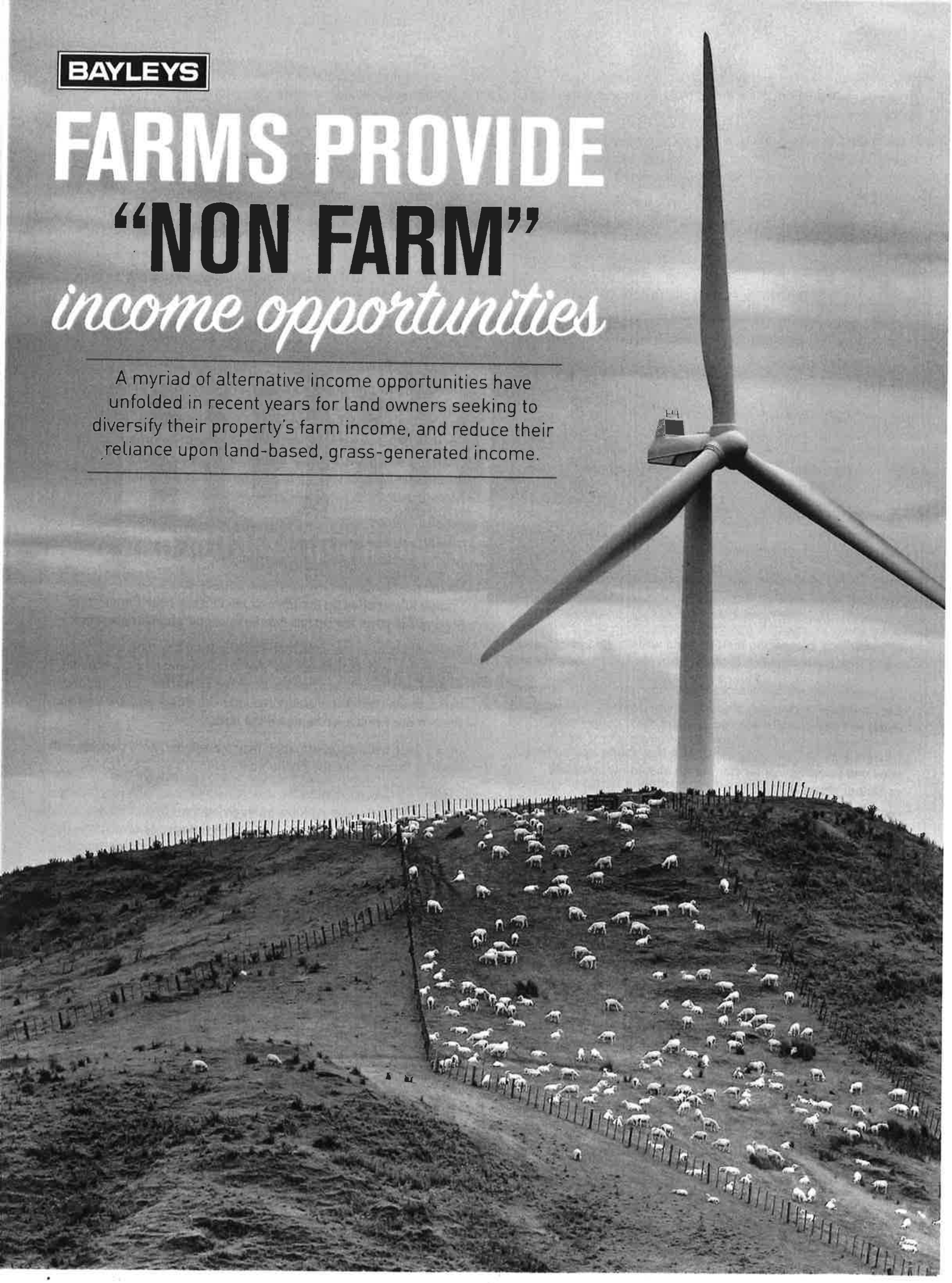
BAYLEYS

FARMS PROVIDE "NON FARM" *income opportunities*

A myriad of alternative income opportunities have unfolded in recent years for land owners seeking to diversify their property's farm income, and reduce their reliance upon land-based, grass-generated income.



Traditional "non-farm" type industries like tourism have provided a valuable option for many years to land owners and farmers seeking a more diverse income.

But the huge growth in tourism in the past two years has opened up even more options, from simple on farm café businesses to underground caving and rock climbing on farms well off the beaten tourism track.

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New Zealand has 19 wind farms either operating or under construction, with a combined installed capacity of 690 megawatts. Supplying about 5 percent of New Zealand's annual electricity generation, there is another 2,500 megawatts of generation consented.

Having wind turbines on a farm property can prove a valuable asset on a number of levels for farmers located in areas suitable for wind generation.

Grenville Gaskill chief executive for the New Zealand Wind Energy Association says as New Zealand is required to meet its commitments under the Paris Accord, moves to "de-carbon" our economy put wind energy in a positive light heading into the future.

"For landowners fortunate enough to be in an area where wind farms could be installed there are a number of benefits. They get significant investment made into roading and access on their property.

"They get to retain use of most of their land area, thanks to the turbines' compact foot print, and of course there are regular lease payments made by the generator to the land owner for having the turbines there."

Hamish and Julie Ormond farm at Te Uku near Raglan west of Hamilton. They have turbines on their property that are part of the 28 turbine Te Uku wind farm operated by Meridian.

The couple bought the 1,300ha store property with the wind farm already in place, and receive an income stream based on having 2.5 turbines on their property.

"We are paid a monthly rental and then there is a royalty wash up when the power generated exceeds the monthly rental. A right of way rental is also paid. It is enough to make quite a significant difference to our farm's bottom-line profit," says Hamish.

Mark Dawe, Bayleys' rural manager in Hamilton says wind farms are not a common opportunity, but one becoming more acceptable over time as people recognise the operations as a sustainable source of energy.

"During my 13 years as a real estate agent we have seen what I describe as 'on-farm, but non-farm income streams' become more and more desirable. I am not sure if more people recognise the tourism opportunities and the alternative energy options more now than they used to, or if they want or require the additional income streams.

"I have had the opportunity to meet a number of people who have these on-farm, non-farm income streams and I have found they open up really interesting conversations. They also offer possible added value when selling the property."

Another area that can lie under the radar for potential on-farm, off-farm income is in the poultry industry.

New Zealanders are making poultry their favourite meat; consuming the equivalent of 21 chickens each a year from barn raised or free range, hormone free birds.

Poultry Industry Association NZ chief executive Michael Brooks said the association is often approached by farmers interested in participating in the industry.

"The meat poultry industry is completely vertically integrated, so a farmer will provide the land and finance the sheds and then be provided with all the technology and expertise to run the operation by the company that they contract to. NZ meat chicken companies have an industry policy of requiring famers to undergo training themselves to Level 2 Primary ITO poultry industry standards."

He says for those prepared to make the commitment, investment can provide good returns to supplement a farm's income in a sector that is experiencing 5 percent a year growth with good export prospects thanks to New Zealand's high biosecurity standards.

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