





BREAKING DOWN THE BARRIERS

LAND ACCESS TOOLKIT

A GUIDE FOR THE SMALL-SCALE FARMING SECTOR



ACKNOWLEDGEMENT

We acknowledge the Traditional Owners of Country throughout Australia, and pay respects to the Elders both past and present.

We honour their deep knowledge, wisdom and ongoing connection to Country, and seek to learn from this wisdom in the way we interact with each other and the land, sea and sky.

We recognise that we farm, work and live as stewards on unceded lands.

The concept of land ownership has been used to displace Indigenous communities and remains closely tied to ongoing discrimination of First Nations people. This has led to significant disparities in land ownership that continues to affect these communities today. Acknowledging this history is essential as we strive for a more equitable future in farming.

Our vision is that all farmers have access to high-quality farmland that is affordable, secure, and accessible, enabling them to pursue their farming goals with confidence. We aspire to a future where land access is no longer an obstacle for young people seeking to build a resilient agricultural system centred on communal well-being. To achieve this, we focus on advocating for change to address disparities in land ownership, empower First Nations people in agriculture, ensure secure and affordable land tenure, and support the long-term viability of farms. Together we work towards making this vision a reality.

<u>Growing on Country</u> has been created with an understanding that it is not just 'what' you do but 'how' and 'why' you do it, and that significant change can happen at the very small, personal and localised level. Growing on Country provides a unique space to explore, reflect and consider the foundations of what we are currently growing, and be active in creating the fertile conditions necessary for social as well as environmental justice and change. We recommend you connect with the work of this First Nations run organisation.

WITH THANKS TO

Sprout Tasmania would like to thank the farmers, collaborators and funders who helped us produce this toolkit.

In particular, we say thank you to Page Seager for their legal advice, and to the team at Young Farmers Connect, in particular Chez Orchard, for their work in co-authoring this guide.

Thank you to the farmers who gave their time for the case studies: Michael Layfield, Lauren Byrne, Rick and Liz Mahnken, Jake Wolki, Mike Densham, Kez Tsaushu, Matthew Evans, Sadie Chrestman, Keeley Bytheway, Annemaree Docking, Thuch Ajak, Remi Durand, Nathan and Cassidy Lawrence.

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DISCLAIMER

The Land Access Toolkit aims to provide information and insights on accessing land tenure: the relationship among people, whether individuals or groups, with respect to land.

It is designed to help farmers and landowners alike through the process of developing opportunities and navigating successful relationships. This guide is not intended to be a replacement for legal advice or qualified advice from other experts. We encourage the use of this guide to establish strong foundations from which to develop an agreement. As part of this process you should seek expert legal and financial advice to ensure any draft is sound, and provides adequate protection for all parties.

This document has been developed with Tasmanian specific information, so if you are are located elsewhere, you may need to look for further information about regionally specific resources from your local council, state or territory.

CREDITS

We are not the first organisation to work on land access support, and while putting this document together we have reviewed material that is available both in Australia and internationally.

We want to acknowledge the incredible work of other organisations in developing their tools, and playing their part in breaking down the barriers to accessing land and forging careers in agriculture.

Throughout the toolkit, at the end of each section, you will find a range of these resources listed for further research.

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INTRODUCTION - SETTING THE SCENE

THE LAND ACCESS TOOLKIT

Introduction

There is a growing acknowledgment of the critical role that small-scale farmers play in resilient food production, in regenerative land management practices, and in building thriving communities. However, despite their importance, small-scale farmers often encounter formidable obstacles in accessing suitable land for agricultural production. With approximately 50% of the nation's farmland expected to change hands in the coming decades, this shift could dramatically alter our farming landscape. Rising land costs, driven by competition from investors, developers, and corporations, further exacerbate the challenge, making it increasingly difficult for everyone, but especially for new and young farmers, to secure the land needed to start viable small-scale farms.

Surveys conducted by Sprout Tasmania during 2021 and 2023 underscored these challenges in our state, revealing that many farmers face significant hurdles, particularly those without intergenerational land or substantial financial resources. These findings reflect broader national trends. In response, farmers are increasingly exploring alternative land tenure models, such as leasing, share farming, and other collaborative arrangements.

Methodology

As part of producing this toolkit, we reviewed a wide range of existing resources, drawing insight internationally and within Australia. While useful resources do exist, we found that these were aimed for larger scale farmers and that there was a gap in the ecosystem for relevant content for the small scale farming sector.

In seeking to plug this gap, we interviewed a number of farmers, including landowners and leaseholders. Their wisdom and first-hand experiences provided perspectives that informed the content you will find in each section, and their case studies have been included throughout. We also worked together with a Tasmanian legal firm to produce the templated lease and share farming agreements provided with this toolkit.

A Path Forward

This toolkit is designed to shed light on different land tenure models and offer practical guidance.

For land owners, we hope this toolkit compels you to consider ways your land can be farmed beyond your individual capacity. For small-scale farmers looking to access land, we hope you will see that while forces working against you are pervasive, there are options. This toolkit aims to provide insight from real life case studies, practical advice on how to navigate the complexities of non-ownership farming models along with links for further reading and research. Ultimately, our goal is to inspire, innovative and propose sustainable approaches to land access, which will help to ensure the resilience and future of Australian agriculture amidst growing inequity, rising costs and shifting rural dynamics.



INTRODUCTION - SETTING THE SCENE

HOW THIS TOOLKIT CAN HELP

The toolkit will lead you through a brainstorming and planning process before helping you explore various land tenure options. It's designed to help you understand if you are ready to go; or whether you need to do more research before taking the next steps.

Take Your Time

While it might be tempting to jump straight from deciding to farm into negotiating an agreement, we've learnt from our case studies that it's critical to nail goal setting and planning, as well as taking the time to form trusted relationships. Make an effort to fully research each step before moving on, and be prepared to revisit earlier steps in the process to refine your decision-making as you learn from experience and as new information becomes available. This approach will help maximise your chances of securing a successful and sustainable land access pathway.

Research Widely

At the end of each section you will find a summary of links to additional resources relating to the content. We encourage you to look through these resources as many of them are extremely useful.

Template Agreements

The contract templates that go with this toolkit have been designed to be adaptable to the unique identities, desires, values, goals, visions, and regulatory frameworks that relate to each piece of land. It is wise to incorporate local knowledge and experience, which reflect the unique context of each location, into your own planning and agreements. We strongly recommend engaging with local legal counsel before finalising any agreements.

Landowner?

There are valuable insights and learnings throughout the toolkit that are relevant to offering land. You will also find a section at the end of this document which relates specifically to your perspective with the relevant resources.





INTRODUCTION - SETTING THE SCENE



LANDOWNER CASE STUDY

SUMMERLEA FARM Sharing Land With Felds Farm

Summerlea Farm, run by Liz and Rick Mahnken, is nestled in the hills of North Lilydale producing Black Angus beef cattle that are born and raised on the farm. The meat is sold direct to consumers through a beef box, and restaurants. Having never planned to be in agriculture, through family circumstances, Liz and Rick suddenly found themselves working cattle as well as raising two small children.

After a number of years farming the property, they found themselves reassessing how they wanted to develop their farm. They thought about Rick's Dad and how he had always wanted to give people a leg up, and how it felt important for them to do something similar. They had come to love farming life and were keen to actively shape the legacy they would leave behind when they were ready to hand over stewardship of their property to someone else.

The main drivers for Liz and Rick were:

- Providing a pathway to access land
- Providing an opportunity for someone to get into agriculture
- Paying it forward supporting the next generation of farmers

They knew with certainty that they were keen to find a way, but that they would also need to strike the right balance between who would be on the farm with them, and how and what they farmed.

They joined the Sprout Producer Program where they met Mike and Lauren from Felds Farm. A friendship formed and they began working on a way they might share some of their land with Felds to enable their growing market garden business.

AT A GLANCE

Farm Name: Summerlea Farm

Who: Rick and Liz Mahnken

What: Beef Farmers

Where: North Lilydale, lutruwita/Tasmania

Size: 170 acres (3.7 acres leased)

Arrangement: Landowners, leasing land with house included

Though they had an established connection and friendship which suggested a casual handshake agreement would work, both parties had seen what can happen when things go wrong, through their own experience and that of neighbours and acquaintances. Though Liz researched their obligations to a potential tenant, she chose not to seek any formal legal advice. They began with a 12-month, fixed-term agreement that each party would have the chance to review and adapt as they learned along the way. This agreement was held for two years before it morphed into an on-going arrangement that ticks along annually. A house was included as part of the lease, and a bond lodged. The agreement has a provision for giving 12 months notice by either party if terminating the agreement. This allows everyone the opportunity to plan and transition should the situation eventuate.

Liz feels that the key to the success of their arrangement has been ensuring there are no misconceptions from the outset. Having a formal agreement helped to lay down all the details, so that everything was clear. They were not so much worried about fitting into a strict legal framework, rather they were very focused on understanding how they wanted to be communicated with. It was important to clarify everyone's expectations.

LANDOWNER CASE STUDY

SUMMERLEA FARM Sharing Land With Felds Farm

After setting the agreement, they planned regular meetings. Full lives have meant these regular 'catch-ups' haven't always happened as originally planned, but they do make a conscious effort to do 'something' together on a social basis in order to at least check-in. They organise a formal annual meeting where they can discuss the agreement specifically and whether there is anything that needs addressing from either side.

The house and leased area of land are on a separate title to Liz and Rick's home. Liz acknowledges that they were lucky the relevant zoning scheme for their farm meant they could offer housing to Mike and Lauren, however she emphasises that this is something landowners need to check. She feels strongly about custodianship and the importance of respecting place regardless of ownership.

Before entering the lease arrangement, land use was discussed, allowing for re-negotiation if necessary. Though they didn't develop a land management plan, the agreement states that the 'tenant' will use 'sustainable farming methods'. The existing relationship precluded finer detailing.

Liz agrees that a land management plan could be worthwhile, but equally as important is to consider what happens if the agreement is not upheld (dispute resolution steps and clauses). They suggest including clauses that address how to find resolution where obligations are not being met. Naturally, any management plan would need to be upheld by both parties.

Liz also discussed the benefits of cross promotion pertaining to each business. This is workable considering they all believe deeply in the way the other is stewarding land and managing their business. Sharing each other's stories and encouraging engagement from customers is working well for both as they both operate in the same local food system.

Having friendship at the heart of their relationship ensures they remain mindful of keeping their interactions positive. They reflect that though it can add complexity, the pleasure it generates is worth the extra effort.

If they were to do it all again, the issue of water use is something they may review differently. They have learnt that style of farming determines how much is needed, and this needs to be negotiated alongside other requirements related to their beef operation. Additionally, considering how tenants may play a role in succession planning is something they're still learning about.

"There wasn't a huge amount of pre-planning about what it would look like to share the farmland, apart from "Wouldn't it be nice if..." So it was just an amazing fit really, as we had this old farm house with land around it that we didn't use, we knew who Mike and Loz were, we knew what they farmed and how they farmed, so we went for it."

Liz Mahnken

LANDOWNER CASE STUDY

SUMMERLEA FARM Sharing Land With Felds Farm

Liz and Rick want Mike and Lauren to feel they can stay as long as they would like, but know that this arrangement may only serve as a stepping stone for Felds Farm. In the future, if Liz and Rick's children don't want to take on the farm, they will be looking at lease opportunities as a way to ensure they can age, in place, as landowners.

It gives Liz and Rick much joy to have the farm being used by Mike & Lauren. Whilst the land has always been productive as pasture, the house was previously somewhat neglected. Investing in renovations has added to the good feeling they have every time they drive past and see the house and land being used so productively and with such care. They feel grateful to Mike & Laruen for being so collaborative in the way the use of their land.

Rick and Liz's advice

- Don't make any assumptions
- Having an established relationship/friendship brings depth to the agreement
- Consider having a 3rd party involved in finalising the agreement to support negotiations
- Make sure landowner and tenant have considered insurance
- Considering an indexing mechanism like rent increases to make it clear when annual or regular changes will be discussed and reviewed
- Consider how well a tennants business plan matches your 'why'
- Sharing land can enrich your own farming experience and life



WHAT DOES IT TAKE TO BE A FARMER?

Farming can be hugely rewarding as well as extremely challenging. Leasing land and share farming is not just for new or aspiring farmers, however, if you are new to farming and are considering leasing land, we believe it is worth exploring a few extra steps to help prepare, before you start.

Running A Business

Starting any business can be overwhelming and challenging, at least some of the time, especially one in agriculture. The hours are often long, the financial reward can be slow to arrive, and you're at the whim of Mother Nature. However, running your own business and producing food for your community can be immensely satisfying.

It is important to ask yourself whether you are ready to start a business. Though you may have the skills and knowledge required to grow vegetables, raise animals, or establish cropping programs, there are many other skills you will need. It is highly likely you will be starting off small and will need a solid understanding of business management. You may need to employ people, so interpersonal skills will be crucial. You will need to understand accounting, tax, and legal requirements. Sales and marketing will also be important. Be prepared to learn as much as you can, seek-out advice and look for training opportunities relating to any aspects of running a business, especially if you have identified a skills gap.

Financial Planning

It is crucial that you begin any business venture in a good financial position. Starting a business can be expensive and there are several up-front costs you will need to consider, as well as the ongoing fixed and variable costs involved. You may not start making money from your business, or be able to draw a salary for some time, so make sure you have enough savings or financial backing to take on and support your new venture, and resist over-capitalising in the early stages.

Lifestyle

Another aspect to consider, is whether you are truly prepared to deal with inevitable changes to your lifestyle. Running a farming business can lead to long, often anti-social, hours. While the flexibility of being your own boss may be attractive, it is worth acknowledging that the buck stops with you and that working Monday to Friday, from 9 to 5, is unlikely to apply, especially during tougher times. You will need to be determined and willing to put in the hard yards.



Do You Have a Clear Vision?

You have an idea. Are you ready to take the next step? You may already be growing or producing and want to take it to the next level. Or perhaps you've always had a dream to raise a particular animal, sell eggs, or plant an orchard and sell the fruit. Whatever the direction you're heading in, it's important to research and analyse your idea giving full consideration to the potential. Conducting a SWOT analysis, considering the Strengths, Weaknesses, Opportunities and Threats can be a useful way to do start.

Some questions you could ask yourself are:

- Is there a market for the product I want to deliver?
- How difficult will it be to develop my idea?
- Is my idea financially viable?
- Who are my competitors?

Putting together a business plan will help confirm if your idea can be a 'winner', and a viable one. This is something we will discuss in more detail shortly.

Gain Experience

Resources and pathways for learning have never been greater. Pursuing education through programs such as the Sprout Producer Program, permaculture design courses, or through registered training organisations are important ways of learning on-farm and off-farm skills.



There really is no substitute for experience. Before you consider running your own business and finding your own land, we recommend spending as much time actually working on farms as possible. Being employed on a farm is a wonderful way to learn, without risk. If full-time employment is not possible, try working seasonal jobs. Identify a few farms in your area that reflect your dream, and spend time helping out. It could be harvesting veggies, pruning fruit trees, rounding up sheep, or milking goats. Try immersing yourself in a variety of farming experiences. You will learn just as much about resilience and business planning on any farm, not only one that embodies your imagined future. Broad experience means broad, applicable skills.

Also, when the time arrives to start your own farm, it's important that you are comfortable to ask for help. Trying to 'go it alone' is a difficult path so talking to peers, to a business adviser, accountant or tax agent can help you solve multiple potential problems.



It's OK To Stop, Or Not Start At All.

