Facilitating first and next generation entrants into food production asset ownership :*and the entity structures, business models and policy recommendations to support them.*

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Executive Summary

Farmland and fishing quota are unique investments. They have achieved exceptional returns over sustained periods of time irrespective of seasonality, commodity price and fluctuations in global markets for the goods they produce. In some key agricultural production areas, farmland prices have increased up to 800% since 2000, with the average for the same time period being around 256% according to the Australian Broadcasting Corporation.

This very welcome news for land and quota owners poses a question about how to facilitate the transition of ownership to the next generation - and to those who are completely new to primary production - first generation food producers.

This report is for aspiring and retiring primary producers. It is also for policy makers that are interested in ways to soften the landing of what could be an uncomfortable and unprecedented period of enormous wealth transition in the Australian agriculture sector - a changing of the guard. The report considers why there needs to be a new guard at all, who they should be and how we can dress them up for the occasion.

The report focuses on ways to harness budding first and next generation food producers by providing case studies of inspiring individuals who have made a start around the world as well as genuine options for entity structures and business models that might make the difference between success or failure in their first few years of business ownership.

Collaborative models of asset ownership feature prominently - land trusts, multi-generational family farming models and partnerships of old and new. The report acknowledges the changing demographic of today's farmers, fishers and primary production families.

Promising entity structures, business models and entrepreneurial mindsets from around the globe have been analysed and summarised to provide readers with a high level overview of some options that can facilitate and unlock the passing of the baton from those who made Australian agriculture into the powerhouse it has been, into the modern, diverse, resilient and sustainable organism that it needs to be to compete on the global stage in the 21st century.

Policy recommendations have been formulated which aim to address the barriers to entry for first and next generation food producers. These recommendations have taken into account real world successes and are set against the backdrop of the changing demographics of the modern food producer.

Keywords: Succession, entity structures, business models, first generation, next generation, policy recommendations, wealth transition, ownership transition.

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Facilitating first and next generation entrants into food production asset ownership :*and the entity structures, business models and policy recommendations to support them.*

Foreword

I have always been interested in farming. As a city kid, born and raised, my journey to becoming a farmer may not have been as obvious as a farmer's son but the dream has stuck with me. I'm not quite there yet, but my mantra is to be a 'full-time farmer by 40'. At the time of writing this report, I am five years into my farming career. My wife, Aimee, is also from the city and as of this year is working solely in our farming business. We are parents to two young children, who are the first country kids in our family tree in three generations.

Aimee and I own a 100 acre block in Hindmarsh Valley, South Australia which is the hub of our beef cattle business. The majority of our cattle are run on agistment and leased land, which altogether, total approximately 800 acres. Our three major markets are private sales, the Willunga Farmers Market thanks to our partnership with the Paech Family, and our local saleyards - Mount Compass, Strathalbyn and Naracoorte.

Growing our business is my passion and my Nuffield Scholarship has allowed me to travel the globe researching how first generation and next generation entrants are able to get into food production asset ownership and grow a primary production business from scratch.

The divergence of land value and commodity value has made the pathway for first and next generation farmers substantially more difficult in recent years. Without a benefactor, a second job or a unique entity structure or business model, purchasing land with traditional debt finance and being able to service it with farm income alone is economically, and mathematically impossible. This is becoming a global issue. From Australia to Canada, the United States to Kenya, I witnessed this value separation up close. Whilst the traditional methods of farm asset ownership seemed difficult, creativity, passion for agriculture and enthusiastic business people seemed to find ways to balance their books.

I am a proud advocate for first generation farmers. Whilst conceptualising policy recommendations and business models for this report, I have sometimes caught myself feeling as though they would be to the detriment of established farming businesses, or at least putting them in the back seat. I want to express to readers of this report that I have an unwavering respect and admiration for multi-generational farming businesses and families. In many instances they are my role models, my friends and my mentors. My hope is that by supporting and uplifting first generation farmers and new entrants, that established farming businesses do not feel as though I am looking for methods that will squeeze them out - I am not - and this report will comment on the balance that I believe is required for Australian food production to meet its objectives and the objectives of its consumers.

