

A STEP AHEAD DVD TRANSCRIPTS

NIGEL MCGUCKIAN: There's a real danger these days that everyone can get down in the dumps about agriculture. But I really think we are moving into a really, really exciting time.

JAMES RICHARDSON: Yeah, I think it's exciting because there are all sorts of new technologies coming out.

KERRYNE MCCLELLAND: Change is the only constant in agriculture, I think.

MEG BARRY: Farmers have always had this extraordinary sense of independence.

TOBY ACOCKS: It's certainly not a boring profession, that's for sure.

JOHN WHITE: I wouldn't be farming if I didn't think there was a future here.

NIGEL MCGUCKIAN: On the one hand we've got this kind of prospect of a changing climate and a very, very changing world. But we're also sitting in a time – we've got food shortages, we've got some of the best commodity prices that we've ever had. The issue now we're facing is that we could need to make significant changes in our farming systems. Or changes in our lives in farming which are big, confusing, daunting and complex decisions that need to be made.

JAMIE SNELL: I come from a family farming background, my parents have grown up through share farming and moving into farm ownership. When I asked the girl to marry me, she thought I was going to be a tractor driver contractor and that a week before we were married we decided we'd go back into dairying. So we launched ourselves back into dairying a week before we were married. And it's been a career that has been very, very good to us.

VINCE VIGLIATURO: My grandfather used to grow a lot of wine grapes, make a little bit of wine. And as dad took over, he sort of pulled the grapes out and went into the stone fruit industry – apricots, and peaches, and nectarines. I think people just take chances sometimes and they hope for rain or they hope for this or they hope for that. Hope doesn't really pay the bills at the end of the month, you've got to have a little bit more than that.

MEG BARRY: So our situation is, my sister and I are the last of our family on this farm. It's a tremendous industry to be in - it's been very good to us. We've loved every minute of it. And the land is the most important thing, it's not necessarily the people who are here – we're just passing through. We're just the keepers.

JAMES RICHARDSON: I managed Terrinallum which is twenty-seven hundred hectares, we have six-hundred and twenty hectares of crop, we run five and a half thousand cross-bred ewes and six hundred and fifty Angus and Hereford cattle. This property is twenty-seven hundred hectares and we have approximately two-hundred and fifty hectares which is not grazed and is used for repairing damage that has been done in the past. But also to try and prevent any nutrient run off into the creek. And we're also encouraging more birds and natural predators to the pests that eat our crops, to make our plantations their home.

JAMIE SNELL: Late last year our neighbours decided they were going to sell out. The opportunity arose for us to do a deal with them so since then we have been able to buy their land. So, twelve years ago we sort of had our tail between our legs, wondering where we were going in life, what lay ahead of us. And moving to the Goulburn Valley has been a good move for us – not only has it been a fantastic community, but there have been opportunities for us to increase our land holdings, increase our water holdings. We now farm a bit over seven hundred acres.

VINCE VIGLIATURO: This is a high pressure, high volume pump. Delivers the water to the filter system here, it's a disc filter. It works on pressure. Here we've got a computerised system that allocates the water to the appropriate blocks. We had a very severe frost in late September. The pump was programmed to come in. The temperature dropped to point two above zero. It initiated the pump and saved the crop. A lot of people don't have this sort of system which, basically pays itself off with one severe frost. We've put in a sub-surface irrigation of a hundred acres and that was fairly substantial – about \$3,000 an acre. But again, it was tax effective and it also suited the contours of the land. I felt that it was something that was going to be good in the future.

JOHN WHITE: Me and my brother Max bought the new direct drilling air-seeder. It's the only time that Ellen's been happy with me spending money.

ELLEN WHITE: [Laughs]

JOHN WHITE: Usually when I tell her I'm going to buy something, it's usually the cold shoulder and so forth, but this time she actually agreed and thought great, spend the money. So yeah.