In many cases it can show more courage to stop, or not start at all. It's ok if things don't work out first time around, and there are many pathways available. It might require a pause, a rethink, a new idea – all these are better options than risking financial or personal hardship. In some contexts, leasing land can offer an opportunity to trial your own farming business. If you are able to start small, with minimal capital outlay, and can negotiate a 'cooling off' period, farming on leased land may be the perfect way to discover what is right for you.



Keeley Bytheway began her journey at Fat Pig Farm as an employee. She first came to the farm to attend a workshop, where she met Nadia, who was managing the market garden at the time, growing vegetables to supply the on-farm restaurant.

Not long after, Keeley received a call from Nadia who was looking for a garden assistant. A casual trial followed, and Keeley was then offered a job. She didn't know this at the time, but it was the beginning of Nadia phasing herself out, and over the next year a gradual handing over of the garden transpired.

Keeley explains how this was all intentional. "One of the amazing things about how Fat Pig Farm has employed people is [they ask] do you fit in with the team...that's the number one value".

AT A GLANCE

Farm Name: Fat Pig Produce Who: Keeley Bytheway What: Market Gardener Where: Cygnet, lutruwita/Tasmania Size: 1.5 acres Arrangement: On-going lease

When Fat Pig Farm closed their restaurant, Sadie and Matthew, who own the farm, approached Keeley to discuss managing it as her own business. Keeley's instinct was to say yes. She felt supported, knew the garden, and it didn't feel like the right time to move on. These open, transparent conversations in the beginning were important. It helped Keeley to work out the viability of running the business by herself.

So began Fat Pig Produce. While Keeley is forever grateful for the support and gradual transition, switching from employee to tenant understandably required work. Ongoing communication was needed as Sadie and Matthew's plans evolved. After a break, the restaurant reopened for a few summer events and while she would supply the kitchen what she could, Keeley needed to be seen as a supplier not employee.

Another unique outcome of their relationship was the design of the garden. The space had not been designed as a commercial market garden. It was there not only to supply the restaurant but also to be a place that hosted tours and workshops. Aesthetics were prioritised over efficiencies, and it was also home to fruit trees and perennial crops. Though managing grass was the predominant challenge, due to differing expectations and changing time commitments, the maintenance of the various sectors required agreement.

"I am not an employee anymore. I'm not going to count out individual broad beans for the kitchen, I'm going to give a percentage of a crate, or a specified weight, as I need to factor in my time because I'm not paid hourly anymore".

Keeley Bytheway



During that phase, Keeley often considered how much she invested of herself at Fat Pig Farm, and how much it related to her own sense of identity. We had a chance to check in with Keeley before publishing this case study, and in time she has definitely felt less tied to the Fat Pig Farm name. Interestingly, she has entered into another partnership, forming a collective with a local market garden, Sparrow Foot Farm (the partnership is called the Sparrow Foot Collective). In conversation, Keeley chuckled at the irony of moving from being tied with one pre-existing name to another, however she is comfortable with this, to the degree that the collective has registered the business name.

It is clear that the unique context of Keeley and Fat Pig Farm's relationship, and the changing dynamic has had some advantages, as well as challenges. Communication has been key throughout, and as she points out, an existing relationship with landowners can add complications. "I think the trap that can happen when you have this relationship is you can become a little slack with each other, and actually making sure one or both parties are making those designated times to go over the nitty gritty [is important]".

In our second chat with Keeley, she explained that for a while communication actually became worse. Sadie, who was Keeley's main point of contact, took an off-farm job, and without regular 'catch-ups' Keeley often felt left in the dark. But the situation is now much improved.

The farm is also a growing community with the involvement of additional farmers working the land, meaning "there is a really positive push to make time for each other and to make sure everybody's on the same page. Now that's starting to happen, I feel like there is an avenue to resolve issues and to be clear about stuff". Keeley feels that having other farmers has created a better balance. She believes that a formal framework also allowed meetings to be recorded and not be "just a casual conversation in the paddock".

Keeley's advice:

- Getting to know the people that own the land is key.
- Spend as much time as possible observing the land.
- If you don't have the benefit of time, ask people in the area for insights
- Be very clear about expectations.
- *Relationships where the landowner values the tenant's desire to improve the land are important.*
- If possible, discuss having a minimum of 2 or 3 year arrangements to provide security.
- Consider all the options, such as collaborative or cooperative models with other growers.

TOOLS TO GUIDE DECISION MAKING

Business Planning

Whether you're an experienced farmer looking to scale up or diversify, or you're just starting out, have a sound business plan. Having a business plan can:

- Help you prioritise it provides direction, defines your objectives, maps out how you'll achieve your goals and helps you overcome potential challenges.
- Provide insight the planning process helps you learn about the different things that can affect your success. If you're already in business, it can help you to step back and consider what's working and what can be improved.
- Help you seek finance you'll need to show banks and investors a business plan in order to convince them to invest in your business.

WRITING A BUSINESS PLAN? SOME IMPORTANT ASPECTS TO CONSIDER:

Determine What Your Plan Is For:

Does your business plan have more than one purpose? Are you creating it solely for your own use, to help provide direction, or do you need it for potential investors or banks? These questions can help you develop your plan for the right audience. If the plan has been developed for third parties, you will need to determine what they'll be most interested in.

Prepare Your Finances

If you're looking for finance, lenders will want to know if your finances are in order and your business is in a strong financial position. They'll want to know how much money you currently have, how much money you need and projected revenue. While a bit of extra funding will help to ensure you're covered for unexpected costs, be realistic and avoid asking for more than you need.

Write A Summary List

Summarise the main points of your business plan using as few words as possible. It should include details about your business, your market, goals and what makes you different from other agribusinesses. This is your opportunity to sell yourself, but don't overdo it.

Get Help

Take your time and do as much research as possible to develop an effective business plan. There are several government services as well as business coaches available to help with your business plan. Business Tasmania has lots of great information and expert help. You can also find templates for business plans and Business Model Canvases in the resources section of this guide.

Business Model Canvas

The Business Model Canvas (BMC) is an adaptive, visual process that allows you to describe, design, challenge, and pivot your business plan.

It can be used as a tool to summarise your business in nine critical building blocks, with a strong focus on who the customer is and your value proposition. In the resources section at the end of Step 1, you can find links to a template canvas and to a video that explains this tool in more detail.



Clarifying Your Vision And Needs

Goal setting and gaining clarity about what you desire from a farm are important first steps to ensure you are ready to communicate these needs to potential partners and landowners.

- Consider the type of farming you plan to do, the infrastructure you'll need, and the duration of the lease that will allow you to achieve your objectives.
- Think about future growth and whether the lease terms will accommodate expansion or new ventures. Having this clarity will guide your negotiation and ensure the lease aligns with your long-term vision.



Frameworks For Decision Making

Holistic Decision Making (HDM) is one framework designed to help individuals or businesses make decisions that align with their values and goals. It is particularly useful in contexts like agriculture, land management, access to land and business planning where the long term sustainability of decisions are critical.

Using a framework can help:

- Guide you through the process of evaluating potential decisions, like whether to buy, lease or share a farm. Who is involved? What support is available?
- Assess the impact of your decisions in the short and long term from different perspectives: social, environmental, and economic. What do you want and need from a leased land or share farm? How will you achieve your goals?
- Consider any unforeseen consequences that might arise
- Continuously refine your decision-making, adjusting strategies as you learn from experience and use monitoring and feedback to stay on track.

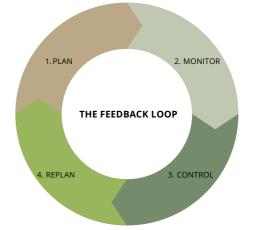


Image adapted from Savory Institute

While researching this guide we had many conversations about the need to navigate complex relationships between landowners, co-workers, friends, mentors and volunteers. Using a framework is one way to help you focus on achieving your goals. Using data and logical reasoning as well as gut feeling and emotional responses also play a crucial role in guiding decisions that align with a farmer's long term vision.

RESOURCES

WHAT DOES IT TAKE TO BE A FARMER?

Below are some organisations to connect with that provide resources, programs and events to help you decide if farming is right for you:

- <u>Regenerative Agricultural Network Tasmania</u>
- Soils for Life

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- Tasmanian Farm Innovation Hub
- Derwent Catchment Project
- <u>WWOOF Australia</u>
- Market Gardener Institute Masterclass

TOOLS TO GUIDE DECISION MAKING

Business Planning

Here are some great links to kick start your business plan:

- Business Tasmania
- Australian Government's Business website
- Bonnie Tuttle is a business coach based in Tasmania she has a good understanding of the ag sector and HDM
- This is a useful video to help understand Business Model Canvases
- Here is a Business Model Canvas template
- SWOT Analysis guide from the Aus Government's Business website
- <u>Assess your Farm Business using a SWOT Analysis</u>

Clarifying Your Vision and Goals

We have 2 amazing resources in the appendix to assist with clarifying your vision and goals

- <u>Accessing land for farming worksheet</u>
- Offering land for lease worksheet

Frameworks in Decision Making

Want to know more about HDM? Check out the below.

- Holistic management: a common sense revolution to restore our environment by Allan Savory & Jody Butterfield.
- The late Dan Palmer's website, Holistic Decision Making has some great resources
- The Savory Institute
- Australian Holistic Management Co-operative



THE MANY LAND TENURE OPTIONS

Most of the focus in this toolkit is on leasing arrangements, and this is reflected in the case studies we have included. This is because, as small-scale farmers, you are more likely to enter a leasing arrangement, however, there are alternative land tenure models to consider. This section will examine the options, to assist in making a fully informed decision about what is best for you.

Purchasing Land

There are lots of benefits to owning land. Long-term security is an obvious advantage. It allows greater autonomy over farm design and how the land is farmed, and provides the likelihood of living on the farm and ensures you have a say in succession planning.

However, land ownership is not always the best option. The cost of land continues to rise and farming rarely pays well, so purchasing land to farm does not always offer a good return on investment. There is a significant likelihood that off-farm jobs will be needed to meet mortgage obligations, and this can reduce the amount of time you have to farm.

If and when you decide to look at land ownership, many of the recommendations in Steps 1 and 3 of this toolkit will still apply. Understanding your readiness, having a business plan, and utilising decision making frameworks are crucial.

Despite the risks, for many farmers, the ultimate goal is land ownership. In our case study with Five Tales Farm, Mike Densham described how several lease farming experiences led them to realise that ownership was the best option for them. But leasing first had provided them with a 'proof of concept', the benefit of which can't be overstated.

Lease Farming

Leasing is not only a practical alternative to owning land, but it can also be a strategic one. Farmers often consider leasing land as an attractive option because it offers the flexibility and financial accessibility that ownership may not. Leasing allows farmers to adjust the scale of their operations without the heavy financial burden or long-term commitment of owning land. This flexibility is particularly beneficial to new entrants, where leasing is often the only practical way to access farmland. By leasing, you can focus on growing your business and meeting your objectives without being tied down by the complexities and costs of land ownership.

A lease is essentially a contract between the landowners and the farmer, outlining the rights, responsibilities, and limits for both parties. It is increasingly advisable to formalise any lease in writing. Written leases provide clarity, security, and are often required by financial institutions or government agencies for funding projects. Leases can vary in type and duration, from short-term agreements to long-term or rolling terms, which can include provisions for equity building and affordability. Building strong, communicative relationships with landlords is paramount in achieving a successful leasing arrangement.



LEASING LAND TO ENABLE GROWTH

Leasing land is not just for new entrants. You can find our <u>case study here</u> with livestock farmer, Jake Wolki, who has successfully used leasing as a way of growing his agribusiness. Leasing land means scaling is possible, as it gives access to land farmers could never afford.



Lease with Option to Buy

A lease with an option to buy offers a flexible path to land ownership that allows the farmer to lease, with the option to purchase at a later date, typically within a specified timeframe. It provides a lower-risk entry into land ownership, allowing the lessee to test the productivity and profitability of the land before committing to a purchase. It can also help a farmer build equity and gain valuable experience in managing the land.

Lease with Option to Buy - Right of First Refusal

If the landowner decides to sell the property while you're leasing it, a right of first refusal gives you the chance to purchase it first. This means that if the landowner intends to sell to someone else, you have the option to buy the property at the price offered by the other buyer. Sometimes having this provision in your lease can cost an annual or lease term fee but it does ensure you have an opportunity to consider buying the property if it becomes available during your lease. It's important to note that there's no guarantee the price will be acceptable to you, or that you'll be able to make the purchase when the time comes, but it can be a good option for farmers to manage the risks associated with land changing hands. Generally, an option to buy would be written into your agreement with the landowner.

COMMON LEASE FARMING ARRANGEMENTS

Short term lease

Can allow you to have a trial period before making big payments or investments in the land. Usually between 1 and 3 years.

Longer term lease

Can range from five years to 99 years. Make sure you and the landowner are clear about what you mean when you use the term "long-term lease." Long-term leases can be more secure for the farmer as they're on the land long enough to make longer-term decisions and improvements.

Rolling leases

A rolling lease means that the lease term automatically extends at the end of each defined period for another full term. For example, in a three-year rolling lease, at the end of each year another year will be added, and the lease term will still be three years, extending the end date of the lease.

Cash lease

This is where the farmer and the landowner agree to a set amount of money that is to be paid each year. The payment schedule can be negotiated. For example, you could agree to pay a small portion of the annual rent at the beginning, and a larger portion at the end of the season.

Crop/livestock share

Instead of a set amount of money, the rent is a portion of the total income from the crop. This is a way to share risk (and benefits) between you and the landowner. A crop/ livestock share needs to be well thought out to make sure you are not giving away too much of your income as rent in a good year.

Labour share

Instead of a set amount of money, a portion or whole of the rent is contributed in hours of labour contributed on the landowners property. A labour share needs to be well thought out to make sure you have enough time to run your farm business and provide the work expected, especially during your peak seasons, or if you scale.

Share Farming

Share farming can be defined as an agreement where the landowner grants a farmer possession to use their land for farming, and the profits derived are shared in proportions agreed between the parties. These agreements differ from leasing arrangements, where the landowner simply leases land to the tenant, who then conducts farming activities on the property and keeps profits from these activities.

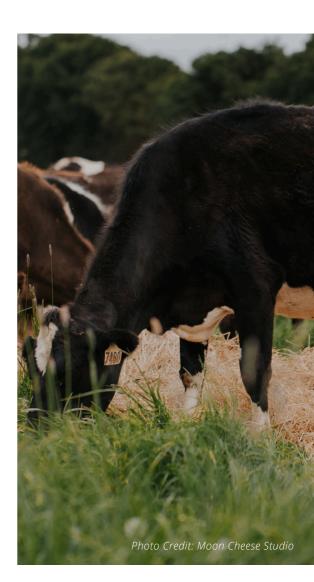
With a share farming agreement, each party brings complimentary resources, and costs are shared as well as profits. Share farming agreements can have a range of cost and profit share ratios. So, for example, a 50:50 agreement is one where each party shares the costs and returns equally, whereas a 30:70 arrangement means the landowner incurs fewer costs, but only takes 30% of the profits. When starting out, a landowner may take on a large percentage of the costs (and therefore a larger amount of profit), to help the share farmer get established, with a view to transition the agreement to a 50:50 split after the first year.

The share farmer is neither employee nor tenant of the landowner, and each party still retains their own business operation, so share farming agreements are not considered partnerships. Under share farming agreements, land owners normally provide items which represent the upfront costs (such as the property and infrastructure). The farmers provide machinery and labour, and in the dairy industry often provide the animals.

