

Farm succession all about communication

In this first of a series of regular interviews with Rabobank staff on a range of topics, the bank's succession planning manager **Tony Hammington** explains the work he does with rural families to help guide them through the stages of the farm succession process.

Question: Why is the bank focused on assisting farming families with succession planning?

As an agricultural banking specialist, we're committed to tackling the big issues facing our clients and the industry as a whole. With the average age of New Zealand farmers in the mid-late 50s, many farming families are now looking at how they can most effectively transfer assets to the next generation and ensure ongoing business success. This, combined with the shortage of young people showing an interest in on-farm roles, means that farm succession is undoubtedly one of the most significant challenges facing NZ's agricultural sector.



IN THIS HOT SEAT WITH RABOBANK TONY HAMMINGTON

From my experiences of working for years with farming families, I've found that many families find it difficult to separate the business and family relationships from the emotion that surrounds a family farm. As a result, many of these families are looking for assistance with their succession plans. This is backed up by our research on this topic: at least 80% of respondents in a recent survey said they would like some form of succession assistance from their bank.

Question: What are some of the initiatives the bank is taking to help its clients?

The bank's rural managers are actively talking with clients to discuss their goals and aspirations for their farming operation. These conversations can often lead into succession discussions in which our rural managers will encourage clients to start this process early and to openly communicate with other family members. When our clients are looking for additional guidance in this area, our rural managers might encourage them to attend one of our facilitated succession workshops. These involve a small

number of families getting together to explore concepts, initiate discussion and collaborate on ideas.

Another service we offer is facilitated family meetings which are run by one of our succession planning managers.

These follow a more formal process to clarify family and business goals before exploring legal and accounting issues. These are normally conducted away from the family home. Sometimes a meeting outcome is exploring ways of expanding the business or bringing in new resources, which dovetails into our farm ownership options facilitation service, set up to introduce investors and equity managers into farming businesses.

Question: In conjunction with the Red Meat Profit Partnership, you've just held a Foundation of Farm Succession workshop with six farming families in Manawatu. What was the aim of that workshop?

The workshop was designed to help family members look at the needs of each generation in their family and discuss these with other families facing similar succession challenges. It included a session on business entry and exit, and a session on legal and accounting material. Participants also learnt about career strategy for both generations and theories of communication relative to farm businesses.

Question: What were the benefits to the participants and what did they come away with?

The workshop equipped them to

approach complex subjects like farm succession. The environment removed

them from their daily operational distractions, freeing them up to listen to, and talk with, other

family members about the important, but hard-to-discuss subjects. The feedback from older and younger generations who attended the workshop was that they felt confident to share views about the sensitive issue of managing money and change in the family business and that doing

this with their wider family group created a sense of collaboration and achievement.

report the bank has recently published on this topic - 'Farm Succession Planning - Navigating the Seas of Change'.

Question: What should farmers do if they're looking to take the first step to put a plan together for their business?

A good starting point would be to read the

information about our succession workshops or family meetings, contact your local Rabobank branch on 0800 722 622.

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