ELLEN WHITE: Well you have to take up the new technologies so that you can maximise your outputs for all the inputs that you have.

JOHN WHITE: We've got GPS, it's on a two centimetre accuracy. So we can nudge it across next year five inches and we know will be within two centimetres. Sometimes satellites will go out and you might have to pull up for ten minutes so the satellite comes over again. But so far it's been working well.

ELLEN WHITE: When I first moved up here, I didn't really know very much about farms. After the first year of drought, I thought well if this was a business in Melbourne then you wouldn't actually be here. You would just sort of go well we're not making any money, let's cut our losses and off we go. I realised very early on that we have to adapt and we need to innovate so that the primary producers can survive.

JOHN WHITE: The truck we just bought home yesterday, it's a mate of mine's truck and we borrow that during cropping and we have two trucks running to fill the air-seeder up. Me and my mate we sort of work together a fair bit and we've got a fair few farmers around here and we just share machinery if we can. He has share-farmed all his country out and doesn't use it during cropping so we grab a lend of it. Work on the belief that what comes around, goes around.

MATT GOODISON: I'm the owner and director of Lewison Organic Farms, which we've been having for about the last ten years. Prior to that I was in the building industry – in property development. And a bit of a turn of events, I got very ill in Melbourne and I was in intensive care for three months. With Guillain-Barre disease actually. So that was a major, major life changing experience. And I had one child, a five month old child, at the time, and I decided to get out of what we were doing. And I came and moved the family up to Swan Hill. Going down the organic path, people and fellow neighbours and farmers thought it was pretty weird and a bit different. The farm had been going here for two or three years, which we had a farm manager on. And I was assisting with that, so I was learning a little bit as time went on. But no background experience whatsoever. We are getting away from supplying directly to the wineries and more value-adding our product into our own wine and trying to look for export markets.

JAMES RICHARDSON: Well, what we're doing is we're just weighing the sheep and recording it's ID – with the tag that's in its ear – onto the scales so that we can determine then if the sheep is gaining weight or losing weight or if it's at its target weight. The arrangements we have with the supermarkets is that we know the buyers and so that we can speak to them and say ok what are the weight ranges that you need the sheep in and it's up to us to hit the targets. We know the yield of our sheep so we can weigh and hit those targets pretty simply.

KERRYNE MCCLELLAND: I think that more and more, the generations coming into farming now are planners. And they are looking at long-term planning, medium-term planning and short-term planning and seeing what the future is. The rate of change is so rapid on farming now that you can't afford not to plan. Going back to my grandfather's days, the rate of change was a lot slower and you could afford to just go with the flow and do what his father had done and those sort of things. But these days it's so much more important to focus on where you are going and make a plan on how to get there.

JAMES RICHARDSON: The structure works – we have the owner, then the manager which is me, we have an overseer and then we have two people under him. And on a bigger property like this you need more people to run it so you have a command structure. It's very important that people work as a team. So there has to be good communication and you have to all get on. From the structure at the top, from where I sit, I've got to have somebody very reliable under me who can carry out the day-to-day operation of the property – looking after the sheep and the cattle.

FRANK DELAHUNTY: The main traditional farming is mum and dad farming but I think it should be understood that there is a lot of corporate farms which have been family farms which have grown to a point where they are run in a corporate way. So we have a corporation farm located in Hopetoun, Victoria. The people who work there get a wage every week, they've got disposable income every week. So they go to the local pub, they go to the local supermarket, they get involved in the Hopetoun Fire Brigade. They run Auskick classes. I think their involvement is younger people coming into the community and contributing to what needs the community to grow. And that is maintaining the population in these environments. I think as a corporation we have do other things that the community expect. We undertook a lot of training and personal development, we sent them off to study courses and in some of our cases our managers were sent off to courses overseas to learn how do we best improve farming techniques, what can be learnt from the New Zealand farmers. I don't think it will ever take over the agricultural landscape, but corporations could provide a different model – of simply buying land and renting it back to the farming community. The profitability is now, for the first time in ten or twenty years, is really quite strong for agriculture. You can set your price two or three years out, now a lot of retailers can't do that – they've just got to wait, that someone will come in the door and accept the price they've got on the tag. If they don't accept it, they've got to discount it down. Now agriculture is an example of changing where you can set your price two or three years out.