Share farming is frequently used in the dairy and broadacre cropping sectors. These types of agreements can be beneficial for farmers who are starting out but lack the capital to purchase or lease land. It can also benefit landowners that do not have the resources or time to farm. As you will see from our share dairy farm case study with the Lawrence family in NW Tasmania, when done well, they can enable farmers to quickly grow assets and can provide a pathway from share farming to farm ownership.

As with all land tenure agreements, having a written document is crucial. There is no 'standard' and legal advice is recommended. When considering a share farming agreement each party needs to understand the risks involved. For a landowner, the risk is knowing if the share farmer has the management skills expected to fulfil their part of the arrangement, while for the share farmer, the risk is related to prices of inputs and outputs, and their ability to provide the necessary skills to reach stated targets.





SHARE FARMER CASE STUDY

CURRAJONG FARM Successful Share Dairy Farming



Nathan and Cassidy Lawrence are dairy farmers running 1100 milkers on 260 hectares across two properties in Tasmania's north-west. Through the share farming model, they have been able to progress to land ownership, and are part of an exciting model that is providing opportunities for dairy farmers looking to access land in the region.

"It can snowball, once you've taken the first step, it can quickly take off. We've only been share farming for two years but we've already got two herds and are part owners in another farm. It's about finding the right step to take first, and making sure you're going in with the right people"

In 2021, the farm Nathan and Cassidy had spent over 10 years working on was sold. 18 months later, after a break from farming, they were back on the property entering a share farming agreement with new owners Stephen and Karen Fisher.

The Lawrences admit their good fortune in meeting the Fishers. Stephen was one of the founders of a local community investment group, Circular Head Farms, set up in response to corporate agriculture which was limiting the opportunities for locals to own land. The group would buy properties and find aspiring farmers to share farm with. They would encourage these farmers to build up their own herd of cows and eventually buy into the farm.

For Nathan and Cassidy it was a no-brainer. They started on a low share farming agreement before transitioning to a 50/50 split. The Lawrences own the cattle and plant equipment, and pay for wages and fuel, while the Fishers own the land. Most expenses, including silage, grain and fertilisers, are split 50/50. Costs relating to the herd fall, to Nathan and Cassidy. Costs that improve the land asset generally fall to the Fishers, excluding infrastructure improvements over \$5000 which they agree need to be discussed first.

AT A GLANCE

Farm Name: Currajong Farm Who: Nathan & Cassidy Lawrence What: Dairy Farmers Where: lutruwita/Tasmania Size: 260 hectares Arrangement: Share dairy farming

They can start with very little and over time build up into cow ownership and even ultimately, our goal is to see them start to come into ownership of the farm...wealth is created by owning the farm, wealth is not created working on the farm. If you want to create wealth for your community, you own it

Stephen Fisher ABC Landline (Sat 27 Nov 2021)



SHARE FARMER CASE STUDY

CURRAJONG FARM Successful Share Dairy Farming

Milk from their herd is sold to Saputo, and the milk cheque is split 50/50. To negotiate the contract the Lawrences were happy to use the same contract template and lawyers the Fishers had used in the past.

"Communication is key", Nathan tells us, "you've got to trust each other. We hardly see Stephen and Karen, I talk to them on the phone every now and again, but he knows we're doing the right thing".

Rarely having meetings can be an example of trust. Though contractually they agreed to have monthly meetings, as Cassidy points out, "it was a bit different coming here. We'd been farming this land for 12 years and knew the farm, so they had a lot of confidence straight up".

Cassidy explained that one share farming challenge relates to landowners thinking they're ready to give up the running of a farm, but then when it comes down to it, they're not actually ready to lose control. For the Lawrences, this isn't an issue because the Fishers don't have emotional attachment to the farm.

Their plan is to own the farm one day. They hope to afford to buy 50% of the property, and in the meantime, it's the couple's turn to start giving back. Nathan explains they have used the cows they own to secure finance on a cheaper property, going halves with the Fishers, "as an investment...we have managers up there that we're hoping will eventually buy those cows off us, to get the people up there share farming and into wealth creation".

So the Lawrences have capitalised on their good fortune and demonstrated that, with compatible landowners and farmers, share farming can work for all.

Nathan and Cassidy's advice:

- Be creative! There are always lease or share farming options available.
- Farming is such a hard industry to get into, but once you've taken the first step it can take off.
- Share dairy farming is a financial risk. If the partnership breaks down you are stuck with a herd.
- They also see the risk for the landowner if the Fishers don't find the right people to farm the land, issues can occur very quickly.

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Community Farming

Community farming initiatives offer an alternative model for viable farming on other land. This is especially useful for those starting out, wanting to volunteer on farms or work part-time. They offer excellent opportunities for those who want to gain new skills or explore farming options.

Community farms are often social enterprises that involve farming on shared land, and may be operated by local councils, not-forprofits, institutions such as schools, co-operatives, or land trusts. Community farms may also operate incubator programs, or offer stacked enterprises.

One such social enterprise is Geeveston Community Grows, based in southern Tasmania, a community garden located on council land. The organisation focuses on improving health and wellbeing within the Huon Valley region by connecting people through food, farming and learning. It hosts workshops where participants can learn how to grow, harvest and cook produce, as well as provide social events celebrating produce and the power of community.

SAGE is a not-for-profit community group in Moruya, NSW whose mission it is to create and support a local, sustainable, fair food economy. SAGE manages a farmers market as well as Stepping Stone Farm, which started off by offering market gardening internships and now offers small parcels of land for new or aspiring market gardeners. At Stepping Stone Farm, water, infrastructure and equipment is shared and, while growers are able to operate individually, they are encouraged to collaborate and support one another.

And in Victoria, Farm My School is a ground breaking model of community farming combining food education and regenerative farming. Using community participation they transformed an under-utilised school ground into farmland, with the aim to establish horticultural programs and integrate regenerative farming into school curriculums.





United African Farm is a community initiative funded and run by members of the African diaspora community near Cardina in Vic. It aims to bridge the intergenerational and intercultural gaps within their community through farming, capacity building and cultural excursion.

We spoke with their Project Manager and Co-Founder Thuch Ajak about their journey leasing farmland as a community group.

They have had two leasing experiences so far - the first being negotiated and managed for them by Sustain Australia. Because they had help navigating this first agreement, they did not have direct interaction with the landholder until they were in place. This caused some challenges around expectations and was why they knew it was important to sit down with the farmers directly to see what they could negotiate when it came time to find a second location.

"We were lucky that some farmers contacted us, and they were already familiar with our initiative and what we were looking for, so that made things simpler... but having no knowledge of what the market rates are was quite a challenge."

AT A GLANCE

Farm Name: United African Farm

Who: Community-based initiative

What: Fostering transfer of knowledge and culture through food and farming

Where: Wurundjeri Country/Cardinia, VIC

Size: 3 Acres

Arrangement: Lease Farming

"It's really important to sit down with the farmer yourself to get really clear on the expectations of the farmer. This is the most important thing for the group."

Thuch Ajak



They conducted some comparative research with other market gardeners in the area to ascertain an average price per acre and if that price changed over time. They learned that prices tended to rise relative to the time and energy invested in establishing crops.

"Sometimes you can get land but you will have to pay more for water" so make sure you know how that will work and if you need to test the water prior to accepting any agreements.

To get together a draft Memorandum of Understanding they asked other farming organisations for their templates. They started out using a document from Food Next Door in Mildura. They are a Co-operative model, so Thuch emphasised the need to adjust any template documents you find to suit your specific needs and context.

"The major consideration was clearly understand what was the responsibility of the farmers, and what is the responsibility of the organisation'

The learned the importance of establishing a clearly defined exit plan and how to manage expectations generally. They also included a notification period and clauses relating to potential losses. For example, immature crops being moved outside the harvest window.

Thuch's advice:

- Understand what is the role of the landowner and what is the role of the leaseholder?
- Understand council regulations & get council support with your search for land
- Understand what will happen if something doesn't meet the expectations of the other party
- Ask local farmers to establish a market rate for the area
- Understand the value of regenerating the land if you will be restoring ecosystem function
- Find out if there are pro-bono legal services availabl



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Co-operative Farming

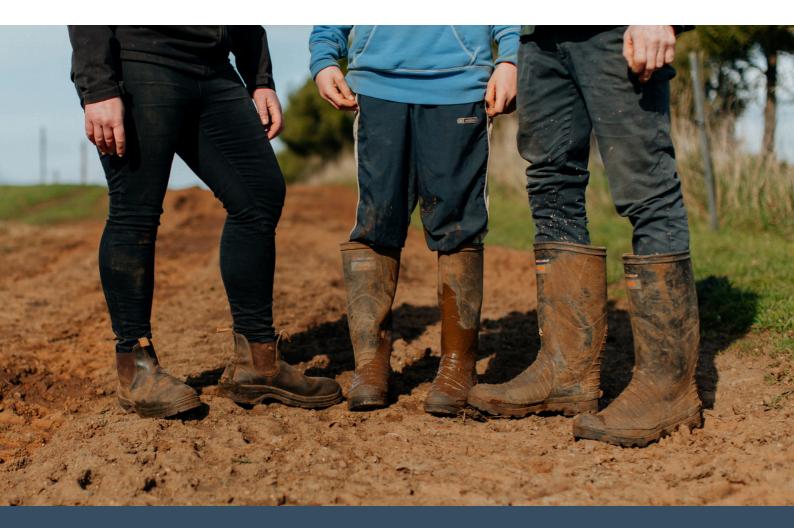
The Business Council of Co-operatives and Mutuals describes a co-op as, "businesses that creates value to share among their members. In a co-op, ownership and control is shared equally amongst members who use their co-op. Members of a co-op are people, other businesses, employees or other community stakeholders who work together to achieve a common purpose or outcome."

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In agricultural terms, a co-op can look like a group of producers that work together to farm, process, distribute and market their products. Members of a co-op may receive help accessing markets, services and products on a more cost-effective basis, and importantly in the context of this guide, members of a co-op may also receive support with land tenure.

In Australia, Harcourt Organic Farming Cooperative is a collaboration of diverse organic and regenerative farmers who lease land on a single farm in Harcourt, on Dja Dja Wurrung country, in Central Victoria,. Their model offers producers nine-year leases in three-year instalments, with all co-op members selling through community-supported agriculture subscriptions. They also provide opportunities to access shared infrastructure, and offer great opportunities for new farmers or those without land.

In Canada, Glen Valley Organic Farm was established in 1998 when a community of individuals came together with the shared goal of owning and operating a farming business. The co-operative uses a consensus model in decision-making, and has three businesses; two producing a variety of vegetables, fruits and cut flowers, while other shareholders run an apiary business.



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PROS AND CONS OF DIFFERENT LAND TENURE MODELS

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	ENTITY	PROS	CONS
LEASE FARMING	Landowner	 Fixed income paid at regular intervals Minimal working capital or labour required Capital gain on land still available May retain use of some assets e.g. Homestead 	 Loss of primary production status for tax purposes (check this) May not use the land except as determined in the agreement
	Farmer	 Less capital required Land cost fixed for term of lease Permits the spreading of overhead costs Greater economies of scale May increase profitability 	 Significant fixed costs which must be met irrespective of farm production and income Risk of droughts, poor production and poor prices all remain with the tenant Receives no compensation for improvements made to the land when the lease ends
SHARE FARMING	Landowner	 Has a say in the use of the land Reduce need for working capital (ie labour and machinery) Capacity to undertake work for which prior capability did not exist Continues to benefit from any land capital gains 	 Is not responsible for day to day work and the quality of that work
	Farmer	Much less capital neededShares the risks of operations	 In a short-term arrangement may experience a loss without the chance to recoup it
COMMUNITY FARMING	Landowner	 Community engagement Financial incentives Fixed income paid at regular intervals Minimal working capital or labour required 	 Possible increased traffic Running agritourism events may be challenging if close to dwellings
	Farmer	 Less capital required Land cost fixed for term of lease Permits the spreading of overhead costs Greater economies of scale Shared resources Peer support 	 Less autonomy if many involved May be dependant on volunteers and/or grant funding
COOPERATIVES	Landowner	 Community engagement Financial incentives Fixed income paid at regular intervals Minimal working capital or labour required 	 Risk of co-operative instability Possible increased traffic Access requirements may need to be considered
	Farmer	Shared risk and supportGreater bargaining power	Risk of co-operative instabilityLess autonomy

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RESOURCES

THE MANY OPTIONS

Leasing

There are a number of useful documents that can help you understand leasing arrangements:

- Successful Land Leasing in Australia A guide for farmers and their advisers, published by RIRDC
- Grains Research & Development Corporation Leasing and Share Farming Factsheet
- Young Farmer NSW Leasing and Agistment Toolkit
- Open Food Network's research report, 'Alternative pathways to farm business ownership beyond inheritance'
- Young Agrarians in Canada have a great guide that covers various leasing options
- Farm Table is an Australian Agricultural Knowledge platform with lots of resources
- Australian Food Sovereignty Alliance's Farming On Other People's Land Project

Share Farming

Many of the resources listed in the Leasing section contain information on share farming.

In addition check out the below:

• Dairy Australia's Share Dairy Farming resources

Community Farming

- You can find more about United African Farm here
- Find more about Geeveston Community Grows, SAGE Project, and Farm My School

Co-Operatives

• Find more about Glen Valley Organic Farm and Harcourt Organic Farm Co-Op



STEP 3 - HOW TO EVALUATE LAND

CHOOSING THE BEST LOCATION

When looking for land to farm, you may be fortunate enough to take over an existing space with healthy soils and existing infrastructure. However you may also be considering converting land with no recent agricultural use, or with no history of farming. Regardless, when considering sites it is important to have a checklist of things to you will need to assess. This section is designed to help you think about what questions to ask and what to look for when you make a sit visit.

Remember, the perfect block will be almost impossible to find, so you may need to compromise. When evaluating land and when using our checklist, consider weighting the aspects you feel are most important.



Location

Think carefully about your location. You may be offered land with great soil and abundant water, which seems too good to be true, but is the location right for you? Is there access to a market for your produce?

There are multiple aspects to consider. Referring back to your business plan will help, as will reflecting on the following:

Customer base

How close are you to your customer base?

Diversified selling options

Do you have a mix of sales opportunities? Having a diversity of direct to consumer, retail, and wholesale options can be beneficial to your business. Consider the local food scene. For example, if you are hoping to grow a diverse range of heirloom vegetables is there a market for this nearby?

Transport to market

How will you be delivering your products? If you need third party logistics, are you close to existing transport routes, or is there a depot close by?

Transport to services

Consider how far you are from ag shops and other services. How far will you need to drive to get a replacement irrigation part or emergency animal feed?

Support network

Do you have a support network close by? Is the prospective land part of a like minded community?

Off farm jobs

If you have an off-farm job, how far do you need to travel between farm, home and work?

STEP 3 - HOW TO EVALUATE LAND

Zoning & Planning Schemes

Remember, not all land can be farmed in the same way. You may be seeking land for a specific enterprise, in which case it is important to make sure those farming activities are allowed on any land that you find. Local planning provisions may preclude, or assist, having tenants living on the property if there are other dwellings.

Speak to the Local Council

It is key you speak to your local council so that you know how the council interprets the zoning & planning schemes, as there can be considerable differences from council to council.

You can visit Tasmania's <u>Plan Build</u> site to check an address for its current zoning. You can find out more about each of the zoning schemes <u>here</u>.

The Australian Food Sovereignty Alliance have recently published a useful legal guide that outlines all the planning and land use controls in Tasmania.

