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Mr. Paul Weller MP,  
Chairman,  
Rural and Regional Committee,  
Parliament of Victoria,  
Melbourne.

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Email: [patrick.o'brien@parliament.vic.gov.au](mailto:patrick.o'brien@parliament.vic.gov.au)

Dear Mr. Weller,

Re: Inquiry into the Capacity of the Farming Sector to Attract and Retain Young Farmers and Respond to an Ageing Workforce

Please find attached my submission to the Rural and Regional Committee on the Inquiry into the farming sector.

I was unable to attend the Beechworth hearing but after speaking with Mr. Patrick O'Brien, I was advised that a late submission would be accepted.

I am married to Harry Ryder, a fifth generation beef producer and we have two sons, both of whom wish to return to the family farm. Their future as full-time beef producers is fraught with many difficulties, not least the ability to expand and build their own business' on their own property's.

Of all the issues I addressed, I believe that the section under the heading 'Economic Future' is the most telling and damning about the future of agriculture and young farmers.

Please do not hesitate to contact me by email ([hsryder@bigpond.com](mailto:hsryder@bigpond.com)) or by telephone on (03) 5754 4267

Yours faithfully,

Mrs. Suzanne Ryder

SUBMISSION to the

Inquiry into the Capacity of the Farming Sector to Attract and Retain Young Farmers and Respond to an Ageing Workforce

### Introduction

This submission is made based on personal and anecdotal evidence of young and ageing farmers in the upper Kiewa Valley.

The Ryder family were one of the first settlers in the upper Kiewa Valley and four descendants are still farming parts of the original holdings with another two members farming acquired land in the district. Another four descendants in the next generation are awaiting their opportunity to continue their family heritage.

Only one Ryder descendant continues with dairying – the remainder are all beef cattle producers.

As a result of dividing freehold land, three descendants each have a beef production property which cannot sustain a family without an external income source.

The further division of freehold land to the next generation will make the smaller holdings totally untenable for beef production and the larger holdings will be unlikely to remain profitable into the next generation.

Throughout the upper Kiewa Valley, the larger parcels of land which are required to sustain farming into the future are tightly held. There is no opportunity to purchase a larger holding in order to expand dairying or beef production and the smaller parcels of available land could only be described as rural living holdings.

## Benefits of Young Farmers

Item a) of the Committee's terms of reference seeks to examine the benefits of attracting young farmers to agriculture.

The cynics amongst us would undoubtedly argue that the answer is self-explanatory. But it is more than that.

The educational sector has long championed the need to have all Australians hold a tertiary degree or higher qualification. They see Australia's standing in the world of intellectuals as being severely compromised by having a 'blue collar' workforce without any qualifications.

This is unrealistic. Notwithstanding the percentage of the population that does not have the capacity to study, there are many persons who have 'real life' qualifications that could never be taught in a classroom.

Invariably the latter group is from rural and remote areas. Whilst some may not be able to further studies because of family finances, others may have to return to support their aging parents or, some simply chose a career in agriculture.

Whatever reason, these young people are often looked down at by their city counterparts as being of low intellect with limited abilities. And of course, the media's portrayal of big hat, slow drawl, country bumpkins does nothing to help those young people in agriculture.

Whilst this image continues to be perpetrated, attracting young 'city youth' to a career in 'blue collar' agriculture is difficult if not impossible.

City youth are more likely to see a career in agriculture in the 'white collar' professions such as agronomists, research scientists, vets or the great, wondrous beings known as consultants who have never spent a day with dirty fingernails.

Agriculture requires the dynamics of young people with a passion for a rural career.

## Comment and Recommendations

The urban media needs to acknowledge that a rural worker is not a second rate citizen. There are many more 'good' things happening in rural areas than the hysterical woe and doom that seems to be given major press coverage.

Victoria's ABC does not broadcast the 'Country Hour' on 774 Melbourne, or even Radio National's Bush Telegraph, yet if it did there may be a different perception by the city population of the role of agriculture in their lifestyles.

Australians do not seem to place a value on learning when it is not associated with a university degree. Yet many university courses in agriculture do not attract high numbers because they are not a 'hands on' course.