KERRYNE MCCLELLAND: The first steps of looking at change and doing something different in farming is, I think, to plan. To get as much information accumulated as possible. Information is power. I work on the philosophy that if there are risks to be taken, then calculate them. And take them and move forward.

TOBY ACOCKS: Farming's a risk, everything's a risk. It's a calculated risk. We made the decision last year that turned out to cost us a fair bit of money on the futures side of things. But it's been balanced out because we've ordered fertilisers and stuff early this year. It's all risk management to a fair degree.

MEG BARRY: We made the decision, a long time ago, with managing risk that cost cutting was becoming harder and harder. You cut as far as you can until you probably cut no more. This place is run on contract so I don't own machinery.

TOBY ACOCKS: We're fifth generation here. There's plenty of opportunities. There has been a lot of change but there has been a lot of opportunities created too for those who want to get in and have a go.

BEN ACOCKS: Ag sector is no different to anything else. A plumber could have two extremely tough years because there is a housing down-turn, has a WorkCover issue or God's knows how many different reasons. I think agriculture is the same. It's swings and roundabouts, it's cycles. And the current cycle will change at some stage. If it doesn't, then we'll adapt with it.

JAMES RICHARDSON: I think one of the biggest challenge that we face at the moment is climate change or lack of rainfall. And so we have to modify our farming techniques to be able to make money under those circumstances. And that's one of the greatest challenges we've got. Four enterprises were too many and we decided to cut one out. So we analysed the figures to see which was the worst producing enterprise. And that was merinos. So we sold all of the ewes and with the money that was left over we then went and bought the cross-bred ewes that we wanted to buy. Best decision we ever made. A very good decision. We now make money instead of losing it.

ROB MURRAY: I was a farmer in the Beaufort district in Western Victoria for about thirty years. Some ten years ago my wife and I decided it was about time to make a change. So we got out of farming and we moved to Melbourne. I'd always been interested in trees so I thought I'd try arboriculture as a new industry. It was difficult to sell the farm because local people didn't really want to come up with the sort of money that we were expecting to get. Eventually it was a superannuation fund that bought our property. Financial things were becoming a stress. We had the advice of a rural counsellor and she was able to help us see a way of financing things – ways of borrowing money from different sources and ways of managing cash-flow. That gave us a lot of confidence. And we worked through according to her plan until eventually we were able to sell the farm and happily get out. As the years rolled by it became more and more difficult to make a good living on the farm. And one of the things I noticed was I was working longer and longer hours, longer and harder. And it took me a long time to realise that longer and harder isn't necessarily smarter. And I actually had to learn that from the local GP in our town and his theory was that you needed to get away from the farm at least every two or three months and take time off and re-charge the batteries.

GENE FULLER: I really think that you really need to get off the farm and as I say I play golf. And you've just got to have that break, where you're away with your mates, you're not thinking about crops dying or sheep or anything like that. You're just having a break away and thinking about something else for a while.

JOHN WHITE: There's always people out there who want to talk to you, there's counsellors out there. Yeah, just don't take it all on yourself. There's help out there.

NIGEL MCGUCKIAN: Farmers think that they are just a farmer – you know. When there is a lot of research that shows that farmers have a huge range of skills that they can transfer and use in other places.

ELLEN WHITE: In this changing environment that we live in I think we have to be adaptable and, yeah, so I have encouraged John to go back to school and learn some new skills so that he can do other things apart from farming.

JOHN WHITE: I've just finished a course. A Certificate 4 in Workplace Training and Assessing. I've also got a job doing heavy machinery licensing – excavators, front-end loaders, fork lifts and also truck driver training before they get their license.

