark Pendergast (local producer)

Howard Charles (local producer)

Jim Symon (McMichael & Associates) tbc

Ted O'Kane (NSW DPI)

The **MFS soils club annual presentation** will be held in the morning of the **30th of November** also at the Alpine Hotel.

This year the district analysis overview will be presented by **Fiona Leech of the NSW DPI.**

The MFS data base now has over 1300 tests adding to the strength of the data and Monaro district trends. Fiona will also talk about fertilizer options including findings from a three year Native Pasture Alternative Fertilizer trial at Binalong and Bookham.

Jim Virgona (Gramitus Consulting) will also present soil mapping options. Jim is a very engaging speaker and is sure to entertain as well as educate his audience.

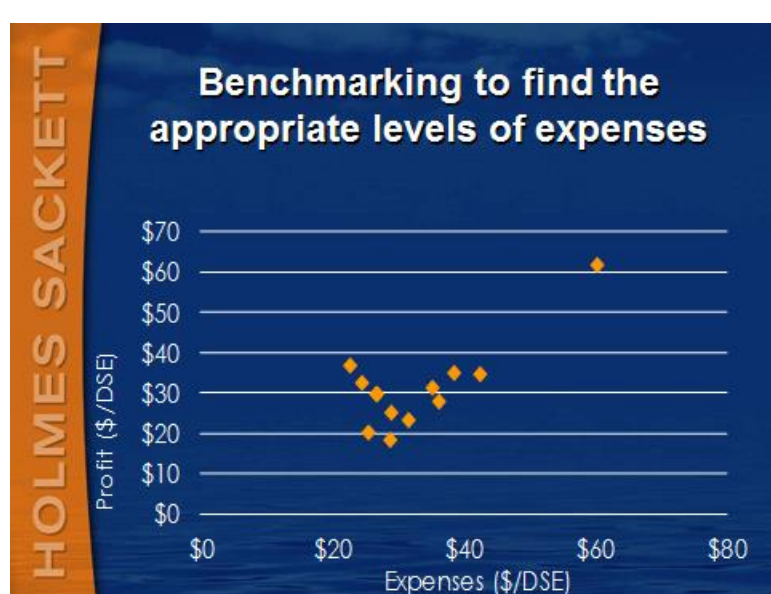
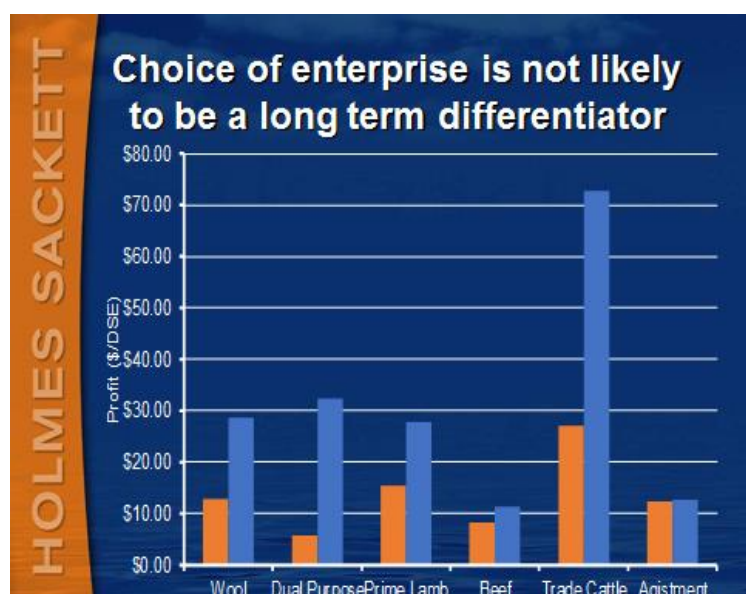
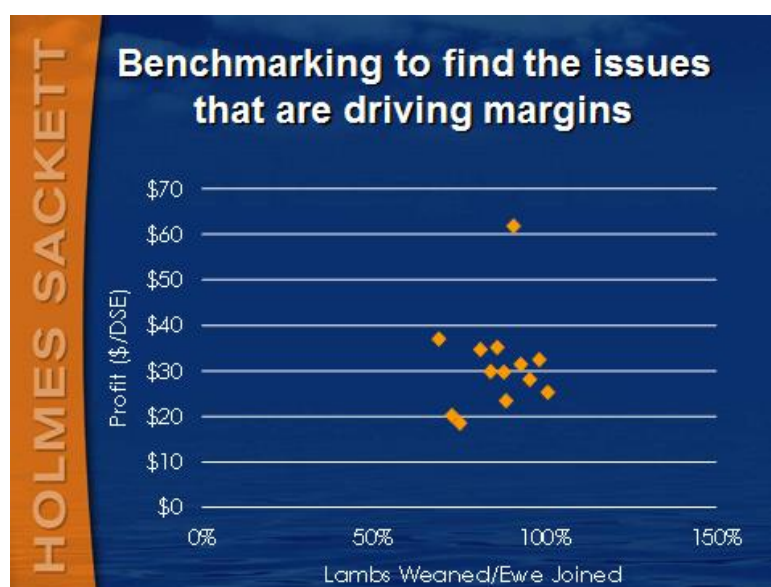
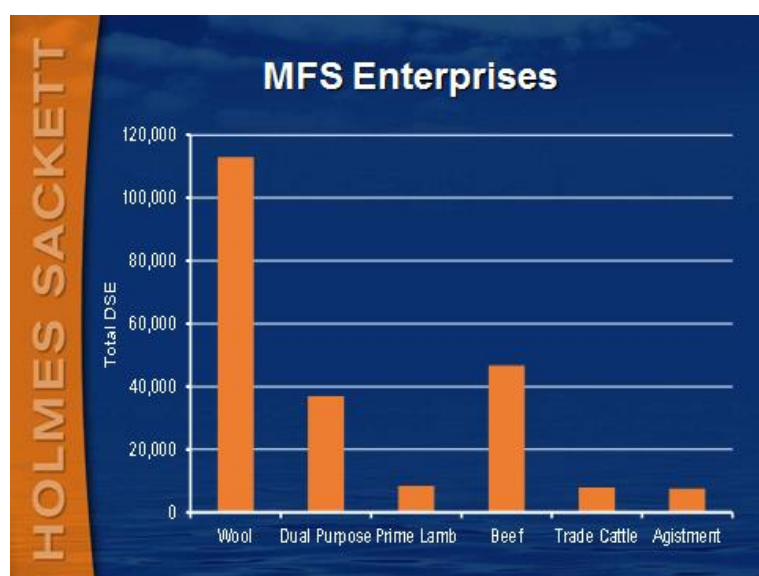
This year MFS has offered **three soil test options** at reduced prices for those that may have been testing paddocks for many years and just want to keep a track of Sulphur or Phosphorus and Sulphur in certain paddocks.