Site Visit

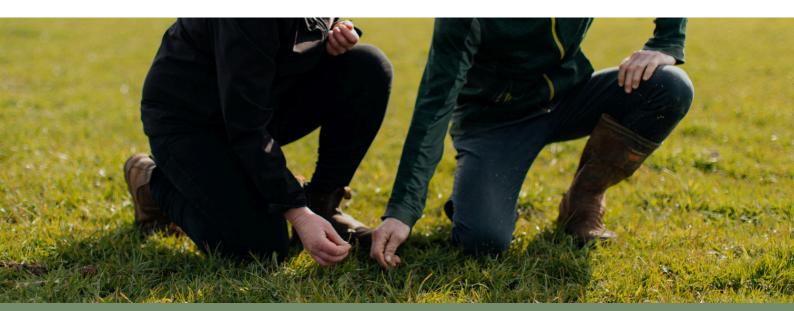
It may seem obvious, but when it comes to assessing opportunities for land tenure, conducting a site visit is the number one priority. If you have the time, and permission from the landowner, try to visit the land on several occasions. If possible, visit during different weather conditions (ideally, you might visit during different times of the year, however this may present challenges).

Digital Land Assessment Tools

While being on the land to assess its potential is crucial, you may need to make a relatively quick decision. In his <u>case study</u>, Jake Wolki points out that sometimes you don't have time on your side, and in these instances, having resources that enable desktop research is useful.

Google Maps is one simple tool, however in Tasmania we also have an amazing free resource that can assist. The LIST (Land Information System Tasmania) is an online service that provides access to integrated land and property information and related services. <u>LISTMap</u> is one of these services, allowing users to view and create maps from hundreds of spatial datasets including natural resources, roads, community facilities, property boundaries (cadastre), aerial imagery and survey information. One useful dataset allows users to see what particular crops are suited to land.

NRM North have a really useful LISTmap guide for smallholders which you can download <u>here</u>, or alternatively you can find the more comprehensive LISTmap user guide <u>here</u>.



SITE ASSESSMENT

Below are the criteria we have identified as most important to consider when assessing a site. We have also created a site assessment checklist which has a more comprehensive list of considerations. This is available in the appendix or as a separate download.



Infrastructure

When assessing a site, consider what infrastructure exists and what is necessary for your enterprise. Below is a list of some of the most important things to consider:

- Workshops. Do you require a workshop? If so what size will you require, and what will the be used for? (For example, machinery maintenance).
- Cold storage. Is there a requirement for cold storage? Do you need to store harvested crops, or refrigerate meat in readiness for deliveries?
- Food processing. Do you need to process or value-add any of your products on site? What are the regulations and requirements for this happening on site?
- Farm gate stand. Do you want to sell your products to the community living near the farm? Will you need power/access/signage?
- Storage Sheds. Do you need to store feed, hay, or packaging materials? Do these need to be vermin proof?
- Animal shelters. Are you farming animals such as goats that require shelters during the night? Or chickens that need somewhere to roost at night and protection from predators?
- Polytunnels. If you are a market gardener, do you need to install polytunnels. As they are often fixed in one spot, designing where they will be located is important. The same applies for nursery areas where you raise seedlings.
- Packing sheds. Do you require a separate area for packing eggs? Or if you grow vegetables do you require wash pack stations? Ensure these are close to your production areas, are built according to regulations, and you have easy vehicle access for deliveries.
- Fencing. What type of fencing will you require? Are you able to utilise portable, electrified fencing, or will you need permanent fencing to keep out wildlife?
- Office space. Do you require a separate space for an office, and if you are planning a larger enterprise do you require infrastructure such as toilets and spaces for staff to have breaks?
- Do you need electricity? Wifi? Phone reception?

Water

When considering a site, find out what water sources are available. Is the site on town water, or will you be irrigating from dams or bores? If possible, ascertain the quality of your water. Is it alkaline or acidic? Does it contain any contaminants from on or off the farm?

Check with landowners if there are ever water shortages. Ask how the land responds to large rainfalls and do as much research as possible. Look at weather data to know your average rainfall, and if possible speak to other people in the area.

You also need to consider how well the farm's irrigation is set up. Does the property have existing pipes to areas of the farm that need irrigation, or to areas of the farm where livestock will need access to drinking water? Will you have access to pumps? If you are rotationally grazing stock, or regularly moving animals such as pigs or chickens to fresh pasture, how will you provide water to them? Are you able to tap into irrigation lines, or will you need to cart water.

If you are setting up a market garden, or a chicken enterprise, is there access to potable water, or options for treating water? Consider the local regulation requirements and costs if you need to set up your own system for treating water.



Soil

Knowledge of soil type and soil health is critical. Understanding soil types and knowing in advance what the soil composition is will help you understand what amendments might be needed and will assist with crop selection and suitability, irrigation practices, how to best avoid land degradation, and how to maximise productivity.

If you live in Tasmania, LISTMap is a useful resource for finding what type of soil is at a property.

Soil tests are fundamental when evaluating land, especially if you intend to lease for horticultural purposes. When assessing a site, ask the landowner if you can dig a hole and take a sample for analysis. Have your sample sent off to a laboratory and employ an expert to help interpret the results.

Climate

Use weather data to find out rainfall, average temperatures, average number of frost days, the potential for extreme weather and predicted climate changes. Consider the way the sun tracks throughout the year, observe where the prevailing wind comes from, and if there are existing windbreaks or shelter belts. If possible, speak to neighbours or people in the area about the climate and history of climate related events.

It is also important to look at any microclimates that exist on the same property. These can be influenced by existing vegetation, buildings or water bodies which create unique environments. These can provide valuable opportunities for pushing the boundaries of what is possible.

A new free digital tool called My Climate View was recently launched by the Bureau of Meteorology and CSIRO as part of the Climate Services for Agriculture program. It offers local climate projections for 20 agricultural commodities and allows farmers anywhere across Australia to access local commodity specific climate information at a 5 km2 grid around or across their properties.

Landform

Things to consider when looking at the lay of the land include elevation; location of slopes, gullies and valleys; the aspect or direction a slope faces; how vegetation changes with the topography of the land and how this relates to frosts, sun/shade, and the movement of wind and fire.

What you farm determines the landform you need. For example, market gardeners will be looking for a relatively flat, hopefully fertile site, which might cost more per acre, whereas livestock farmers may be able to lease cheaper land that is hillier and unsuitable for growing crops.

Other things to consider include how many acres of land you will need in your first season. Do you want to be able to increase the number of acres you are farming in future, and if so, how many more acres do you think you might need? Is a property map available and attached to the lease and are all parties involved clear on property boundaries and uses?

Power & connectivity

Power is needed to keep most farm businesses functioning on some level. Consider:

- What tools/pumps/equipment/processing will you need that will require power.
- Specific power needs such as three phase connections.
- How power is metered across the property.
- How you will be managing your business while on the farm for example, access to wifi or phone signal to take calls, make sales, and access resources like planting guides.



Access

The are many aspects to consider when looking at access to a potential site:

- Where are the pathways to infrastructure?
- Where will heavy foot traffic be?
- How do you access the production area?
- How can vehicles access the production area (to deliver compost or to load up with produce for deliveries)?
- How will internal tracks affect water flow?
- How does the topography interact with internal tracks?
- Is there quick access around the property, especially to high traffic areas such as sheds and water points?
- Are any forms of agritourism allowed (farm dinners, weddings, tours, education courses etc.)? Are these activities allowed under local government regulations?

Housing

Affordable housing is a real barrier for many trying to kick start their agricultural career. If you are seeking land to farm, you may be offered a suitable plot with great soil, water, and existing infrastructure, however it may be remote with little to no housing options close by. It may sound obvious, but finding somewhere to live that's close to available land is not always easy.

If you are a land owner and you are keen to share your land, you should also consider the housing options you can offer. You may be keen to have people farm some or all of your land, however you need to recognise that simply offering land without understanding housing considerations may be a barrier for many. Do you have housing on your property? If not, what are the nearest rental options? How far away is it, and will this travel be realistic for someone using your land? Can you talk to people in your local community about what you are hoping to do, and whether they have any opportunities for housing those that may farm your land?

Invisible structures

Paying attention to invisible structures, or unseen social and economic factors, is often overlooked. These can be anything from personal finances to council regulations, or that you may want to run a certified organic farm but have neighbours who spray herbicides. Determining a market for your produce, and for societal visibility are also examples of invisible structures.

Market demand for specific crops or livestock and profitability of different agricultural products can influence a site, as can community and cultural considerations. For example, farms in areas with strong agritourism industries may lead you to consider incorporating visitor facilities or activities as part of your enterprise.

Farm Plan

It's a good idea to check with the landowner if they already have a land management plan or whole farm plan. Each farm plan is contextualised to that location but this document will likely include a high-level overview of the farm's layout, any commitment to specific farming practices e.g. regenerative, and overall approach to land management now and into the future.

If considering moving towards organic certification, use the farm plan to review if buffer zones are in place to avoid contamination from neighbouring properties. These zones can be in the form of fallow areas, tree and shrub zones or roadways. Refer to the Australian Certified Organic Standards for recommendations on how these should be set out.

You can find more information on land management plans in Step 5.



STEP 3 - HOW TO EVALUATE LAND

RESOURCES

CHOOSING THE BEST LOCATION

Zoning

- <u>Plan Build Tasmania</u> an enquiry and application portal for planning, building, plumbing, public and environmental health information for property development in Tasmania
- Information on Tasmania's Planning Scheme
- The Australian Food Sovereignty Alliance's Legal Guide for Farmers has information on planning and land use controls

Digital land assessment tools

- Land Information System Tasmania and specifically LISTmap
- NRM North have a really useful LISTmap guide for smallholders which you can download <u>here</u>, or alternatively you can find the more comprehensive LISTmap user guide <u>here</u>.

SITE ASSESSMENT

- Appendix 3 has a comprehensive site assessment checklist for you to use.
- <u>My Climate View</u>
- The Young Agrarians guide covers site assessment criteria





Mike and Lauren both came to farming after being embedded in the hospitality industry as chefs. Having witnessed the considerable waste of food and the disconnection between producers and consumers, they were compelled to change their lives in a proactive way. So their journey as market gardeners began.

They first got their hands dirty in the soil at Bagdad, Tasmania. Through extended family connections they started working at a farm that was not being actively used and needed general maintenance. In return for access to this land and low rent accommodation in the small farmhouse on site, Mike and Lauren started a market garden, began to manage the land across the rest of the property while caring for an elderly family member. This experience confirmed that they wanted to be farmers, and as they expanded their production, the challenge of juggling these roles on the 100 acres became evident. It wasn't sustainable to pay rent in order to reduce their time commitment in property management, so they decided to find an alternative site.

Through networks formed through the Sprout Producer Program, they found a new plot to call home in Lilydale. The arrangement with Liz and Rick from Summerlea Farm was a a traditional lease agreement, founded from an existing friendship and included productive land as well as a renovated farm house.

The relationship being based on friendship meant they understood each other's values and aspirations. Underpinned by honesty and openness, expectations from both parties were clear. Regular dialogue provided consistency, and putting forward hypothetical farming scenarios challenged their ideas, helping to establish where their figurative boundaries lay.

Examples of the way in which their arrangement has worked well include:

- A shed on the property was renovated and financed by Liz and Rick. From the outset, Mike and Lauren were consulted about what might suit them and their business. They were also in charge of the fit out. Mike and Lauren have ensured that any infrastructure they install as tenant farmers is moveable.
- They went 50/50 in the expenses to plant an orchard. The maintenance is the responsibility of Mike and Lauren, and the produce is divided between them.
- A new dam was made by Liz and Rick and they consulted with Mike and Lauren about it, as it was in the paddock next door. They discussed how it would work and when they could bring machinery in to work on the site.
- Both parties are on the land, living and working, so communication channels are easily maintained.

AT A GLANCE

Farm Name: Felds Farm

Who: Michael Layfield & Lauren Byrne

What: Market Gardeners

Where: North Lilydale, lutruwita/Tasmania

Size: 3.7 acres

Arrangement: Leasing land with house included



The lease requires each party to be 'environmentally sensitive' in the way they farm and use the land, and to be respectful as neighbours. It is modelled on a traditional household rental agreement, with additional clauses related to land use, notification periods and fencing. This formal arrangement offers both parties security and peace of mind.

Felds Farm feel they have autonomy over their business and the farm. This opportunity has given Mike and Lauren the confidence to know they can run a successful market garden business. They have expanded their operations to include another site in the south of the state, under another arrangement with a retiring farmer. Growing vegetables in different locations enables them to manage supply across the seasons more easily, and to grow different crops that like the different conditions and soil.

Lauren reflected on how the inclusion of housing on the land and how it enabled them to have immediate access to work This also simplified negotiations about financial aspects of the agreement. Lauren also feels that living off-farm when you are just starting out as a farmer can be problematic. Given that you can't be as flexible with work routines away from the farm, housing consideration is important when assessing land opportunities.

"I am stuck in that traditional mindset of wanting to own your own property, but I've had a realisation lately, with the pressure out there for those with a mortgage, I've realised that we are in a really good position right now!"

Mike Layfield

"We should be taking the advantage of having very low risk right now, cementing our procedures and infrastructure investment now, and then we will be in a good position to enter the property market. So perhaps the only constraint is that we need to plan ahead in terms of an investment in the future."

Lauren Byrne

Mike and Lauren's advice:

- Have a formal agreement
- Mutual respect is key
- Starting with friendship can be useful
- Open communication and values alignment between two parties is critical
- Conduct annual reviews
- Use hypothetical scenarios to work out where everyone's limits are
- Use your 'village' of supporters to throw ideas at and get advice

STEP 4 - PEOPLE & RELATIONSHIPS

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PEOPLE & RELATIONSHIPS

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LEARNINGS FROM WRITING THIS REPORT

When we conducted our case study interviews, it highlighted how good working agreements are based on solid relationships, clear communication and people working together towards a common goal. We also found how variable each situation is and that there is nuance in navigating any relationship.

Getting to the negotiating stage will require honesty and transparency on both sides for everyone to gain a clarity relating to the needs and expectations. This section offers hints and tips to help you navigate this process effectively and includes wisdom gleaned from our case study participants about what they have discovered contributes to solid working relationships between tenants & landowners.

Review your goals

Before entering negotiations it is crucial to have a clear vision of your farming goals and how a lease or share farming arrangement will support them. Get clear about what you bring to the table and what the 'deal-breakers- are, so you can effectively communicate them in conversations and negotiations.

Research and prepare

Knowledge is key in any negotiation process.



- Research the local market, networks and online forums to understand fair rental rates and common lease terms in your area.
- Familiarise yourself with different types of leases and consider which model suits your situation best. Refer to the previous section on lease arrangements.
- Understand the landowner's perspective. Ask questions to understand if they have specific concerns about land stewardship, property maintenance, or how your farming practices will impact the land.

Being well-prepared allows you to present a coherent and compelling case which will more likely achieve the best possible outcome.

Communicate openly

Relationships are built at the speed of trust - open and honest communication is essential for everyone involved. Approach any negotiation in the spirit of collaboration, with respect, and work together towards shared goals.

Clearly outline your needs, such as access to water, buildings, or specific time frames for planting and harvesting everything you've learnt in the business planning and site evaluation stage. Be prepared to discuss how you intend to maintain the land and address any concerns the landowner might have. Building a positive relationship with the landowner can lead to more favourable lease terms and potentially pave the way for future opportunities.



STEP 4 - PEOPLE & RELATIONSHIPS

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Hypotheticals

Using hypothetical situations when you are building new relationships or progressing negotiations can lead to more thoughtful, thorough, and resilient lease agreements.