First generation, and 'next generation' entrants (a term I use throughout this report for the children of established farming and fishing business and asset owners) have a lot of similarities. Both are usually trying to justify the purchase of expensive farm land or fishing quota, relative to the commodities and income it can produce, and both are usually struggling to finance their way into the business without some kind of benefactor.

My travels, conversations and learnings during the course of my Nuffield Scholarship, have led me to a belief that the scene is set in 2025 and beyond for the potential of a major shift away from family owned farm land, to corporate owned operations. I have no personal agenda against corporate farms or food production. I believe that a mix of corporate farms and family owned and small scale farms will provide the globe with food security, resource efficiency, employment, nutrition, quality, environmental stewardship, choice and overall happiness through food. In some instances, the weaknesses in one model are compensated by the strengths of the other.

What is apparent though is that without clear pathways combined with intelligent policies, first and next generation entrants into food production will face an increasingly difficult set of challenges, which will preclude them from contributing to the global food account. I believe that this will be to the detriment of consumers, and ultimately communities.

I am researching this topic to provide information to budding first generation food producers, children of farming and fishing families and policy makers about how Australia and the world can continue to have a balanced food production system which will aim to satisfy all of the modern world's requirements. This report will analyse some of the different entity structures and business models that I have encountered around the globe that facilitate first and next gen food producers (both land based farmers as well as wild catch fishers and ocean based aquaculturists) entering the industry and acquiring equity in primary production business.

Whilst my research topic did not focus on the behavioral and attitudinal characteristics of successful first generation and multi generational business owners, I have come to learn that entity structure and business model alone are not enough to create a long lasting, sustainable agribusiness. In my experience, mindset, relationships and other soft traits are often the mortar holding strong business foundations together. This report however is not designed to provide business coaching and explain the 'one-percenters' that new entrants need to engage in to make their business successful, however I will present some examples of these elements that have been leveraged by new entrants. Cold calling and emailing, incidental interactions from attending industry events, follow up text and social media messages after meetings and the personal sacrifices made by you and your family, are personal choices that I believe will put you ahead of the field when trying to enter any industry, but should not be considered when informing policy that should apply equally to any interested participant.

Figure 1. My first farm visit as a 4-year-old city kid in 1996. (Source: Author)

Table 1. Travel itinerary

Travel date	Location	Visits/contacts
Contemporary Scholars Conference **9-16 March 2024**	Brazil Matto Grasso Du Sul	Brazilian Agricultural Research Corporation (Embrapa) JBS Brazil Sapé Agriculture
Global Focus Program Week 1 **4 August - 10 August 2024**	New Zealand Auckland Tauranga Taupo Napier	Jurassic Ridge Winery James Allen - Omaka Dairy Farm/Dairy New Zealand Simon Cook - Zespri International / Kiwifruit Breeding Center / Trevelyan's Kiwifruit Packhouse Andrew Cridge - Scion Forestry Research Center Kylie Leonard - Fonterra Reporoa Site Rachel Baker - Rockit Global Ltd/ T & G Global/Askerne Estate Winery Lochinver Station Rangataiki Station
Global Focus Program Week 2 **11 August - 18 August 2024**	Canada Toronto Nova Scotia	Crosby Devitt - P& H Milling Group Bay Area Restoration Council Summit Station Dairy Lauren Parks & Josh Oulton - Just Us! Coffee/Woodside Cannabis/Halls Harbour Lobster/Noggins Corner Farm/Taproot Farms/Hutchinson's Sugar Bush/Van Dyk Blueberries/Halifax Farmers Markets
Global Focus Program Week 3 **18 August - 25 August 2024**	United States of America Nebraska	Scotts Bluff National Monument Western Sugar 21st Century Ag John Deere Strategy Feeders - Bison Feedlot Flying Diamond Ranch Darr Feedlot Dekalb Cornseed Production Facility University of Nebraska-Lincoln
Global Focus Program Week 4 **26 August - 31 August 2024**	Kenya Athi River Nanyuki Mount Kenya	International Livestock Research Institute AusQuest Farms Insectipro Sunripe AgVenture Kisima Farms Blackbeard Shamba Kakuzi Farms
Global Focus Program Week 5 **1 September - 6 September 2024**	Northern Tasmania	Rosemount Ag Ashby Merinos Tasmanian Berries MG Farms Macquarie Oils Tas Drone Solutions
Individual travel **16 October - 26 October 2024**	Rome, Italy	FAO World Food Forum 2024 and 52nd Committee on Food