Education at high school is very much theory based and the loss of the old technical colleges with their hands on approach has had a detrimental affect over the years, especially in agriculture. Farming was not taught but the skills in welding, machinery repairs and the like were an excellent grounding for young farmers.

These days the schools which offer VET subjects and agricultural courses in years 11 and 12 appear to do so in order to keep their achievement levels and results high.

If agriculture was taught to all students in the senior years with a balanced curriculum of hands-on and theory, there may be a change in perception about farming as a career.

*In order to elevate agriculture as a career, the curriculum and the funding of such courses would need to be re-assessed. The quality of teaching staff would also need to be monitored to ensure that teachers, who have never worked or succeeded in agriculture, are not allowed to teach the course. Real people teach real courses and get real results.*

NB. The Mt. Beauty Neighbourhood Centre (a Wodonga TAFE service provider) attempted to offer Certificate 3 in Agriculture to the farming community in the upper Kiewa Valley in 2010. I was requested to provide as many names as possible of young farmers, who were duly contacted.

The course failed to attract any 18 to 25 year olds and only 3 participants aged in their late 30's - early 40's. The course area was expanded to include the Ovens Valley and the Tallangatta region and finally commenced with a total enrolment of 18 people. None of which are young farmers.

## Factors Affecting Attraction and Retention of Young Farmers

Attraction and Retention are two completely different issues when talking about agriculture and the younger generations.

As I indicated above, perception of agriculture as a career has no prestige. When coupled with media reports of farmers going broke, low prices, droughts and floods, environmental vandalism(!), animal welfare and a myriad of other issues, why would any young person see this as their future?

Couple this with a low wage, long hours, difficult working conditions, isolation and little or no peer support, then why bother with agriculture. There are a lot of other 'blue collar' professions with better hours and better money.

The rest of my submission will deal with retention of young farmers as this is likely to be the only future for agriculture.

Retention can mean those young people who have to stay on the family farm versus those who want to stay on the family farm versus those who would stay on the family farm given the opportunity.

Agriculture has generally been the preserve of generational change – the sons (or daughters) taking over the farm after Dad dies or if lucky, Dad retires.

Succession planning at its worse. But in today's agriculture, succession planning is still viewed with suspicion by the older generation. The fear of the family farm being lost by a daughter-in-law leaving is still very much an issue.

Often children in farming families are (indirectly) bombarded with economic pressures of farming. Everything from finances to falling commodity prices to health issues to natural disasters to even their own schooling.

This often leads many rural children to privately consider their own future – a form of succession planning for and by the individual. For some, staying on the farm, staying in agricultural or just staying in the district does not appear to be an option.

Where a child stays on the farm, inevitably conflicts begin to arise. Who controls the farm and the finances, who organizes the work schedules, where does Dad fit into the business and most importantly, what is the future when there are other siblings to consider? And of course the health issues that will arise.

### Comment and Recommendations

In today's society, no-one works for nothing and the carrot of inheritance does not pay the bills.

If we are to retain young farmer's, succession planning needs to start as soon as possible and definitely by the time the youngest child turns eighteen years old.

The future security of the next generation of farmers needs to be decided now, not later.

*As succession is of major importance, it would seem imperative that the State Government institute a program to provide a free succession planning service for all landowners of rateable farm land.*

*Where farming families wish to access succession planning services from a third party such as accountants, lawyers etc., then part of that cost be subsidized.*

*Further in order to maintain an up to date succession plan, every three to five years the succession plan be re-appraised.*

*Finally, after the death or retirement of the landowner which results in the succession being implemented, that the program of succession planning be re-activated.*

## Career Pathways

Farming is in the main a dead end job. Cows calve, sheep are shorn, and crops are planted and harvested. Year in, year out the cycle is continued.

A farmer can attend as many field days, farmers meetings and the like and then implement some or all of the new ideas presented. They can achieve higher profitability per hectare, implement new environment practices, adopt the most modern technology and the like.

And be better farmers for doing so. But if they are the landowner/operator, once they become the top of their agricultural pursuit, where do they go?

Expansion of land holdings is one option; another is to return to educational studies in order to go into agricultural management or possibly agricultural politics.