They allow everyone to explore potential scenarios and outcomes without committing to them immediately and can help:

- Clarify expectations: for example, asking, "What if we experience a severe drought?" can lead to discussions about water usage rights, crop insurance, or rental adjustments. This helps ensure that both parties understand and agree on how to handle such situations.
- Identify potential challenges: try posing "what if" scenarios to discover potential conflicts or misunderstandings before they become problems. For example, "What if you decide to sell the property during the lease term?" can prompt discussions about rights of first refusal or how the lease will be handled in the event of a sale. "What if we decided to grow exclusively in polytunnels" might uncover aesthetic considerations.
- Build a collaborative relationship: hypotheticals encourage open dialogue and can help to foster a more trusting and cooperative relationship. Try questions to open up a conversation about potential shared goals and to gauge compatibility in partnerships or to identify mutual interests.
- Test the flexibility of any agreement: they can allow both parties to see how flexible the lease agreement is and whether it can adapt to various situations. The inclusion of more comprehensive clauses that cover a wider range of possibilities, can make an agreement more robust.



Dig Into The Detail

It is important to uncover any firm expectations or hidden agendas that extend beyond the typical lease agreement. Examples of this might include control over farming practices, future development plans, access to share of crops or farm produce, or influence over business decisions. Vested interests can impact autonomy, flexibility, clarity and achievement of long term farming goals.

- Ask direct questions: during negotiations, the farmer should ask the landlord about their expectations of the farming operation. Questions like, "Do you have any preferences for how the land is used?" or "Are there any restrictions or specific conditions you'd like to include in the lease?"
- Past agreements: if the farmer or landlord has leased before, it might be helpful to ask about those experiences. Ask why previous leases ended or what challenges arose can provide insights into expectations.
- Long-term plans: ask about future plans for the land so you can gauge whether your long-term plans align with theirs.

Listen For Misaligned Language

A lease is two parties agreeing that something is fair for both parties. Look out for language like 'I'm giving you' or 'you're getting a great deal'- a lease does not contain favours, it should be clear to everyone what is being offered. If you do hear language that makes you feel like there might be an imbalance - it may indicate a mismatch in expectations. Slow things down, ask more questions, take your time.



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Values Alignment

Acknowledge where your values are aligned and be ready to communicate them. Think about the questions you can ask to help you understand theirs. Some of our case study participants felt it was very important to find a landowner who had values that were directly aligned with theirs. Others said they would prefer leasing from someone who wasn't embedded in land management allowing more autonomy. How flexible are you?

Compromise

There may be times where you find land available for lease that scores highly on site assessment.

Water may be abundant, there is the necessary infrastructure in place, and the location is perfect, but your values might not quite align with the landowner. You should ask yourself, is there *enough* alignment? You may lease land to rotationally graze cattle from a landowner that doesn't use chemicals on the farm, but historically set stocks and doesn't understand the need to do daily moves.

The landowner might think you're crazy, but ultimately doesn't mind as management practices will be completely up to you. Your values might not exactly match, but it's not likely to be a deal breaker. Are you confident to go your own way? You might find the perfect location with close access to your target market, but the land owner lives on site and in early conversations is indicating they would like to be involved in the decisions of any business operating there.

How will being in the same place, with likely regular interaction effect you? How much autonomy over your farm business is important to you?

Understand Your Value

It is important to consider any value of any kind, that you might bring to a property, local community or landowners existing brand. Consider how your presence on the land supports local food systems, contributes to rural development, positions the landowner as a supporter of the next generation of farmers etc. These associations could enhance the owners reputation within the community. Be curious and ask questions about any potential involvement in the area of promotion, like photos, social media, events, or media coverage related to your farming activities. You will need to understand any expectations and identify if you can/want to meet them. These contributions can add value to any future agreement.

Mentors

Mentors offer real-world experience, transfer practical skills, and provide emotional support in difficult times. They can have insights that textbooks or TAFE can't match, helping especially new or young farmers to avoid costly mistakes. Having non-farming folks in your corner is advisable too. People who are removed from the farm detail may offer different and useful insights on the business or other elements of a proposed agreement.

How do I find a mentor?

Begin by identifying someone whose farming or business practices align with your values and goals. It's important to be clear about what you hope to gain from the mentorship - being open about your ambitions and what guidance you're looking for can help the mentor feel invested in your success. You can pave the way gently, asking for advice on a specific matter and identify if long-term mentorship is likely to become an option. Trust takes time: show appreciation for their generous sharing, and maintain regular communication.

Ask For Help, Surround Yourself With Mates

Ask for close friends, family and trusted colleagues to be available during your search. We all need other people to help us see our blind spots and validate our strengths - now is the time to lean into your networks.

Expect To Go Through The Process Multiple Times

Not all negotiations will result in a signed lease or share farming agreement, but going through the process will help you learn and refine your needs. Repetition is how we hone skills.

LEASE FARMER CASE STUDY

FIVE TALES FARM Understanding Your Value

Photo Credit: Ashley Densham / Five Tales Farm

Gaining Experience

Before Mike Densham & Kez Tsaushu leased land for their business, they worked in a model that was more like share farming. They had met a landowner with the capital they lacked and were able to offer their farming experience. Living on site and operating the farm as if it were their own, on an annual salary, seemed like a sweet deal.

"We had access to land, access to water and access to capital to invest as the business grew. The model in that sense worked really well - we had lots of independence and it grew very fast and was successful."

Things were running smoothly until the landowners needed to move back to the property during COVID - living on site became problematic and ultimately they decided to 'move on', leaving a viable business behind.

Mike & Kez explained the takeaways were learning how to build relationships and understanding how to set clear expectations, establishing metrics for success, and most importantly, recognising the importance of understanding your own worth.

They expressed the need to ensure appropriate compensation and recognition for the skills and experience you bring and for any incidental benefits the landowner receives from your presence eg. brand positioning around providing pathways for young farmers.

AT A GLANCE

Farm Name: Five Tales Farm Who: Mike Densham & Kez Tsaushu What: Market Gardeners Where: Several locations Size: Various Arrangement: Lease farming

"It was a big learning curve for us in terms of how much money and energy goes into starting a business - it was very difficult to leave it all behind."

Mike Densham







Negotiating Leasing

They also learned they didn't want to farm on their own, and formed a partnership with one of their interns: "We wanted to create a business that would give equal ownership to all those involved."

They lacked the finances to buy land so began looking for land to rent. Land became available across the road from where they had previously been farming - fantastic in terms of access to market and previous customers - it felt like a good fit.

During negotiations Mikey said a gap appeared between their understanding of what farmable land was and what they were really being offered.

"There was no water, no electricity and no access - when we asked for those things they wanted us to push it through the council. We made it clear that as tenant farmers we needed those things to be sorted before we could join any on farm project. They wanted us to have skin in the game - but skin in the game is setting up a market garden and starting a new business. Our previous experience gave us foresight that helped us realise it wasn't the right fit."

Mikey Densham

Considering Opportunities

Eventually, Mikey & Kez found another opportunity that offered potential sales outlets, infrastructure and was only an hour from the city. It ticked a lot of boxes. They entered negotiations, which included soil testing, conversations about expectations, discussions on price and what might be included in the rental agreement.

The landowner had an existing 5-year land lease document which they had used with a previous farmer. Mikey has a friend who is a lawyer and they looked over it and negotiated a few sections. They considered everything they had learned, including things like being able to have their dog on the farm and the 'all important exit clause'; if after a year they weren't happy with the conditions of the soil they could exit the agreement.

"You rock up to a piece of land, you want to start a business, you don't have a year to wait and see how the land responds to all the seasons so you have to go with the word of the landowner about some things like how water moves across the landscape. As a young farmer you can be vulnerable to working with landowners who may have vested interest - so you need to safeguard yourself with a legal framework"



Where They're At Now

They are now landowners. Mikey said: "We didn't have the capital or the energy to farm on leased land again."

While leasing may not have provided a long term solution for Mikey & Kez, it did help them get where they are today:

"We've made all the mistakes on other peoples land. Has it financially helped - no; the only way we've been able to buy now is with the support of family. That said, I was able to take a business plan, and a balance sheet to my family and show them the proof of concept we had tested with two previous businesses before."

Mike and Kez's advice:

- Get experience, skills & training
- Find the best farm you can and get a job
- Work on other farms for a significant amount of time
- Think about it like any apprenticeship do the groundwork, it should, and will take a number of years.
- Save up a large amount of cash you don't open any business without a significant capital base.
- Make sure you have people to support you emotionally owning a business is a big undertaking.



LEGAL TEMPLATES

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For many, the idea of entering into a legal agreement can be intimidating. While there may be situations where a handshake seems sufficient, we've listened to our case study farmers and strongly advise that any lease or share farming arrangement be supported by a formal agreement.

Lease & Share Farming Contract Templates

To help you get started, we have created two template agreements designed to serve as a foundation for discussion between a landowner and a lessee. Having free access to these templates enables you to kick start your own thinking process about what should and shouldn't be included, without having to first pay for a lawyer to start from scratch.

Links to these templates are at the bottom of this page

- Lease Farming Contract (Lease agreement)
- Share Farming Contract (Share Farming agreement)

Each template is written so that it can be tailored to your unique circumstances, using the schedules at the back of the documents to add or remove clauses and hone detail. We have provided a clean version of each, as well as a version with some plain English notes.

Creating an agreement in conjunction with a land management plan is recommended, to ensure that all parties have a clear understanding of how the relationship will begin and how the land will be managed moving forward.

If the landowner already has a land management plan, then the process will be about reviewing it, making any agreed adjustments based on your joint needs, together.

If the landowner does not already have a developed land management plan, this could be an opportunity to work on your own document, which can be presented to the landowner, to work out a way forward. Any land management plan you develop, or amend, needs to be referenced as part of the agreement between you and the landowner.

All documents should be reviewed by a local lawyer, for expert advice, and to ensure everyone's interests are protected.









LAND MANAGEMENT PLANS

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Our case studies have highlighted some challenges between landowners and lessee's that could have been mitigated if a land management plan had existed, clarifying the expectations and requirements held by both parties. We have learnt from these experiences, that if a land management plan wasn't already in place for the land being leased, then formalising both might be a good undertaking. Doing both these core activities at once would ensure the final agreement would include the key management practices & processes.

In some cases, the landowner may already have a management plan, and you could work together on a variation tailored to the new circumstances. In other cases the landowner may not have a formal plan and you could collaborate to achieve the social, financial and environmental goals of both parties.

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HERE'S AN IMPORTANT POINT TO REMEMBER

There is power in discovering where meeting your goals might not be possible. This is why drafting the bones of a land management plan before you sign a final agreement may be in the best interest of all parties.

Management plans are created specific to the context of a particular piece of land. Begin by looking at the current land management processes and situation and map how you would need to change/shift/adapt to meet your goals.

Some of the main considerations include:

- Land use and farm layout
- Current condition
- Future plans
- Sustainability practices
- Trends you'd like to see as the conditions it improves
- Stewardship contributions of both parties
- Collaboration how amendments/grants/changing circumstances will be navigated, how regularly both parties will come together to review progress, and how you will monitor and evaluate the condition ongoing.



LANDOWNER CASE STUDY

FAT PIG FARM A Framework for Land Management

Fat Pig Farm has never been solely a family-run farm. The owners, Sadie Chrestman and Matthew Evans, have had other people working on their land from the outset. Initially these were employees; a part-time farmhand who helped move livestock and set up the garden, and a full-time market gardener who they put on in 2015, a year before opening their on-farm restaurant. By 2021 they had employed Keeley Bytheway as an assistant gardener.

In 2023, when they decided to close the restaurant to take a well-earned break, they knew they wanted to continue having an operating market garden, and believed it could be run as a separate business. As Sadie explains, "by that point, Keeley had been running it on her own for a year, and we had known her for two, so we knew her really well and she was really keen to take it on. So it happened quite organically."

"We wanted to know that the land is being looked after in a way that fits with our values and our philosophy and the way we would like it to be looked after"

Matthew Evans

Having this existing relationship with Keeley was important. Sadie points out how it differs to standard employer-employee relationships, that understanding her well was a critical factor. Knowing that the person driving down their driveway each day was aligned with their values was comforting.

For Matthew, having a substantially useful asset held opportunities for both parties. Not valuable as grazing land, it could be available to an enterprising young farmer to build their skills in running a business.

Would a land management plan have been useful as a starting point in the process, to ensure values are aligned? Sadie considers that while it may have helped, knowing Keeley so well already afforded them an advantage.

Without the existing relationship, Sadie feels unsure whether it would be possible to tease out, and know for certain, if your values were truly in sync. She used their experiences employing chefs as a comparison, saying they often interviewed chefs who claimed to be passionate about paddock to plate and seasonal cooking, but in reality weren't committed to those values and wouldn't accept that they weren't able to access out of season vegetables.

AT A GLANCE

Farm Name: Fat Pig Farm

Who: Matthew Evans & Sadie Chrestman

What: Mixed farm

Where: Glaziers Bay, Tasmania

Size: 70 acres (1.5 acres leased)

Arrangement: Landowners leasing land

LANDOWNER CASE STUDY

FAT PIG FARM A Framework for Land Management

"It is one thing we've tried to work out. How do you come up with a master document which is the philosophical basis of how everything has to be run, and then within that there is the flexibility for each person to do what they need to do to make their part of the business work? You need some overarching ideas, and then when there is a problem you can come back to that philosophy." -

Sadie Chrestman

Matthew and Sadie agree however that plans are beneficial, and as they continue to evolve theirs for the farm (which may include stacked enterprises and more than one tenant farmer) they know a master land management plan is needed.

When speaking with Sadie and Matthew, we also wanted to understand what it feels like to be landowners, who have transitioned from employing farmers to leasing land. They both agreed it can be tricky, and strange, observing farmers running a business on their land. It does require adjustment. They want to be helpful, and also respect that they need not to 'get in the way'.

This illustrates another scenario where a land management plan is beneficial. Allied with prior knowledge of the person you're leasing land to (or in Fat Pig Farm's case, the advantage of having previously employed that person) can lead to successful partnerships.

Matthew & Sadie's advice:

- Housing needs to be considered. It needs to be affordable and close by.
- How can the tenant get compensated for improving natural capital and biodiversity?
- If you are a landowner, have a long-term plan that considers succession for the property.
- Consider what it might look like in 20-30 years. How might you ensure the land continues to be stewarded in the way you want it to be, and who might do this?
- Effective communication is key.

STEP 5 - FINAL STEPS

SEARCHING FOR LAND

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Risk Assessment

Considering risks early in your planning is crucial. Research shows that uncertainties in land tenure can significantly impact farm sustainability and financial stability. Properly assessing risk will allow you to make informed decisions that align with your goals and mitigate potential issues, by allowing you to address them openly at the negotiating stage. Key things to think about:

- Lack of long term security
- Potential for disruptions
- Dependency on landowners decisions or limited control
- Climate
- Infrastructure
- Market





Searching For Land

Now that you've looked at different ways of accessing land, been through the thinking process of how to assess land suitability, and looked at establishing your networks of support, you are ready to actually find that piece of land to farm.

Where do you start? No one size fits all and the case studies that follow demonstrate variations in approach.

Use your networks! The more people you build relationships with and the more people who know you're looking (and are seriously committed to a farming opportunity) the better. It will improve the chances of being in the right place at the right time to maximise that opportunity. Sharing what you are seeking and being confident enough to put yourself out there can often bring great benefits and connections you may not have thought possible.

Announcing your search on social media can be a great way for you to broaden the search for connections and land, a tactic that worked for Wolki Farm.