		Security as a participant in the private sector mechanism and representative of Seafood Industry Australia.
30 October - 1 November 2024	Cornwall & Somerset, England	Will Treneer, Newlyn Peter Green, Truro Chris Manley, Taunton
2 November - 6 November 2024	Ireland	John Keane, Erril Nick Cotter, Abbeyfeale Dominic Rihan, Galway
28 November - 29 November 2024	New Zealand	Gaby Fleming, Otago Craig McGregor, Otago
6 December 2024	Port Lincoln, South Australia	Price Marshall, Coffin Bay
20 March 2025	Lucindale, South Australia	Graham & Sam Clothier
30 May - 1 June 2025	Michigan, USA	Paul Windermuller
2 June - 4 June 2025	Montana, USA	Tim & Crissy Thomas
5 June - 8 June 2025	Alaska, USA	Amy Shaub Emily Scott
9 June - 12 June 2025	Saskatchewan, Canada	Tatum Claypool Thomas, Jordan and Kendall Fransoo Erin and Brett Blaquiere Barb, John and Morgan Cote

Acknowledgments

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The Fisheries Research and Development Corporation has not only sponsored my Nuffield Scholarship, but has supported me throughout my career since we were introduced in 2018. I am extremely grateful for this and owe much of my professional development to the FRDC and its staff, in particular to Dr Patrick Hone, who has recently retired from his role as its Managing Director.

Wayne Dredge (2014 Nuffield Scholar) and Dennis Holder (2016 Nuffield Scholar) who introduced me to the Nuffield Scholarship and encouraged me to apply in 2024. Both of them have mentored me and helped to get the most out of the experience.

The South Australian Blue Crab Pot Fishers Association provided me with two tranches of scholarship funding to help me complete my individual travels. Jarrad, Angela, Christy, Adam and Garry Barnes as well as Dennis and Karen Holder have generously supported these sponsorship payments.

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My fellow GFP6 travellers for the once in a lifetime experience we had together and the amazing friendship we share today.

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Ben Loewith	The Melvin Family	Will Treneer
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Craig McGregor	Jamie O'Connor	Paul Windemuller
Tatum Claypool	Crissy & Tim Thomas	Amy Schaub
John Cote & Barb Stefanyshyn-Cote	Emily Scott	Thomas Fransoo
Erin & Brett Blaquiere	Matilda Phillips	Graham & Sam Clothier
Price & Lester Marshall	Chris Manley	Andrew Beattie

To my friend Ben Dohnt who fed, checked and moved cattle for the months I was away.

My wife Aimee for supporting and encouraging me to do all of this. For holding down the fort whilst I was away with our two young children under three years old and at times - during calving & drought. You are amazing and I love you.

Abbreviations

ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ALFA	Alaska Longline Fishermen's Association
BCLMP	British Columbia Land Matching Program
CDQ	Community Development Quota
CGT	Capital Gains Tax
DTC	Deckhand to Captain (NEYFA training program)
ESS	Employee Share Schemes
FMDs	Farm Management Deposits
IFACC	Innovative Finance for the Amazon, Cerrado and Chaco
ITQ	Individual Transferable (fishing) Quota
NEYFA	New England Young Fishermen's Alliance
RIC	(The Australian Government's) Regional Investment Corporation
TAC	Total Allowable Catch
YFN	The Young Fishermen's Network (UK)

Objectives

The objectives of this research and report are:

- To investigate and analyse **entity structures** that are being successfully used by first and next generation food producers.
- To investigate and analyse **business models** that are being successfully used by first and next generation food producers.
- To summarise the **attitudinal and behavioral traits** common amongst successful first and next generation food producers.
- To recommend **policies** that support first and next generation food producers entering asset ownership in Australia.