MFS Benchmarking Group 14/15...

Why should I benchmark?

- Profits are driven by margins
- Benchmarking finds the issues that are driving margins
- Benchmarking finds where the optimums are
- Benchmarking finds the appropriate levels of expenses
- Benchmarking identifies the efficient production systems for the Monaro

A selection of slides that were recently presented by Sandy McEachern, Holmes & Sackett at a MFS Field Day on the 2nd of September outlining the benefits of benchmarking. The 2014/15 group is meeting next on the 5th of November hosted by Alan and Mark McGufficke.



****Note - MFS blue, H&S data base brown for this slide only**

Monaro Farm Management Strategies and their effects on soil carbon – Results out soon....



Susan Orgill, NSW DPI presents her results from the three year MFS Soil Carbon project at the MLA Pasture Update in Nimmitabel in May 2015.

An **e-booklet** summarizing the overall findings of this MFS project has been developed and videos of some of the site hosts are about to be uploaded into this publication. Also Doug Alcock has summarized model outputs for animal production, pasture production and economic output for each site. Of particular interest are outputs for changes in enteric methane emissions from the enterprise which can be a significant source of leakage when increased pasture production is intended to increase sequestration of soil carbon for trading / offset purposes.

Once this has been done the booklet will be ***distributed to all members and other stakeholders*** (electronic and hard copy available on request as well as a copy of the full Final Report).