Young Farmers Connect offer a land-matching service, <u>Farm</u> <u>Links</u>, which has great information about leasing opportunities as well as bios of those who are seeking land. <u>Cultivate Farms</u> is another useful site that aims to connect landowners, investors and those seeking to farm together.

LEASE FARMER CASE STUDY

WOLKI FARM Finding Land to Lease

Jake Wolki leases 300 acres, across 3 properties which are all regeneratively farmed. These numbers are likely to increase as he continues to scale up. Leasing land has meant scaling was possible, as it gave him access to land he could never have afforded. Jake speaks about how flexibility and recognising opportunities is crucial. Last year when someone who had attended a Wolki Farm event contacted Jake with land for lease, it was too good to pass up.

"It was a bit of a unicorn. To find 100 acres, 10 minutes round the corner, from somebody that doesn't have a permanent tenant there was really challenging, so I jumped at it."

Two of the properties Jake leases are owned by his parents. The main farm, located on the outskirts of Albury in NSW, is where the bulk of his enterprise is managed. Pastured pigs, pastured chickens for eggs, rotationally grazed sheep and cattle, all share the farm. The other family-owned property, his parent's holiday home, is an hour south. This is trickier to operate, so he only runs cattle there. Jake goes down once a week to move cows and will take some staff down every few weeks to carry out various chores. He has also engaged a neighbour, a semi-retired farmer, to be his daily eyes, but it's not a straightforward arrangement.

"He's a wealth of knowledge and he's got so much experience. His cattlemanship is fantastic, I would happily pay him to go move our cattle every day, but it's not a job he's willing to do because he sees no value in it from a production sense. He thinks it's nonsense".

AT A GLANCE

Farm Name: Wolki Farm

Who: Jake Wolki

What: Mixed livestock (pastured chickens, pigs, cattle and sheep)

Where: Wiradjuri Country/Albury NSW

Size: Various

Arrangement: Lease Farming

Having issues with neighbours that aren't his own neighbours was something he hadn't considered when thinking about leasing land. In Jake's view, choosing which landowner to lease from is much easier to navigate.

His advice for anyone looking for land is simple - just go find it. Jake's personality type, his energy, and the enterprises he runs may make it look easier than it is, but his advice is sound.

"I can think of a dozen ways to find land. Go to your local Landcare meeting and tell people you're looking for land and that you want to manage land in a way, put pictures in your local organic food store...you just need to put yourself out there, and be specific. Don't just say 'land wanted'. If you want to be a chicken farmer, you don't need much land, so I'd put 'free range chicken farmer, land wanted, will pay \$300 per acre plus all the eggs you can eat!' or something really specific.'

Jake Wolki

LEASE FARMER CASE STUDY

WOLKI FARM Finding Land to Lease

Jake doesn't have any formal agreements for the land he leases. He doesn't pay his parents, instead they are paid in produce – 'they eat their lease' – but Jake does pay for upkeep to the properties, and for all infrastructure. For the non-family owned property, there is a written agreement in place with negotiated lease rates, but it's not legally binding and is more of a reference.

The landowner of this property also recognised the value in Jake's farming methods. He sought Jake out because he wanted his land rotationally grazed instead of set stocked, and allowed Jake to draw up a farm plan detailing where he wanted extra fencing and water lines. As the new fences and pipes were to stay on the property the landowner was happy to pay for materials. In terms of cash flow, Jake told us he couldn't see it working any other way without a legal contract and a long term fixed lease.

Jake wants to continue leasing land, and is looking for other opportunities. He and his wife have also sold their townhouse and have finally purchased their own farm. For three years they viewed real estate sites, looking for at least 100 acres, close to the freeway to tap into agritourism, near to Albury. Nothing came up, so a few months ago Jake put a post on Facebook.

"I wrote we are a young family farming regeneratively, here's our values on land and animal management, we are wanting over 100 acres between Albury and Holbrook, and the next day a lady walked into our café saying I want to speak to Jake Wolki, I think he wants our farm."

Jake Wolki

Whether leasing or purchasing land, Jake says it's all about putting yourself out there.

Jake's advice:

- With livestock leases, values alignment needn't be a primary consideration.
- As long as you're not made to farm in ways you don't want to it's ok to have differences in opinion.
- On the flip side of this, you can leverage off your farming practices to help negotiate favourable terms in lease agreements.
- Communication is important.
- Let the landowner know when you'll be on the property, and when out of the ordinary things will happen (eg vet visits/new stock being delivered).
- Treat your landowner like a customer. Provide your produce as a way of saying thank you, be it a regular supply of eggs or half a lamb carcass.
- Be open to opportunities. There are animals for every landscape.

LEGAL AND FINANCIAL CONSIDERATIONS

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Establishing fair terms and rates are crucial for successfully arranging a lease. It can be difficult to decide on the what is fair for both parties and might depend on aspects such as location, enterprise type, supply and demand, soil quality, what infrastructure is available, and if housing is included.

Non-market factors such as the goals of the landowner can also influence the rate - for example, if they want to support a new entrant or believe in the social benefits of food production they may provide free rent for the first year, or a cheaper ongoing rate. Also consider negotiation around any soil improvements or overall ecosystem function improvements. Your farming methods may add value to the land.

Negotiating Lease Rates

We strongly suggest you use your networks to establish base rates for the local area and any common provisions eg. lower rate until first harvest etc. Some of the most common ways to calculate a lease rate are listed in the following table:

Туре	Description
Dollars per acre per unit of time (most relevant option for small-scale farmers)	This method sees both parties agree to a per acre rate in advance (which can be calculated per month or per year). This often involves the landowner and farmer communicating their mutual goals, and may require creative solutions to ensure a fair rate for both parties. An arrangement may also include in- kind payments, such as produce generated by the farmer (for example, a weekly veg box, or an agreed amount of meat), or property maintenance.
Percentage of market land value	This is more commonly used for grazing and broadacre cropping. Lease values are generally around 5- 9% of the land value. So, for example, if land is valued at \$3000 per hectare and the agreed rate is 5% then the lease rate will be \$150 per hectare, per annum.
Percentage of expected gross margin or operating profit	This is calculated as a percentage of potential returns, and again is more commonly found in long-term cropping arrangements. Percentages normally range from 25-30% of expected gross margin, so for example, if the gross margin is \$450 per hectare and the agreed rate is 30%, the lease rate will be \$135 per hectare.
Dollars per DSE (dry sheep equivalent)	Used for larger livestock leases, both parties will agree to a dollar amount per DSE per unit of time (often a week). Meat & Livestock Australia define DSE 'as a method of standardising an animal unit and is the amount of feed required by a two year old, 50kg Merino wether to maintain its weight. Applying this principle, one 50kg dry goat is equivalent to one DSE and one yearling steer is equivalent to about 8 DSE'. So for example, an arrangement could be 500 head of sheep at \$1 per DSE per week, so \$26,000 per year.

Lease Terms

As with establishing lease rates, think carefully about what constitutes a fair lease term. Shorter terms (1-3 years) may be preferred if the parties are not familiar with each other and until a secure relationship can be built. They also offer more flexibility, and if the farmer is a new entrant, a short-term lease can allow for a trial period which could be less risky for each party.

However, longer term leases do provide security for both landowners and farmers and therefore encourage greater investment in soil improvements and infrastructure. Longer-term leases allow farmers to build their customer base, relationships with the community, as well as provide familiarity with the climate and landscape. This can encourage scaling-up.

Some arrangements provide a long-term lease, with an option to renegotiate after a specified period of time.

Getting a Lawyer

This guide provides lots of information about what to consider before entering into partnerships and/or agreements, but none of this information can be a substitute for expert advice from a lawyer.

Any party entering into an agreement with another should always seek expert advice, to ensure that they understand what is being agreed to, and that their own interests are being protected. It is also important to ensure that any professional you go to, has expertise in the legal framework of your state, as these laws vary between jurisdictions.

There are some firms who undertake pro-bono work for individuals and organisations, so find a few firms within your state's legal framework and approach them. Ask whether they have any availability to assist you under their pro-bono umbrella.

Finding a lawyer can be daunting but here are some things to consider when 'dipping your toe in the legal pond':

- Can you get a referral from someone else who has used a lawyer?
- What is the best time for you to seek professional advice?
- Do you know anyone who has been through this kind of thing before, who you can talk to?

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Insurance

It is important to consider both your own insurance needs, as well as that of the landowner in order to mitigate risks, protect any assets you have and maintain financial viability in the event of unexpected circumstances. While it is an expense (and one that can sometimes be difficult to manage at the beginning of your journey), it is something worth considering. Imagine what could happen if something went awry and you didn't have it. What would be at stake and how would you recover from that situation?

Some areas of insurance to consider (either as the farmer or landowner):

Type of Insurance	Landowner	Farmer
Property/equipment	\checkmark	\checkmark
Public liability Ensuring this will cover you (as the farmer or the landowner) if someone other than you as the business owner, injures themselves on your property.	\checkmark	\checkmark
Product liability		\checkmark
Volunteers		\checkmark
Workers compensation (<i>If you have employees</i>)		\checkmark
Vehicle (<i>Polaris, cars/trucks etc</i>)	\checkmark	\checkmark

Tax Considerations

Get expert advice is the key message to take from this section. As a landowner, it will be important to think about any possible tax implications a share or lease arrangement may mean for you. We strongly encourage you to seek expert taxation advice from an accountant, particularly one that has experience in the agricultural sector and/or share farming. Each situation will need to be assessed on its merits to determine whether you, as the landowner, will be participating in any of the 'business' that the farmer using your land is undertaking.

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There are useful links to documents within the Australian Taxation Office (ATO) website, outlining things like the Income Tax Determination for share farming ect.

As the farmer who is looking to set up a business on someone else's land, you too will need to seek expert tax advice from an accountant. This process won't vary greatly from that which you would follow whether you were share/lease farming or operating on your own property.

Grants

Traditionally, many agricultural grants are aimed at larger scale farming enterprises, however this is slowly changing. So, keep an eye out for different types of grants that may be available in your local region.

Grants can be from Federal, State or Local government, NFP organisations, and even suppliers. You may also find interestfree loan schemes available for general small business, farming equipment or other aspects of a farming business. Consider registering for newsletters or updates from organisations/government departments that are aligned with your business.

Here are some organisations to consider:

Business/department	Description
<u>Business Tasmania</u>	Business Tasmania send out a regular email that lists various workshops, grants, support for business in general.
<u>NRE Farmpoint</u>	This site lists all the agricultural specific information for farmers in Tasmania. This includes listing grant programs and support networks.
Landcare Tasmania	Often have Landcare Action grants or other support programs that enable farmers to apply for funding to help with biodiversity projects, riparian work, tree planting, fencing off waterways/dams etc.
Foundation for Rural Regional Renewal (FRRR)	This is a federal granting body, that has a variety of grants available, so keep an eye out on their website. They are generally targeted at regional community benefit, climate smart agriculture, regional renewal.
<u>Grant connect</u>	This is a federal website that has information about all Federal Grant schemes. You can subscribe to feeds based on key areas like 'agriculture'.
Farm Table	Lists ag related grants and support schemes.

STEP 5 - FINAL STEPS

The activities that are eligible under each grant program vary significantly, and are often in response to specific circumstances that communities or farmers are experiencing like drought or floods. There is a positive shift in appetite for supporting grass roots, climate-safe, agricultural activities. So keep an eye out for support that may align with your farming methods and activities.

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Areas often funded include fencing & infrastructure, dam repair/fencing off riparian areas, restoring biodiversity on farms, community led climate solutions, interest free loans for equipment/infrastructure, and support in times of hardship

Finance & Loans

There is movement in the global finance sector, to support the need for an alignment of values between financial institutions, lenders and funders and farmers all of whom are working toward improving their landscape function while running productive, sustainable agricultural businesses. The dial is slowly shifting toward valuing natural assets, where work to maintain or improve those assets is acknowledged and remunerated.

Accessing funds can be a 'game-changer' for those kick-starting their farming career. It enables the foundational elements of an agricultural business to be established - both tangible and intangible infrastructure.

Finding a sympathetic financial institution you are able to work with, will be key to inspiring the confidence needed to move forward.



There are various avenues to explore:

- Banks
- Government loan schemes
- Philanthropic financial organisations like Sustainable Table Fund, Wedgetail, Go Steward.

Government supported interest free loans are sometimes available for agricultural businesses. In Tasmania, at the time of this report's publication, some can be accessed through the Department of State Growth.

WORK YOUR NETWORKS

Support networks are vital for small-scale farmers. They provide essential resources, knowledge, emotional support and encouragement. This can make the difference between success and failure. Building these networks can offer you access to shared tools, co-operative buying and selling opportunities, all of which can help you reduce costs and increase market access. They also facilitate the exchange of best-practice information, innovative farming techniques, and advice on sustainable practices, which can be crucial for you as a small-scale farmer to thrive in a competitive environment.

Being part of a support network fosters a sense of community, helping you to navigate challenges like climate change, financial pressures, and the isolation that often comes with rural farming. Ultimately, support networks empower you to build resilience, improve productivity, and achieve long-term sustainability.



RESOURCES

SEARCHING FOR LAND

Risk Assessment

<u>Open Food Network's research report, 'Alternative pathways to farm business ownership beyond inheritance'</u>

Searching For Land

- Young Farms Connect Farm Links
- <u>Cultivate Farms</u>

LEGAL AND FINANCIAL CONSIDERATIONS

There are a number of useful resources to help you with the various legal and financial considerations:

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Getting a Lawyer

Australian Food Sovereignty Alliance

Negotiating Lease Rates and Terms

- <u>A great video on calculating a lease value can be found on the NSW Young Farmer site</u>. There are also factsheets and lease calculator templates available to download.
- Successful Land Leasing in Australia A guide for farmers and their advisers, published by RIRDC

Tax Considerations

ATO Income tax determination

Grants

- Business Tasmania
- <u>NRE Farmpoint</u>
- Landcare Tasmania
- Foundation for Rural regional renewal (FRRR)
- Grant connect
- <u>Farm Table</u>

Finance & Loans

- <u>Regional Investment Corporation Agristarter Ioan scheme</u>
- Sustainable Table Fund
- <u>Wedgetail</u>
- Go Steward

WORK YOUR NETWORKS

Here are links to organisations you may want to explore further for connections, knowledge and network building:

- Young Farmers Connect
- <u>Sprout Tasmania</u>
- Farmers for Climate Action
- <u>Australian Food Sovereignty Alliance</u>
- Natural Resource Management (NRM) North
- Natural Resource Management (NRM) South
- Natural Resource Management (NRM) Cradle Coast
- Rural Alive and Well (RAW)
- TasFarmers
- Rural Business Tasmania
- <u>Cultivate Farms</u>

STEP 6 - DURING YOUR LAND TENURE

DURING YOUR LAND TENURE

Remember that, in order to ensure a productive tenure, each party needs to work hard throughout the duration of the arrangement to maintain a beneficial relationship. A couple of resources that can assist are the <u>Regenerative Farm</u> <u>Resilience Guide</u> and the <u>Ag Risk and Farm Management Library.</u>

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Regular Meetings

Regular meetings are essential. It's natural that circumstances for both parties will evolve and change over time, and regular meetings will ensure everyone knows where they stand, and what is happening in each other's lives.

By maintaining open and regular communication, this will make addressing any issues or concerns easier, and will help you avoid misunderstandings. Establishing an open dialogue may also help build mutual respect and create clear processes for handling potential disputes.

Make sure you communicate any significant issues, changes to your arrangements, or ideas you may have for changes to your farming enterprise.