Introduction

In exploring ways for new entrants into agribusiness, it is important to consider the benefits of doing so in the first instance. Attracting new entrants is important to business continuity and driving innovation in all industries. These principles are no different in agriculture, however, what makes it unique is its fundamental importance to society's survival, health and cohesion. In 1906 Alfred Henry Lewis, an American journalist, wrote, "there are only nine meals between mankind and anarchy." The stakes are higher for agriculture when attracting new entrants to maintain its continuity and its need to constantly innovate to improve.

When considering the benefits of attracting new entrants into agriculture, some philosophical questions arise. Foremost, 'Who cares who produces food, so long as it gets produced?'. A vegetable plot feeds no more families if it is owned by a sixth-generation farmer or a superannuation fund? Or does it?

This leads to follow-on questions;

> 'Who is the best at producing food, and should it be them alone who hold the responsibility for producing enough food for the community? Is that responsibility determined at birth?'
>
> 'What makes the 'best food'? Its volume and capacity to fill a belly at low cost? Its nutrient density and its capacity to deliver what the human body needs to be healthy? Is it consistently safe to eat and free from residues or bacteria? Its environmental credentials and its impact on the planet? Its taste and its capacity to make you happy when you eat it?'

An answer to these questions might be - 'well, it depends, and maybe we need a balance'.

There needs to be a broad spectrum of producers with wide ranging freedoms and business goals to produce food that is available and affordable, healthy and nutritious, environmentally sustainable and makes us happy and fulfilled when we eat it.

There is a place in agriculture for every type of producer. Multigenerational farming families bring the wisdom and the work ethic needed to get a new enterprise off the ground. They offer history and give a place its identity. Corporations bring the ability to produce food at scale, make it affordable and deliver it to the world whilst allowing local feeder industries to survive. They are sometimes the largest employer in a region which would otherwise be deserted.

And then there are the first generation and new entrants, who can re-energise food production. They can bring new ideas from other sectors, new business goals that bend the business-as-usual dynamic that can stifle innovation, different skills and often an off-farm income that enables them to take risks that would be forbidden by a stable farming business. They might not even know that it was a risk. Younger families contribute to regional activity and culture - they fill football teams, mothers groups and keep the coffee machine on in mainstreet cafes.

A point of leverage that first generation farmers and new entrants have over established operators is that they need to compensate for their lack of capital by being willing to work harder, for longer and for less monetary return in order to create a business that will eventually gainfully employ them. This makes them attractive propositions for processors who favor fixed term supply agreements, for example. In this instance, the arrangement can work as a win-win. The fixed term of supply will enable a new entrant to acquire equipment and assets that will outlast the supply agreement, and the processor will find a partner that is generally willing to supply them for the full duration of the term, rather than seek a new buyer, especially if the equipment has been financed. Financed equipment generally leads to a lower rate of return, but is attractive to a new entrant for obvious reasons and the security of a supply agreement will de-risk the borrowing.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) provides some analysis into the average age of ‘farmers’ in Australia, being both farm business owners, as determined by their source of income in their tax return and also agriculture employees. This data, which is updated and published on a regular basis often shows a slight increase in the average age of these groups which on face value gives some cause for concern about the future of the workforce in the agriculture sectors. This can be misleading though, as it does not provide context and comparison with the age of the general population or workforce in other sectors. Alternative performance indicators for the agriculture sector could be related to new enterprise commencements or number of first time agri-borrowers.

This report is designed to provide information to first generation and next generation farmers and fishers, retiring farmers and fishers and policy makers. By investigating and analysing the entity structures and business modes that are being successfully used by first and next generation farmers, the report suggests some policy changes that will facilitate the growth and rise of the next generation, which for the reasons outlined above, is something that should be valued.

