WHAT DOES IT TAKE TO BE A FARMER?

Farming can be hugely rewarding as well as extremely challenging. Leasing land and share farming is not just for new or aspiring farmers, however, if you are new to farming and are considering leasing land, we believe it is worth exploring a few extra steps to help prepare, before you start.

Running A Business

Starting any business can be overwhelming and challenging, at least some of the time, especially one in agriculture. The hours are often long, the financial reward can be slow to arrive, and you're at the whim of Mother Nature. However, running your own business and producing food for your community can be immensely satisfying.

It is important to ask yourself whether you are ready to start a business. Though you may have the skills and knowledge required to grow vegetables, raise animals, or establish cropping programs, there are many other skills you will need. It is highly likely you will be starting off small and will need a solid understanding of business management. You may need to employ people, so interpersonal skills will be crucial. You will need to understand accounting, tax, and legal requirements. Sales and marketing will also be important. Be prepared to learn as much as you can, seek-out advice and look for training opportunities relating to any aspects of running a business, especially if you have identified a skills gap.

Financial Planning

It is crucial that you begin any business venture in a good financial position. Starting a business can be expensive and there are several up-front costs you will need to consider, as well as the ongoing fixed and variable costs involved. You may not start making money from your business, or be able to draw a salary for some time, so make sure you have enough savings or financial backing to take on and support your new venture, and resist over-capitalising in the early stages.

Lifestyle

Another aspect to consider, is whether you are truly prepared to deal with inevitable changes to your lifestyle. Running a farming business can lead to long, often anti-social, hours. While the flexibility of being your own boss may be attractive, it is worth acknowledging that the buck stops with you and that working Monday to Friday, from 9 to 5, is unlikely to apply, especially during tougher times. You will need to be determined and willing to put in the hard yards.



Do You Have a Clear Vision?

You have an idea. Are you ready to take the next step? You may already be growing or producing and want to take it to the next level. Or perhaps you've always had a dream to raise a particular animal, sell eggs, or plant an orchard and sell the fruit. Whatever the direction you're heading in, it's important to research and analyse your idea giving full consideration to the potential. Conducting a SWOT analysis, considering the Strengths, Weaknesses, Opportunities and Threats can be a useful way to do start.

Some questions you could ask yourself are:

- Is there a market for the product I want to deliver?
- How difficult will it be to develop my idea?
- Is my idea financially viable?
- Who are my competitors?

Putting together a business plan will help confirm if your idea can be a 'winner', and a viable one. This is something we will discuss in more detail shortly.

Gain Experience

Resources and pathways for learning have never been greater. Pursuing education through programs such as the Sprout Producer Program, permaculture design courses, or through registered training organisations are important ways of learning on-farm and off-farm skills.



There really is no substitute for experience. Before you consider running your own business and finding your own land, we recommend spending as much time actually working on farms as possible. Being employed on a farm is a wonderful way to learn, without risk. If full-time employment is not possible, try working seasonal jobs. Identify a few farms in your area that reflect your dream, and spend time helping out. It could be harvesting veggies, pruning fruit trees, rounding up sheep, or milking goats. Try immersing yourself in a variety of farming experiences. You will learn just as much about resilience and business planning on any farm, not only one that embodies your imagined future. Broad experience means broad, applicable skills.

Also, when the time arrives to start your own farm, it's important that you are comfortable to ask for help. Trying to 'go it alone' is a difficult path so talking to peers, to a business adviser, accountant or tax agent can help you solve multiple potential problems.



It's OK To Stop, Or Not Start At All.

In many cases it can show more courage to stop, or not start at all. It's ok if things don't work out first time around, and there are many pathways available. It might require a pause, a rethink, a new idea – all these are better options than risking financial or personal hardship. In some contexts, leasing land can offer an opportunity to trial your own farming business. If you are able to start small, with minimal capital outlay, and can negotiate a 'cooling off' period, farming on leased land may be the perfect way to discover what is right for you.

TOOLS TO GUIDE DECISION MAKING

Business Planning

Whether you're an experienced farmer looking to scale up or diversify, or you're just starting out, have a sound business plan. Having a business plan can:

- Help you prioritise it provides direction, defines your objectives, maps out how you'll achieve your goals and helps you overcome potential challenges.
- Provide insight the planning process helps you learn about the different things that can affect your success. If you're already in business, it can help you to step back and consider what's working and what can be improved.
- Help you seek finance you'll need to show banks and investors a business plan in order to convince them to invest in your business.