Meetings can take place in many forms. If the landowner doesn't live on the property, these might need to be over the phone, or online. You might like to catch up off-farm over a coffee, on neutral ground. It is also useful to arrange regular inspections of the property. If you are the tenant, invite the landowner to see what you've been doing, and how you are helping to improve the land. Show off the good work you're doing, but also be prepared and unafraid to explain anything that hasn't gone to plan.

Monitoring and Measuring

Establishing a monitoring process for any agreed practices outlined in your lease and/or land management plan is essential to ensure that both parties fulfil their obligations according to the agreed terms. Regular monitoring helps to identify issues early, allowing for adjustments to be made, which can prevent conflict or mismanagement of the land. Ongoing oversight ensures that the goals of your business plan and the terms of your lease are met, and that the land remains productive and sustainable over the long term.

Documenting the condition of the land from the start and at the end of the lease will help avoid disputes over damages or changes in condition. This might include monitoring soil quality as well as managing existing infrastructure such as fences and buildings. Conducting regular inspections of the land to identify and address issues will help prevent potential conflict.



STEP 6 - DURING YOUR LAND TENURE

Manage Your Personal Circumstances

Ensure you manage your budget to cover lease payments and other financial obligations. Have contingency plans in place if you are likely to face financial difficulties, and ensure you review and update your insurance cover as necessary to protect against risk.

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Maintaining detailed records of land use, maintenance activities, and communications with the landowner throughout the lease term will be invaluable. Keep receipts and invoices related to land expenses, improvements, and lease payments.

Renegotiating for the Future

You will want to have agreed on your base lease rate, but equally important is to be clear on what the triggers might be for any re-evaluation of the lease. You may like to include a clause outlining 're-evaluation triggers'. These could include:

- Ecological or human-caused disasters
- Increases or changes in tax rates or insurance requirements
- Farmer and Farmer family health
- Life-crisis events

Hopefully, your land tenure will prove successful for both parties, and when the time comes, both will be keen to renew. If you are interested in renewing a lease, begin discussions with the landowner well before the lease term expires to successfully negotiate terms and address any concerns.

Changing Circumstances - Breaking a Lease

Circumstances do change, and in some cases either party may need to break the agreement. Breaking a lease may require careful consideration and negotiation. Understand that any disputes or issues related to breaking the lease could affect future opportunities, so aim to resolve the situation in a way that maintains positive relationships and preserves your reputation.

Here are some tips on how best to approach it:

- Carefully review the lease agreement to understand the terms related to early termination. Look for any clauses that
 specify conditions, penalties, or notice requirements for breaking the lease. Determine the required notice period for
 terminating the lease.
- Consider consulting with a legal professional to understand your rights and obligations. If negotiations become contentious, mediation may be a useful option to resolve disputes amicably.
- Be aware of any financial penalties or fees associated with breaking the lease. If you are the tenant, this might include forfeiture of deposits, payment of remaining lease amounts, or other charges.
- Initiate an open and honest conversation with the other party as soon as you realise you need to break the lease. Explain your situation clearly and provide as much notice as possible.
- If you are the tenant, arrange for the land to be returned in good condition, as stipulated in the lease agreement. This might involve cleaning up, repairing any damage, or completing ongoing maintenance. Ensure that all personal property and farming equipment are removed from the land before the termination date.
- If you are the tenant, offer potential solutions or compromises, such as finding a replacement, which may help mitigate the impact on the landowner. This can help reduce the financial impact on both parties and make the transition smoother. If this is possible, offer support during the transition period, such as providing information about the land's current condition or assisting with the handover process.

LEASE FARMER CASE STUDY

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REMI'S PATCH Transitioning Leases

Remi is moving his market garden to a new leasehold, a 20 Acre site within 20 minute drive of Melbourne. It is significantly larger than his first farm and he'll be moving away from the bio-intensive style he has been working in for the past 8 years.

"It will be regenerative. I've space to rest the land in between cropping. I'm moving away from the labour intensive small scale and the limitations that go with it. I want to do it all, and that's very hard on small acreage"

Before he considered leasing his first farm he had been managing market gardens in France, QLD and Victoria. He started with a Facebook post and heard back from a farmer who had all the fancy market garden tools and some experience with small-scale growing. It felt like a good deal and most importantly, it was affordable. So, after seeing the property, he decided to go for it with a verbal agreement and a future plan to draw up a formal lease.

Throughout the lease period challenges did crop-up. When this happened, he asked a third party to facilitate conversations between him and the landowner. It was often about changes in expectations over time - something might have been discussed earlier in the relationship but when it came down to changes onsite, or the need to make a final call, it wasn't always in line with how he had understood things to have been decided.

At these times he found it particularly helpful to have another market gardener as a facilitator, someone who understood the specific challenges and context of his daily operation and who could advocate for him.

When it came time to negotiate the lease, he made sure it was through a real estate agent - this built in the third party facilitator he had learned was key to successful relationship management. His new lease is in the more traditional style of a commercial business. Recognising the benefit of shared farming knowledge, he has also chosen to lease from a landowner who is an intergenerational market gardener themselves.

This time around he negotiated the first year rent free. Remi tells us this is standard for growers as establishment costs are high and you won't harvest for some time after transitioning.

AT A GLANCE

Farm Name: Remi's Patch Who: Remi Durand What: Market Garden Where: Wurundjeri Country/Keilor, Victoria Size: 20 acres

Arrangement: 9 year lease with a 3 year renegotiation period

He had hoped for free outgoings in that first year too, but it didn't eventuate. Under both lease arrangements some things that were initially discussed verbally, were changed or were no longer included when it came time to sign.

Having known from the outset that he will be leasing if he wants to stay close to his customer base in the city, he has built mobile farm infrastructure. He points out the time, energy and cost that it takes to move, so having a solid, long lease is preferrable. His current lease clarifies what infrastructure he would bring with him and where it would be installed on site. He hopes this will prevent any conflict in the future.

His advice for new players: "Don't rush. Don't only have a verbal agreement, have it on paper. Get a neutral third party involved who has farming knowledge. Don't isolate yourself, it makes it much more difficult."

FOR LANDOWNERS

ARE YOU A LANDOWNER?

Leasing land to tenants can be an effective pathway to succession planning for retiring farmers. It can also ensure the option of ageing in place without having to worry about keeping up the property.

This section is designed to provide 'food for thought' if you're considering leasing part of your property and highlights some of the benefits and key considerations.



Transition of Ownership

Leasing can allow retiring farmers to gradually transfer land management responsibilities to new operators without the immediate need for full ownership transfer. This can provide time for both parties to adjust and build a working relationship. A lease agreement could include options for eventual sale or transfer of the property, like a lease to buy clause. This incremental approach can make the transition smoother and allow retiring farmers to remain involved in the business if they would like to be.

Financial Stability and Risk Management

Leasing can provide a steady income stream, which can be provide financial stability during retirement. By leasing rather than selling, farmers can avoid the risks associated with a full transfer of ownership. This includes potential financial loss if the land value fluctuates or if the new owner fails to maintain the land in a way they are satisfied with.

Preservation of Farm Legacy

Leasing can ensure that a farm continues to operate and the land is used for agriculture, preserving the farmer's legacy and maintaining the land's value and productivity. Leasing can help maintain relationships with local communities and markets that the retiring farmer has built over the years, contributing to the farm's continued success.

Flexibility

Lease agreements can be tailored to include provisions for the future transfer of ownership or management. This flexibility allows retiring farmers to set terms that align with their retirement plans and the needs of potential successors. Leasing arrangements can be adapted over time to reflect changes in the retiring farmer's health, financial situation, or the needs of the tenant farmer. This adaptability helps manage uncertainties and can ensure a smoother transition.

Providing Opportunities for the Next Generation

Leasing land provides opportunities for new or young farmers to access land and start or expand their farming operations. This can be particularly valuable in areas where land access is a significant barrier to entry. Retiring farmers can offer mentorship and training to tenants, helping to transfer valuable knowledge and skills. This support can improve the likelihood of successful land management and farm operations into the future.

Mentoring a lease farmer may offer significant personal and professional benefits by allowing landowners to share their acquired knowledge and experience. Mentorship can ensure that their expertise contributes to the farm's continued success, but also provides a sense of purpose and legacy if they would like to still be involved in business decisions. By guiding the lease farmer, a landowner can enjoy the satisfaction of seeing their practices and values upheld. This relationship can be deeply rewarding.



FOR LANDOWNERS

Ageing In Place

By leasing out land the existing farmer can arrange to continue to live in their familiar environment without the physical and financial demands of managing the farm. This is important to lots of retiring farmers who want to maintain a sense of connection to the land and the local community, enjoying the benefits of their legacy without the daily pressures.

Succession Planning

Leasing land to tenants can offer a strategic approach to succession planning by providing financial stability, preserving farm operations, and supporting the next generation of farmers. It can allow retiring farmers to transition gradually, maintain their legacy, and manage risks effectively while setting the stage for a successful future for both the land and its new operators and set out a plan for the gradual changing of hands.

Tax Benefits

Leasing arrangements may offer certain tax benefits, such as potential deductions for leasing expenses or the ability to defer capital gains taxes if the land is eventually sold. Check with a suitably qualified financial adviser or accountant.

FINDING FARMERS

As a landowner you need to consider what it is that you can offer a land seeker. Approaching this process from the perspective of an 'offer' rather than an 'ask' can make all the difference between.

Finding a landseeker can be tricky. It will be key to find someone who aligns with your values and your way of farming or your desire of how you would like your land to be farmed.

HERE ARE SOME TIPS TO HELP YOU GET STARTED

Consider the reasons why you want a farmer on your land.

Is it as a way of giving back to the community of farmers, to share your knowledge with the next generation, or perhaps it is to ensure you can age in place. Or, perhaps you are a landowner but not a farmer yourself, yet you want to see the land used and improved.

How is it going to make you FEEL having someone on your land?

Are you a people person, do you like the idea of contact and activity going on on your property? What is the opportunity for someone coming to use your land? Would someone be able to make a living from your land with the facilities that are there and available?

What do you want to see and what are you hoping to get from any arrangement?

As yourself, what is your ideal scenario of the type of enterprise you want to have on your farm? Is it a balanced proposition - how can you bring about a balance in the power between you and the person you work with on your land?

Understanding some of the key characteristics of those relationships we have seen working well, will be key for your own success when venturing down this path.

Know your why and what your offer is, always build from a foundation of openness and transparency, set up the structure of your relationship with a landseeker and ensure you have regular meetings scheduled and agreed upon.

RESOURCES

Young Farmers Connect have a wonderful document that can assist you as a landowner to go through a decision making process and we have included this as Appendix 4.



Other resources to assist landowners include:

- Successful Land Leasing in Australia A guide for farmers and their advisers, published by RIRDC
- Grains Research & Development Corporation Leasing and Share Farming Factsheet
- Young Farmer NSW Leasing and Agistment Toolkit
- Open Food Network's research report, 'Alternative pathways to farm business ownership beyond inheritance'
- Young Agrarians in Canada have a great guide that covers various leasing options
- Farm Table is an Australian Agricultural Knowledge platform with lots of resources
- Australian Food Sovereignty Alliance's Farming On Other People's Land Project





Annemaree purchased her property 17 years ago. She studied agriculture and spent her 30 year career in the industry. Through her work she has explored lots of different enterprise models, formats and structures and found great value in the Co-operative approach.

Her first on-farm collaborator stayed with her for 4 seasons, but they never had a commercial agreement. It was reciprocal - he helped her out on the farm in exchange for establishing and running a market garden onsite.

"It was great, he was really knowledgeable and passionate about the whole farm and what I was trying to do. We collaborated on heaps of stuff and worked well together. He started the market garden, and together we started running chickens which I have since developed into a full commercial enterprise. With his help and our common vision, the farm was in a good place".

When Annemaree decided to ramp up the commercial side of the farm, they decided to find a new lease holder to take over the market garden. She was keen to make it a more commercial agreement; but still wanted the reciprocal, collaborative feel.

She put word out through Sustain Australia, Young Farmers Connect, other market gardeners she knew and on her own social media sites. After discussions with a group of growers, an enthusiastic young farmer with great references was signed on. They got hold of a lease template from another similar farm and adjusted it, going backwards and forwards until they came to an agreement.

The main considerations for her at the time were security of payment, ensuring the environmental attributes of the property would be respected through organic, regenerative practices and outlining safe working conditions and what insurances were in place. "Here I was with a 50 acre farm, heaps to do, and heaps of potential; but only one person to do it."

Annemaree Docking

AT A GLANCE

Farm Name: Dalhousie Farm

Who: Annemaree Docking

What: Mixed farm

Where: Taungurung country/Willowmavin, VIC

Size: 50 Acres

Arrangement: Lease Farming



LANDOWNER CASE STUDY DALHOUSIE FARM A Landowners Journey

With the benefit of hindsight, Annemaree says it's clear that both parties had different ideas about what shape the ongoing relationship would take, as well as what regenerative farming practice looked like. On top of that there were external stressors: the growth of a very basic market garden into a 3-acre bio-intensive project, extended dry conditions that required negotiation around water resources, while Annemaree had also recently left the security of her day job and invested in her first chicken tractor.

To reflect the challenges they had overcome, the lease agreement was annually reviewed. A stock and domestic bore needed to be changed to a commercial horticultural water right as the original water right was insufficient and contained high levels of salt. Then staff began working in the market garden which changed dynamics. How would the different parties interact with each other with Annemaree living on site? How could they grow the familiar, collaborative culture that Annemaree was trying to create when she didn't have knowledge of the market garden team or wasn't involved in their daily processes?

"I arranged for regular meetings and tried to model the style of communication that I was hoping for. We got into the groove of things, but it wasn't easy."

She reflects about how her experience with her first tenant differed from her experience with the recent tenant. She's more wary these days; a bit less starry- eyed. Her tenant is moving on to lease another property closer to their customer and labour base in the city.

"It's been good, and fraught and disappointing at times and great at others."

Annemaree's advice:

- Go into it with your eyes wide open.
- Managing land takes money, this is a possible income stream but it's NOT passive.
- Make sure you are clear in your communication.
- Take time to get to know the person you are leasing to and try to determine if your values are aligned.
- Have a whole farm land management plan in place.
- Share that with the lessee and use it to develop a collaborative land management plan.
- Think about your relationship management skills.
- Be really honest with yourself about your interests and capacity.
- How will you manage the conversations and situations that are not in your skill set or if you are under other time pressures and stresses?

Photo Credit: Dalhousie Farm

CONCLUSION

CONCLUSION

This is an exciting time of change, full of possibilities, but to ensure a strong future for farmers, we need to break down the barriers to entering agriculture and make land access easier and fairer. The average age of Australian farmers is 63 - we need to provide pathways to succession and empower retiring farmers to mentor the next generation, transfer knowledge, and age in place if desired.

Our vision for the future includes affordable and secure ways for farmers to steward land - because we value land as the foundation of food security, ecological health, and community strength. It can be a future where anyone who wants to contribute to a vibrant agricultural system has access to the land they need to make it happen.

This project originated from our commitment.to making this vision a reality.

It has, as always, been a privilege to speak with farmers about their experiences. We deeply appreciate the spirit of collaboration and the generous sharing of knowledge that is at the heart of our small-scale farming community. Thank you to those who gave their wisdom to this project.

As you embark on your journey, whether landowner or land-seeker, remember that you are part of a growing movement, committed to reshaping the future of farming. This toolkit is just the beginning and one of many resources available to help you navigate the complexities of land access with confidence and clarity.