A young farmer may look at the older generation and decide that they wish to follow this long path to the top. But these days, this will be a very long path.

As in any industry, where an individual performs to the benefit of the organization, recompense in the form of higher wages, fringe benefits and conditions is forthcoming.

Farming should be no different. But it is. The current Pastoral Industry Award has a starting annual salary of \$31,500 rising to \$38,400 at the top of the scale.

The mining industry is blamed for many young people leaving agriculture to work in the mines. When a dump truck operator can earn \$70,000 plus and a cook \$60,000 why would a young person look at agriculture?

## Comment and Recommendations

There is a saying that a doctor/sharebroker/lawyer can be a farmer, but a farmer can't be a doctor/ sharebroker or lawyer.

This type of saying re-enforces the image of farmers being of low intellect. Education will be the key to improving agriculture as a career path.

In many farming situations, the family farm does not make a sufficient profit to employ staff. The children often become the unpaid work force.

I cannot make any recommendation in this section as you can't get blood from a stone and until there is a change in profitability of smaller farms, then agriculture as a career choice is not very attractive.

### Leadership

As many communities continue to 'die' because of the exodus of young people, those left behind have to make choices as to which organizations continue and which are left to wither and die.

When there are not enough young people to make up a football or netball (name any sport) team, the opportunities to become involved in an organization are lost.

And with the exodus of the young, comes the exodus of the previous generation. When the sporting teams are gone, so will the banks, shops and schools. And with them goes the membership of service clubs.

Rotary, Lions, Probus and the like suffer.

The CWA has more recently been re-invented from being a farmers' wives organization to one of a group of women coming from any background. Whilst Red Cross is an international organization, the membership of Red Cross in many areas is very guarded. The average age of members in many branches is in the late '60's or higher.

The VFF? If the Red Cross membership is aging, then in many, many areas, so is the age of VFF members.

Young people see all these organizations as places for 'the olds'. Not for them.

As a result, many young people do not get the opportunity to learn to interact with people of various ages and do not get the opportunity to learn the basic skills in meeting procedures including the roles of President, Secretary or Treasurer.

They effectively do not receive an education in community service or learn the art of leadership.

### Comment and Recommendation

At some stage in the next decade, there is a need for a monumental shift in service and sporting organizations membership. Unless young people can be drawn into these (or other) groups, the consequences of not training the future generations into a culture of volunteerism and giving, no rural area will survive.

Without these basic personal skills, young people may not learn how to use their political voice to better themselves and their peers.

### Social Skills

In many areas, young people who stay (or return to) on the family farm often become 'isolated' individuals.

The geography of the north-east with its narrow, small valleys often means there is limited or no interaction with young people in neighbouring valleys. This means many young people have a very limited circle of friends.

Resorting to visiting the local pub on a Friday or Saturday night may provide some time for socializing but only within the existing limited group of friends. Peer support it may be but it rarely provides the forum to exchange ideas and views with other young people in agriculture.

In the past there were always the generation 'before' to show the young everything from the way to farm to the finer skills of life. These days many of the 'before generation' have left the district. Those that are left have moved into the next stage of their life with marriage and children.

As the numbers of the 'before generation' fall, their ability to mentor the current generation becomes diluted through other pressures of managing their own farms and juggling family considerations.

### Comment and Recommendation

*There is a need for some form of organization for the younger, young farmers as opposed to the Young Agribusiness farmer. Whilst there would need to be some structure, it would need to be a "pretty casual" organization in order to get and hold membership.*

### Economic Future

The future for young farmers in agriculture in the north east of Victoria is not encouraging. The economics for young people entering agriculture is not easy. The adage – get big or get out is very much a reality for any farmer of any age, these days.

Irrespective of whether a young farmer inherits five acres or five hundred acres or even tries to enter the industry without any asset backing, there are a number of major constraints.

Land, machinery and livestock are all very expensive.

The price of agricultural land in the north east varies from \$3000 to \$5000 per acre. Depending on the type of agricultural pursuit, the acreage varies as does the type of land required.

