



**Rabobank**

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## ***Successful succession: the 'dairying differences'***

Due to the innovative and highly-adaptive nature of the dairy industry, dairy farmers are in a relatively well-equipped position when it comes to succession planning, according to Rabobank Succession Planning facilitator Kim Lee.

Speaking at the Dairy Innovators Forum held on the Sunshine Coast this week, Ms Lee discussed the 'dairying differences' which exist within the dairy industry when it comes to planning for the next generation to take control of the farming enterprise.

Ms Lee said dairy is a very innovative industry, having been forced to rapidly adjust to many changes, particularly in the past few decades.

"The industry has seen immense change after deregulation, external market pressures, specifically with recent milk pricing, and also technological and location changes that have occurred across the dairying landscape," Ms Lee said.

"From a succession point of view, we can really see the differences in how dairy enterprises are equipped to manage the transition for the next generation to take the reins of the business."

Overall, Ms Lee said dairy farmers have many options for the transfer of ownership of their farming assets.

"There are the cows, which can be leased, or share-milked, there are options for contract milking and so forth," she said.

"This means there are a lot of ways to run the business which can allow for independence for the next generation when it comes for the eventual transfer of ownership and management."

As the manager of Rabobank's Succession Planning services, Ms Lee has extensive experience in working with rural farming families to achieve personal, family and financial benefits for each generation. She has noticed the transformation in how dairy farmers approach family succession discussions, noticeably bring a comfortable level of openness and adaptability regarding how the process is undertaken.

Another area where the dairy industry differs from other agricultural sectors, is that most dairy farms are located in intensive farming areas, near town centres, which means there is more flexibility for men and women operating the enterprise to have an off-farm income or lifestyle, whether it be by a closer proximity to schools, available labour, and other community activities.

"Not only are dairy farms comparatively less isolated, there are often five or six people working on the dairy farm," Ms Lee said.



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“This makes it easier to attract younger people back to the land which is a big consideration when it comes to succession planning, establishing how the next generation will return to farming, and how they can continue some of the other aspects of life outside farming.”

During Ms Lee’s presentation at the Dairy Innovators Forum, she discussed three key scenarios on how succession planning can evolve. She said that no matter the situation, the most important thing is to “have the discussion early on, potentially with advisors, and to sit down and talk about the future of the farm”.

Rabobank, a major sponsor of the annual Dairy Innovators Forum, is the world’s leading food and agribusiness bank, and one of Australia and New Zealand’s largest rural banks and a major provider of corporate financial services to the region’s food and agribusiness sector. For more information, please visit [www.rabobank.com.au](http://www.rabobank.com.au).

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