You have the power to drive change in your community, to help build a future where land is more than just a commodity - where it is a shared resource, a foundation for food sovereignty, and a provider of community well-being.

As you move forward, know that you are not alone. You are part of this supportive and collaborative community of farmers, all working towards a more equitable and sustainable future. Together, we can ensure that farmland remains a source of life, hope, and opportunity for generations to come.

MAIN TOOLKIT TAKEAWAYS

- Work on farms, get diverse experience
- Don't skip planning & research
- Understand what land tenure model is best for your business plan
- Understand your value and your 'why'
- Relationships are key
- Work on your communication skills
- Develop an agreement in line with a land management plan
- Agreements take ongoing work to maintain
- Surround yourself with mentors and mates



APPENDIX 1

CHECKLIST Key Decision Making

Photo Credit: Moon Cheese Studio





Use this checklist when on site to help guide you assess all the important characteristics. Make lots of notes and take photos that you can refer back to when you are off site.

L	Location	our notes:
Z	Zoning	
C	Council area	
P	Past use	
A	Access	
C	Connected and available utilities	
V	Visibility	
	Local and state regulations	
A	Any restrictions (e.g. easements, public access requirements)	
	Delivery access	

Land

	Farm layout
	Site size/acreage
	Boundaries
	Topography
	Soil type
	Soil testing results
	Previous land management practices
	Wind breaks
	Water source
	Water quality
\Box .	Water testing results
\Box .	Conservation areas
\Box	Riparian buffers
\Box	Watershed areas
	Productive capacity
	Vegetation
	Weeds
	Invasive species
∐.	Environmental history (e.g. underground tanks)
Ш.	Predator pressure

Climate

	Average rainfall
	Season lengths
	Micro-climate
\Box	Prevailing wind & weather direction
	Recent climate events



Use this checklist when on site to help guide you assess all the important characteristics. Make lots of notes and take photos that you can refer back to when you are off site.

Infrastructure

 Access

 Roads

 Paths

 Sheds

 Animal shelters

 Outbuildings

 Food processing / wash and pack

 Power source - grid/solar

 Irrigation & water distribution

 Fences, gates & cattle grids

Housing

Existing dwelling
Potential house sites
Types of dwellings permitted
Apprentice\farm labor housing
Nearby housing opportunities

Community

Regional community info
Neighbours
Distance from community services
Distance from Ag supply or delivery center
Proximity to markets
Proximity to existing agri-tourism/Airbnb/anything that might increase traffic

Your notes:



Where do I start?

Are you interested in finding land to farm on but aren't sure where to start? This simple writing exercise may help you move forward if you are at the beginning of your journey.

Write it down

Many farmers looking for land will find out that they already have a solid start. By writing down your thoughts and questions you can take stock of what you know and become better prepared to communicate what you are seeking with others. Next you can think about the bigger picture.

The process offers a list of considerations to which you may like to build on with your own ideas. We hope it helps you gain confidence in your decisions and momentum to proceed with action steps, gathering resources and advisors.

Use this exercise in any way that is most useful to you.

- You don't have to follow any particular order
- Use full sentences or shorthand, draw or create lists
- Add your own ideas, questions and concerns

Your current situation

The arrangement I have for the land I currently farm is:

Short-term rental (< 3 years)

- Longer-term lease
- Intern/apprentice
- Employee
- Handshake/verbal agreement
- Written agreement
- l am not farming

The terms of my agreement are (for example, what is included (land, buildings, business), uses and restrictions, responsibilities, cost, length, renewal)





APPENDIX 3 WORKSHEET

Accessing Land for Farming

If an intern or employee, what have I learnt from my manager/property owner (for example, what is included in their arrangement, uses and restrictions, responsibilities, cost, length, renewal)?

What is working well?

What could work better?

Your vision

My farming goals are...

The farming operation I want is...



noto Credit: Fred and Hannah



Vision for my farm property...

Preferred land share arrangement - Lease for cash, lease for trade, lease to own, partnerships, sale, other...

Proposed farm practices: E.g. Organic, Biodynamic, regenerative, permaculture...

Availability to start - preferred start date ...



Adapted from youngfarmersconnect.com/land-links



Your needs

Land and features required...

Production type - Livestock, vegetables, mixed, etc

Cultivatable area if required (acres)

Preferred current state of the surface of the cultivable area

Describe your soil needs



Adapted from youngfarmersconnect.com/land-links



Describe your farm infrastructure requirements (for example: water for irrigation, parking for farm stand, fencing)...

Do you need the land to be fenced?

Do you require access to farm machinery and tools?

Describe your total water access and availability requirements

Do you require access for visitors/workers?



Adapted from youngfarmersconnect.com/land-links



Housing

Describe your housing / living infrastructure needs?

Do you require housing and/or onsite living opportunities?

Are you open to residents / owner living on property?



Adapted from youngfarmersconnect.com/land-links

WORKSHEET Offering Land for Lease

Are you a landowner interested in making your land available to another farmer but aren't sure where to start? This worksheet may help you clarify your goals and objectives and move forward to finding the right tenant.

When you're ready to begin negotiating an agreement you can use our lease template in conjunction with legal advice to formalise a lease.

Write it down

Photo Credit: Anna Brozek

By writing down your hopes for a future agreement and questions you have in the early stages you can assess what you know and become better prepared to communicate what you are seeking during any future negotiations.

The worksheet offers a list of considerations to which are just a starting point; build onto this with your own ideas. We hope it helps you gain confidence in defining your needs and momentum to proceed with gathering resources, advisors and advertising your opportunity.

Use this exercise in any way that is most useful to you.

- You don't have to follow any particular order
- Use full sentences or shorthand, draw or create lists

Add your own ideas, questions and concerns

Your why

What business objectives does leasing need to achieve?

Are you also meeting personal objectives eg. supporting next gen farmers, keeping agricultural land under production?



WORKSHEET Offering Land for Lease

Land details

Photo Credit: Anna Brozek

Describe the land you are looking to lease..

Property location (State, Region, Locality)...

Total land size (Acres)...

Non Arable / Arable Area...

Will there be any opportunities for the leaseee to expand...



Photo Credit: Anna Brozek

WORKSHEET Offering Land for Lease

What is the zoning of the property...

Current uses: grazing, market gardens, orchards etc...

Description and historical use of land available for farming...

Current practices & time periods: Organic, Biodynamic, regenerative, permaculture...

State of the surface of the cultivatable area...

Description of road access...

Electricity access & metering...

Mobile phone signal - Poor/Average/Good...



Adapted from youngfarmersconnect.com/land-links

Photo Credit: Anna Brozek

WORKSHEET Offering Land for Lease

Short-term goal or vision for land...

Long-term goal or vision for land...

Known environmental hazards - flooding, high winds, other...

Current residents living on property...

Local housing and/or onsite living opportunities...

Availability of farm buildings...

Is the land fenced? Yes/No/Partial.,..

Availability of farm machinery and tools...



Adapted from youngfarmersconnect.com/land-links

WORKSHEET Offering Land for Lease

Water Source...

Photo Credit: Anna Brozek

Water rights to these sources...

Is there restricted access for visitors?

Preferred agriculture production - diversified vegetable, livestock, orchard etc...

Preferred farming practice - Biodynamic, Organic, other...

Soil Details...



Photo Credit: Anna Brozek

WORKSHEET Offering Land for Lease

Agreement - what are you hoping for?

Preferred agreement i.e. Lease for cash, lease for trade, lease to own, partnerships, sale, profit share, other...

Preferred agreement duration...

Would you be willing to mentor or advise the entering farmer(s)? Yes/no/maybe...

Will you require references or a certain amount of experience?

What would you charge? How would you establish a fair rate?





TEMPLATE Example Lean Canvas Business

SUNG FARM CONNEC

> How many different types of customers do you have? Consider demographics, location, behaviours and value Think about the total econom your target audience large enough to support your size of your customer base enterprise now and as you gr your business?

How do your customers alread find out about your type of How much do they already spend on your product/servic

What are their purchasing behaviour and patterns? product/service?

Try using your RDA website, Local Gov economic data, existing market surveys etc to understand your custome demographics.

Revenue Streams

Consider how to increase your business resilience and decrease ris What will you be getting paid for? How will you get paid? What other ways can you raise revenue (income diversity)? How will you measure and assess your income/cash flow? Consider add-ons or services that could build revenue withou too much additional work

What are your greatest risks how can you prepare for them? Complete a SWOT and Risk Analysis.

Cost Structure

Are you competing in a cost-driven marketplace (lowest cost) or are you Identify your fixed and variable costs - will they change over time? Consider: rent (or profit share), insurance, inputs, labour competing in a values-driven marketplace? What are your most important costs? Can you afford to pay yourself?

What is your competitive strategy / competitive edge

-EAN CANVAS BUSINESS TEMPLATE Define your customers Market Segments What is your relationship to the customer segments? Customer Relations Why will your customers spend Your Value Proposition Key Activities Key Partners

customer relations, find, grow and maintain them? strategy, is the space already saturated, how will your unications stay How will you connect to your customer segments? Consider your communication frequency, accessibility. How How do you intend to build communication change over Is it highly personalised (service), direct or remote (time, between new and existing customers, the Is your process novel or wholesale to retail) Channels unique? fresh? can your com How are you meeting the need or demands of your customer and how are you doing it better than the competition? money on you, your product or your service? What is different or compelling about your connect with consumers enough for them to be curious and convert them to sales? Does the message around your Try a test with your customer segments via a survey tool or potential customers. Do your assumptions hold up? onvenience, story, social or farm, product, or service environmental goals, or atisfaction that it brings informal interviews with Focus on your product's to customers. offering. you have already (assets, nowledge, skills) and what do you have to outsource? Review the right 2x columns: What key things will you have to do to deliver. How will you provide value to each customer ocation, raw materials, market segment, create relationships What do you need? What do Consider your needs for finance, people, partners, and create revenue? Key Resources access or can you build to support key activities or bring resources and support to your business? What partnerships do you have they will help increase revenues decrease costs, or share risks Identify key partners and how - Sales -Distribution Delivery Sales platforms Web design Advertising RFCS Farmers Markets - Value Adding -Processing Manufacturing Packaging **Business Skills** For example



LEAN CANVAS BUSINESS TEMPLATE

	12	ualysis. u prepare for them?
Channels	Revenue Strea	Complete a SWOT and Risk Analysis, What are your greatest risks how can you prepare for them?
Key.Resources	st Structure	What is your competitive strategy / competitive edge
	S	What is your compet

Complete this Lean Canvas as a single page brief overview then consider exploring each box segment with more detail in your business plan



This template is provided as a guide to assist landholders develop a Land Management Plan.

A land management plan may also be called a Whole Farm Plan, Property Management Plan, Integrated Land Management Plan or a Conservation Management Plan, and aim to improve farm decision making and the management of productivity, ecological and social issues.

Property Summary

Landholder Name	
Business Name (if applicable)	
Property Name (if applicable)	
Property Identification Code (PIC)	
Property Size	
Municipality	
Planning Zone	
Overlays	
Bioregion	
Soil Type	
Rainfall	

TEMPLATE Land Management Plan

Primary Use of Property (eg grazing livestock, horticultural, mixed enterprise, bush block)

Proposed Use of Property

Aims for the property (eg, to improvide biodiversity, to run a business, to produce food)

TEMPLATE Land Management Plan

Description of Land (provide a general description of your property, this includes location, topography, size, waterways, vegetation cover etc.)

Description of Neighbourhood (provide a general description of the surrounding land use; e.g. cattle stud, horse stud, sheep grazing, vineyard, plant nursery etc.)

Access (provide a description of your existing and or proposed property access and internal roads, tracks and driveways when designing a proposed access.)

TEMPLATE Land Management Plan

Site Plans

Include a current land use site plan (map) of the property. The plan must include all existing structures, assets, features and land use:

- all buildings, structures etc
- all fencing
- legal point of access and internal tracks
- services (power, gas etc)
- dams, waterways and springs
- bores and stock watering points
- vegetation including paddock trees (differentiate between native and non-native plants)
- areas prone to flooding
- areas impacted by salinity
- areas impacted by erosion including gullies
- areas of different soil types
- areas of pest plants and animals
- agricultural activities/areas such as cropping, livestock grazing, orchards, vineyards etc.
- areas covered by a legal covenant (e.g. registered native vegetation offset)
- areas protected for biodiversity (e.g. fenced off remnant and or planted vegetation)

Include a proposed land use site plan (map) of your property detailing any proposed alterations, additions and enterprise details. The plan must include all proposed structures, assets and features, including:

- proposed buildings, structures etc
- proposed fencing
- proposed point of access (if different from existing)
- proposed internal tracks
- proposed new utility services (e.g. power, gas etc including easements)
- proposed dams, bores and stock watering points
- proposed agricultural activities (e.g. areas to be cropped, grazed, planted for orchards, vineyards, farm forestry etc)
- areas of proposed pest plant and animal control, including methods
- methods of protection for existing vegetation e.g. stock proof fencing: consider Tree Protection Zones
- proposed planting/revegetation areas and methods of vegetation protection e.g. stock proof fencing.
- any vegetation proposed to be removed > proposed areas for salinity control works and or erosion control works



Land Use Zones

Describe each land use zone in more detail as identified in your site plan, e.g. defendable space, conservation zone, riparian waterway zone, agricultural zones, revegetation zone, recreational zone (including the dwelling).

Land Zone	Description (inc type of vegetation present	Proposed Land Use

TEMPLATE Land Management Plan

Soils

What type of soils are present?

Details of soil test results

Does the soil change across your property? What does the soil test indicate to you about land use? Are there any erosion issues?

TEMPLATE Land Management Plan

Farming activity (if applicable)

Grazing Stock

Area currently used for grazing	
Area of proposed grazing	
Current stock numbers	

Stock Type	Number	Feeding Requirments

Pasture renovation (Explain the method and timing of any pasture renovation/improvement works)

TEMPLATE Land Management Plan

Farming activity (if applicable)

Horticulture/cropping/agroforestry

Type of crop/species	Area currently used

TEMPLATE Land Management Plan

Water

What is the current water supply?

Domestic water supply	
Number of dams and bores	
Creeks, wetlands or watercourses	
Annual rainfall	
Fire water supply	
Number of tanks/capacity	
Water supply for stock/cropping	

Outline the steps you will take to ensure the protection and enhancement of the waterways

TEMPLATE Land Management Plan

Native plants and animals

Describe the native vegetation on your site.

What nativa animals have been found on the property?

How will you protect and enhance your native vegetation and animals?

TEMPLATE Land Management Plan

Weeds, pests and diseases

Create management plans for weeds, pests and diseases

Weed Name	Location	Timing/frequency	Action (technique and person responsible)	When completed

Pest	Location	Eividence	Action (technique and person responsible)	When completed

TEMPLATE Land Management Plan

Weeds, pests and diseases

Create management plans for weeds, pests and diseases

Disease	Location	Timing/frequency	Action (technique and person responsible)	When completed

Land management works plan

Provide a summarised action table of the identified key works to be undertaken

Action	Location	When commenced	Person responsible	When completed

TEMPLATE Land Management Plan

Revegetation Plan

Trees

Scientific Name	Common Name	Quantity

Medium shrubs and understorey trees

Scientific Name	Common Name	Quantity

TEMPLATE Land Management Plan

Revegetation Plan

Small shrubs

Scientific Name	Common Name	Quantity

Grasses and ground covers

Scientific Name	Common Name	Quantity



BREAKING DOWN THE BARRIERS

LAND ACCESS TOOLKIT A GUIDE FOR THE SMALL-SCALE FARMING SECTOR