In the case of beef production, Holmes and Sackett Consultants recommend that a breeding herd of five hundred (500) cows is required to break even in the profitability

stakes. At one (1) cow/calf unit to three (3) acres (average stocking rate) the minimum size property should be around fifteen hundred (1500) acres.

At a price of three thousand five hundred dollars (\$3500) per acre, a young farmer needs to raise \$5.25million just to buy the land. Machinery and livestock costs are extra.

Dairy production figures from south-west Victoria (no irrigation water needed) suggests that one (1) dairy cow to two (2) acres with a milking herd of 200 cows is the minimum number required to break even.

At a price of five thousand dollars (\$5000) per acre, a young farmer needs to raise \$2million just to buy the land. Machinery and livestock costs are extra.

The minimum wage (as stated above) is \$31,500. If we assume that a young farmer going into dairying can use the whole of this amount (no tax, living expenses etc.) to pay off an interest free, principal only loan, it would take **63** years!

He/she would probably be dead and passing the loan debt on to his/her descendants.

And imagine the scenario of a young farmer trying to buy a beef property!

### Comment and Recommendation

No young person with no matter how much enthusiasm for agriculture is ever going able to be able to borrow the sums required to start up.

The only young farmers that may have a chance of staying in agriculture will be those young persons who inherit a debt free property from his/her parents. By using the inheritance, young farmers may be able to expand the holdings to meet the ever increasing levels of competitiveness and profitability. This is of course based on the assumption that there is land to purchase at a price reflecting the value of agricultural land and not that of a rural residential/hobby farm.

If government is serious about retaining or attracting young farmers, then the only option is to look at subsidizing the purchase of agricultural properties.

Current schemes through Rural Finance have good intentions but are just not realistic.

*Government (at either or both levels) need to consider providing a matching grant to that of the deposit saved by the young farmer.*

*Further, the loan amount should be subsidized by providing the first ten years interest free.*

*And the total cost of stamp duty, government charges and fees be waived.*

NB. It doesn't matter whether you are a fan of Al Gore, Peter Singer or Tim Flannery - they all agree that we need to grow food to feed the ever increasing world population. Notwithstanding the issues surrounding young farmers, the loss of high quality agricultural land to housing developments is tantamount to criminal damage.

Land along the lower reaches of the Kiewa River which would be as fertile as any in Victoria, is being constantly carved up and destroyed by planning decisions of the Wodonga City Council. And I have no doubt that every other council in Victoria is doing the same thing.

Irrespective of whether quality farmland is owned by an individual or a corporation, and is farmed by an old or young farmer, farmland must stay as farmland and all future housing, commercial or industrial developments occur within existing urban boundaries.

And this can only happen if the State Government steps up to the challenge of planning for a new future where agriculture is paramount in society.

### Ageing Farmers

Ageing farmers are grumpy old men and tired old women.

Farming is a lifestyle and many expect to remain on the farm until they are carried out in a box. Retirement is not considered unless foisted upon by ill health.

Farming does not have a mandatory retirement age unlike all other professions.

The cohesiveness of many families may be enhanced if older farmers could hand over the day to day running of the farm and step back and take a helping/mentoring role to the next generation.

It may even help with health issues faced by many farmers.

### Comment and Recommendation

*A suggested retirement age should be introduced for all rural persons irrespective of whether they are the landowner or worker.*

*In the case of the landowner a number of issues would need to be addressed:*

- 1. the succession plan should be implemented in so far as the day to day working situation is concerned. The legal transfer of land, machinery etc. would not necessarily have to occur provided the succession plan is regularly updated.*
- 2. some farmers are asset rich and income poor. There needs to be provision for a pension to be paid, where there is no access to superannuation or annuity or similar.*
- 3. the landowner (and spouse) must be allowed to remain living on the family farm either in the family home or in a smaller dwelling (eg. granny flat or similar).*

*This issue has to be addressed through local government planning requirements for rural areas. The development of 'cluster' homes on one title (rather than having one home per every 100acres) would ensure rural land is kept for farming.*

- 4. access to public transport. As the retiree gets older, driving a vehicle may become an issue.*

*The use of school buses to provide transport should be considered. Current regulations prohibit general public travel on a school bus even though many school buses are not always fully utilised.*