ROB MURRAY: One of the things that really struck me, early in the piece, was that one of the trucks broke down and the guys in the crew called into the base and said – we've broken down, help what'll we do? Then the boss said oh Rob, can you go out and get that truck going? He said take a spare battery, some diesel and a few tools and go and see what you can do. And I thought ok I'll go and do that. So I threw a few things in the ute and thought sure I can do that sort of stuff. And farmers have lots of skills.

JOHN WHITE: We've diversified a little bit. I've got a few pigeons over here, which I got into about five years ago. And that brings in a nice little income each week and helps pay for a worker.

JASON HEAP: We've been dairy farming for at least three generations. I've been home on the farm for 21 years. And my wife has been home on the farms for ...

LORELLE HEAP: 15 years

JASON HEAP: 15 odd years, helping the enterprise.

CAROL HEAP: A young mind, with young ideas – our son. He decided that – ok dad – how about we think about looking at a new site and we go rotary? Well drought was upon us and we thought goodness gracious. Do we, don't we? Should we, shouldn't we? Will we, won't we? We have every confidence in our son because he is dedicated.

JASON HEAP: It's a huge investment. We decided that this is the way to go with the future. Seems we are committed, with the investment we have outlaid, we want to continue with the dairy industry.

GARY HEAP: I said to my wife one night – now he's made this decision, we've got to give him some control. So we gave him a share of the enterprise – equal to ours – which then he shared costs too. But it made him realise how to run things. I'm still here but he's the manager.

JASON HEAP: We operate a four-way partnership business. Lorelle and I do the main decisions but we always pass ideas across to Mum and Dad, just to make sure that we are all happy with the situation.

JAMIE SNELL: It is very, very difficult to engage someone who doesn't want to be engaged in a discussion about family farm succession.

EDDIE HOOPER: It's a hot potato to talk about your assets when you're dead. Like the last thing you want to talk about is when you're dead. But it has to be done. Yeah, so it is the most difficult decision of my life to share it evenly so that they are all going to be happy. I have two daughters and a son – I can't leave it all to my son. We've got to be fair. So it's very difficult to share a family farm. Years ago, the boys took the land on and the girls took a share of the money but with farming being very tight there is no surplus money.

TOBY ACOCKS: We've always known that the business was here if we wanted to come back to but we weren't obliged to come back to it. It was our decision to come back and we've been really lucky, in that we've had all the support we've wanted.

BEN ACOCKS: There are plenty of stories, or examples, of families that aren't even on speaking terms when they have finished. And that's not an option.

JASON HEAP: I will hope that our children will have an education first and then perhaps make a decision perhaps then to come home on the farm. But our youngest seems at this stage to show a fair bit of interest. So whether he comes home, that's his decision. We don't want to force him.

KERRYNE MCCLELLAND: In order to get the information and support that you need in making change – then I think we need to look at the whole person, look at the physical properties of the farm, the business aspects of the farm and the people themselves. So talk to the professionals, such as agronomists, planners, banks, rural counsellors obviously. Look at the people that are already in the business – the accountant and solicitor. Particularly if you are looking to make changes that are inter-generational changes, either on or off the farm. Look at the government schemes that are around that can enhance that and support that. And maximise every step that you take.

NIGEL MCGUCKIAN: Good advisors, I believe, don't tell you what to do. What they do is help you do is understand the situation, the implications, where you might be in the future. And that helps you make a decision. All these big decisions are ultimately up to the farmers.

JOHN WHITE: My job is to run the farm and try and grow a crop. So the business side of it – if there is help out there, I'll use it.

JAMES RICHARDSON: At the end of the day it's about having the information to make informed decisions to make more money.

VINCE VIGLIATURO: Knowing where you want to go, or what you want to do – what makes you happy in life too – if you can answer those questions to yourself then I think you've got a better chance of knowing what you're going to do next week or next month or next year.