WRITING A BUSINESS PLAN? SOME IMPORTANT ASPECTS TO CONSIDER:

Determine What Your Plan Is For:

Does your business plan have more than one purpose? Are you creating it solely for your own use, to help provide direction, or do you need it for potential investors or banks? These questions can help you develop your plan for the right audience. If the plan has been developed for third parties, you will need to determine what they'll be most interested in.

Prepare Your Finances

If you're looking for finance, lenders will want to know if your finances are in order and your business is in a strong financial position. They'll want to know how much money you currently have, how much money you need and projected revenue. While a bit of extra funding will help to ensure you're covered for unexpected costs, be realistic and avoid asking for more than you need.

Write A Summary List

Summarise the main points of your business plan using as few words as possible. It should include details about your business, your market, goals and what makes you different from other agribusinesses. This is your opportunity to sell yourself, but don't overdo it.

Get Help

Take your time and do as much research as possible to develop an effective business plan. There are several government services as well as business coaches available to help with your business plan. Business Tasmania has lots of great information and expert help. You can also find templates for business plans and Business Model Canvases in the resources section of this guide.

Business Model Canvas

The Business Model Canvas (BMC) is an adaptive, visual process that allows you to describe, design, challenge, and pivot your business plan.

It can be used as a tool to summarise your business in nine critical building blocks, with a strong focus on who the customer is and your value proposition. In the resources section at the end of Step 1, you can find links to a template canvas and to a video that explains this tool in more detail.



Clarifying Your Vision And Needs

Goal setting and gaining clarity about what you desire from a farm are important first steps to ensure you are ready to communicate these needs to potential partners and landowners.

- Consider the type of farming you plan to do, the infrastructure you'll need, and the duration of the lease that will allow you to achieve your objectives.
- Think about future growth and whether the lease terms will accommodate expansion or new ventures. Having this clarity will guide your negotiation and ensure the lease aligns with your long-term vision.



Frameworks For Decision Making

Holistic Decision Making (HDM) is one framework designed to help individuals or businesses make decisions that align with their values and goals. It is particularly useful in contexts like agriculture, land management, access to land and business planning where the long term sustainability of decisions are critical.

Using a framework can help:

- Guide you through the process of evaluating potential decisions, like whether to buy, lease or share a farm. Who is involved? What support is available?
- Assess the impact of your decisions in the short and long term from different perspectives: social, environmental, and economic. What do you want and need from a leased land or share farm? How will you achieve your goals?
- Consider any unforeseen consequences that might arise
- Continuously refine your decision-making, adjusting strategies as you learn from experience and use monitoring and feedback to stay on track.

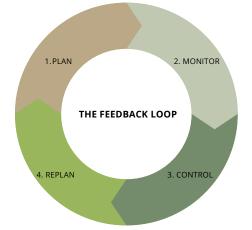


Image adapted from <u>Savory Institute</u>

While researching this guide we had many conversations about the need to navigate complex relationships between landowners, co-workers, friends, mentors and volunteers. Using a framework is one way to help you focus on achieving your goals. Using data and logical reasoning as well as gut feeling and emotional responses also play a crucial role in guiding decisions that align with a farmer's long term vision.

RESOURCES

WHAT DOES IT TAKE TO BE A FARMER?

Below are some organisations to connect with that provide resources, programs and events to help you decide if farming is right for you:

- <u>Regenerative Agricultural Network Tasmania</u>
- Soils for Life

----- (**)**

- Tasmanian Farm Innovation Hub
- Derwent Catchment Project
- WWOOF Australia
- <u>Market Gardener Institute Masterclass</u>

TOOLS TO GUIDE DECISION MAKING

Business Planning

Here are some great links to kick start your business plan:

- Business Tasmania
- Australian Government's Business website
- Bonnie Tuttle is a business coach based in Tasmania she has a good understanding of the ag sector and HDM
- This is a useful video to help understand Business Model Canvases
- Here is a Business Model Canvas template
- SWOT Analysis guide from the Aus Government's Business website
- Assess your Farm Business using a SWOT Analysis

Clarifying Your Vision and Goals

We have 2 amazing resources in the appendix to assist with clarifying your vision and goals

- <u>Accessing land for farming worksheet</u>
- Offering land for lease worksheet

Frameworks in Decision Making

Want to know more about HDM? Check out the below.

- Holistic management: a common sense revolution to restore our environment by Allan Savory & Jody Butterfield
- The late Dan Palmer's website, Holistic Decision Making has some great resources
- The Savory Institute
- <u>Australian Holistic Management Co-operative</u>