Entity Structures

Introduction to entity structures

As in farming, all decisions regarding entity structures come with trade offs. There are many options available to business owners when it comes to the setting up of the enterprise from a structure perspective. Most readers of this report will know that a structure can be expanded, altered, reduced or transitioned at almost any time during a businesses lifecycle - noting that these changes may also trigger certain implications and trade offs. It is difficult to provide general advice regarding structures due to the complexity of the factors that should be considered when establishing a business structure.

In Australia's food production sectors, the most common entity structures are sole traders (sole proprietors), partnerships and companies. Larger farming entities often utilise separate asset holding, employing and operating entities which may include unit and discretionary (family) trusts, additional companies, or self managed super funds.

There are several factors that should be considered when designing entity structures for all businesses, and especially family farming businesses. An accountant, lawyer or succession planning advisor will ask questions of a business owner to ascertain the characteristics of the business, its model, its owners, its future, its past and others in order to design and suggest a suitable entity structure.

The table in Appendix 1 acts as a directory, or translation tool for a business to use during these discussions. Business owners, or aspiring business owners that have a good understanding of entity planning and the entity planning process will be able to provide better and more relevant information to their advisors that will ultimately lead to a better structure. The table is to provide additional insight to retiring or first generation farmers and fishers who may not have experience with legal or accounting terminology that relates to entity structures or succession planning.

Entity structures for first and next generation primary producers

Syndicates and 'shadow equity'

This structure allows the integration of debt and equity finance to acquire farming (or fishing) assets and provide an opportunity for a manager or other key personnel to have equity in the business as a method of staff retention. It is attractive because it reimagines compensation and employment incentives such that it makes a primary production pursuit comparable to other industries that are able to use these models. The flexibility of the structure and the willingness of the shareholders to offer shadow equity enables the enterprise to build talent pathways for promising staff beyond offering larger pay packages by offering them a sense of ownership via shadow equity in the business.

Shadow equities are not shares or units. They are still owned or held by a person or entity and offer many of the same benefits as 'normal' shares or units. If the business pays a distribution or dividend, the holder of the shadow equities still receives their proportion. If the value of assets goes up (or down) then the value of their shadow equity also changes. If the manager leaves, they will receive the value of their shadow equity on exit.

This model has been successfully employed by BWB Management in Tasmania. BWB uses the syndicate model to fund the purchase of dairy farms, or greenfield conversions. They do so by leveraging private wealth, dairy farming experience and previous borrowing credentials and reputation to acquire top up debt finance from banks. Andrew Beattie, Director of BWB Management Pty Ltd notes that the difference between a good manager and an average one can be significant. He estimates that on a 1000 cow farm, the increase in operating revenue can be as much as between $500,000 and $1 million AUD. For this reason, the company offers 'shadow equity' to top performing managers. The farm group creates the shadow securities, and then lends the manager the funds to purchase them. The shadow securities have the same financial benefits as the 'normal' units and shares combined (stapled securities). Therefore, managers receive their proportion distributions relative to their holdings, as well as their share of capital gains or losses. On exit, the manager will receive the value of their shadow equity and pay back any debt owing. A formal loan agreement is in place that outlines the terms and a commercial rate of interest applies.[1]

Share milking and share farming & fishing

Share milking is common in Australia and it is estimated that in 2012, approximately 17% of Australian dairy farms were operated under a share farming arrangement.[2] The model is much more entrenched in New Zealand's dairy farming industry. Statistics from 2020 show that 29% of dairy farms in New Zealand operate under a share milking agreement and a further 19% under a contract milking arrangement.[3]

Share milking models allow an equitable separation of ownership between the landowner and milker whilst also offering the milker in some instances to grow equity in the herd, which can be mobilised at a later date if the parties agree. Given the value of milking cows is relatively high compared to other goods, including land in some cases, share milking can allow first and next generation farmers to save a deposit for their first land asset by liquidating the cows when an opportunity arises.

