



Different Pastures

opting out of farming

Many different issues unique to agriculture can influence a family's decision to depart from, or stay in, farming. Market fluctuations, severe weather conditions and social changes are some factors placing pressures on the modern Australian farm family. While there is a high commitment by farmers to their business and land, some do opt to exit from farming to pursue other avenues. It can be a lengthy and difficult process before a decision to 'leave the land' is reached, but for those who choose to leave an improved quality of life may be waiting.

One family that has been through the tough process of selling their properties and successfully moving into new pursuits is the McDonalds of Queensland. The McDonald forebears, immigrants from Scotland, originally settled near Hamilton, Victoria. In the 1920s the family moved to Condobolin in NSW and continued with broadacre farming of sheep, cattle and wheat.

Mick McDonald, one of four brothers, was only six years old when his father decided to branch off to Queensland in 1979 to do his own thing. The reason for the move was opportunity. Mick described the land as "virgin country" which, once cleared, brought the family a lot of prosperity.

"The real attraction was that not only could we grow wheat, but a couple of months later another crop (sorghum, sunflowers, cotton) could be grown. This doubled our ability to make money," Mick said.

Initially 7,500 acres was purchased with more added until up to 11,000 acres was farmed and another 5,000 leased for cattle. While the McDonalds did brilliantly in their new location for the first 15 years, they then met a few serious problems. A succession of "really, really poor years" and soil erosion/exhaustion led to diminishing returns. Changing family dynamics, as the four brothers developed their own interests and families, showed that it was time for the whole McDonald clan to seriously contemplate their future.

Mick had met some rural consultants at industry conventions; he was impressed by their skills and knowledge and decided to use their services

to facilitate a family meeting. He expected this would help to develop a way of better utilising the properties' assets to make them more sustainable. All four brothers, their parents and other relatives were involved in the decision-making process, which in the end became focused on the future of the family farms.

The consultants conducted in-depth analyses of the potential of the properties and held a workshop in Rockhampton to sort out goals and strategies. Guest speakers were brought in to present different farming models. A personality analysis of each family member revealed his or her aims, aspirations and characteristics. The purpose was to clarify whether each individual really wanted to be in farming and to provide some clues to the dynamics of the family's communications and planning capabilities.

Mick commends the consultants for being able to "draw out the intrinsic values of each family member" – including wives and husbands – and to work out what was best taking into account everyone's talents and the farm assets.

At the end the written report presented an honest appraisal of what the future might hold. It outlined the possibility of staying in farming but pointed out it would have been very difficult and possibly not allowed each family member to reach their potential.

"The family looked at the report and were shocked, thinking 'this can't be right!' – but in fact it was right. We weren't being told to get out of farming by the consultants, but in revealing the information we were actually telling ourselves. We just needed it pointed out to us."

Mick believes a lot of families go through a similar process of disbelief and shock.

“There’s no doubt the family needed outside help in order to work out what to do. I cannot speak highly enough of the consultants’ help.”

A property agent was also brought in to evaluate the property assets, and a solicitor to sort out succession processes. The solicitor was highly experienced in family matters and supported the decision to depart from farming. He provided professional support in planning for their new life and helped them understand that, despite the heartache, they would “get over it”.

Mick says his family was able to “swallow our pride” and take the advice to exit.

“We could have stayed there, making a living, but it would not have held as much joy.”

He also feels strongly that a lot of family farms don’t properly value succession planning. His parents “couldn’t be happier” and his brothers and their families are all happy with their decision.

Mick now works as a commodities trader for Jossco Australia in Toowoomba. The eldest – David – is in a syndicate of childcare investors, with some involvement in an Angus cattle stud. Another brother, Tony, studied commerce and now manages farm equity trading share options on the ASX. The youngest – Rob – is in Japan playing rugby union “doing what he really loves doing and is successful at”.

However, Mick says they all maintain a strong interest in farming and rural issues.

“You can’t just step out of it... if it’s bred into you, interest in issues and opportunities in the bush stays with you.”

Mick is passionate about the fact that anyone can open up their world to opportunities and it frustrates him that people, especially farmers, talk themselves down.

“If you can make it in agriculture – and get through drought, flood, grasshoppers and mouse plagues – you’ll make it work anywhere!”

Mick’s Recommendations

- the first step is the hardest – it then gets easier and exciting
- seek and get advice from experts
- involve all family members in the decision-making process
- acknowledge the importance of succession planning
- consider all your options and be open-minded
- make the most of opportunities
- believe in your abilities and potential

See RIRDC’s report: *Leaving the Land* – a study of Western Division grazing families in transition (2002) for more case studies



◀ Mick McDonald, of QLD, tells of his family’s decision to shift out of farming into a range of new pursuits