Share farming of other commodities can also allow a new entrant to accrue equity in a herd or flock, but the cash flow of higher intensity farming allows both parties to keep up with their payables in the meantime.

A share-fishing or 'share of the catch' model can also facilitate new entrants into fishing businesses. In quota managed fisheries, where a retiring fisherman has the licence and access to fish, but not the motivation or physical ability to go to sea, a young fisherman can bring the equipment, being a vessel, in a similar way that a sharemilker may bring the cows, in order to achieve full utilisation of the quota asset.

Will Treneer is a fisherman in Cornwall, UK, operating out of the port of Newlyn. Will built a relationship with a previous employer and worked towards a model where they co-financed the construction of a new purpose-built sardine vessel - the FV Inter Nos. The vessel is highly efficient at harvesting and unloading wild sardines and has a larger carrying capacity than most other boats in the fleet. As this allows a lower catch cost per kilogram, Will is able to justify the financing of the purchase of his own sardine quota, which he can land on the same vessel.[4]

[1] Personal communication, Andrew Beattie, Director BWB Management Pty Ltd, 13 September 2024.
[2] Share Dairy Farming in Australia Model Code of Practice, Dairy Australia Limited 2014.
[3] 'NZ dairy production hits record in 2020, despite lower cow numbers', Jamie Gray, New Zealand Herald, 15 December 2020.
[4] Personal communication, Will Treneer, Captain FV Inter-Nos, 30 October 2024.

Leveraging a young person's skillset and enthusiasm to grow the industry provides win-win situations for retiring farmers and fishers and new entrants alike.

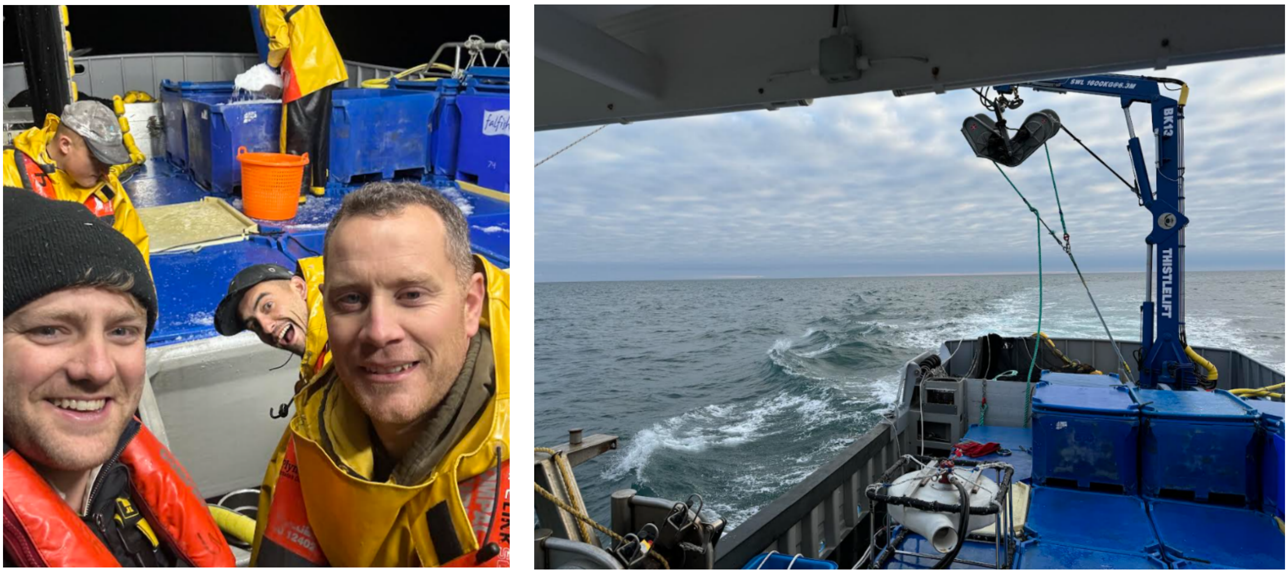


Figure 2. Fishing with Will Treneer and his crew off the coast of Falmouth, Cornwall. (Source: Author)

Land trusts

A land trust is a legal entity, often a non-profit organisation, that acquires, manages, or holds land for specific purposes, most commonly for conservation or community development. North America is home to numerous land trusts, with over 93% of US counties hosting at least one of them.[5]

A land trust in an agricultural setting is an entity and a framework that will allow a landowner to transfer their land into trust on the condition that the land will only be used for the purposes set out in the Trust Deed. The most common condition is that the land will be kept in agricultural production in perpetuity. This has obvious trade-offs for the landowner, most notably that it may inhibit capital growth as a prospective buyer will be prevented from engaging in any other development on the land.

The Nova Scotia Farmland Trust's goal is to protect and conserve existing and potential agricultural land and adjacent woodlands, wetlands and natural lands from development. It currently has four properties in it, one of which is connected to Josh Oulten, a Nuffield Canada Scholar.

The Nova Scotia Farmland Trust's mechanism is codified by provincial legislation allowing them to own land and put easements on the title making the property only usable for agricultural purposes. As it is a charitable organisation, donations of land can be tax deductible. A designated land appraiser values the land for the purposes of the transaction.

[5] The Land Trust Alliance, About Land Trusts, July 2025, https://landtrustalliance.org/why-land-matters/land-conservation/about-land-trusts.

The Trust monitors that the land users are complying with the easement ensuring that it cannot be paved over or be subdivided or used for non-farm housing.[6]

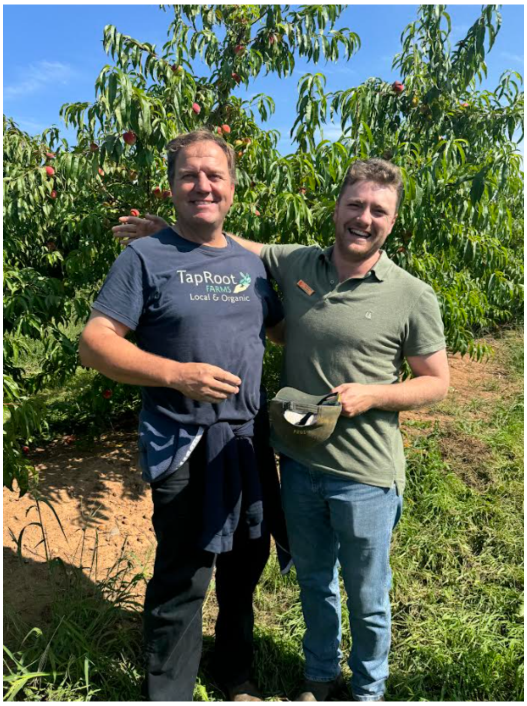


Figure 3. Josh Oulton, farms in the Acadia Valley Nova Scotia and has supported their local farm land trust by donating an agricultural easement of their land. (Source: Author)

The outcomes of this model could be similarly achieved through the use of a Provincial Crown Corporation. A Provincial Crown Corporation is a government-owned entity structured like a private company, but it is ultimately accountable to the provincial government of Canada.[7] In theory a crown corporation could finance the purchase of an agricultural property, and a new entrant might pay the equivalent of an interest only loan for a medium or long term, after which the new entrant would have the right to buy the property at the price it was on the day of purchase.

Employee share schemes

Employee Share Schemes (ESS) can be a valuable tool for agricultural businesses to attract, retain, and motivate employees, particularly in a sector where attracting and retaining skilled workers can be challenging. These schemes can improve employee engagement, align employee interests with business success, and offer a tax-effective way to compensate employees.[8]

There are several methods that companies use to transfer shares to their employees. Generally, employees are offered the right to purchase shares at a discounted rate and therefore own an equity stake in the company they work for. Shares may also form part of their remuneration which may also create tax advantages for the Company or the employee. The transfer of shares may also be tied to achievement of performance targets, or employment

[6] Personal communication, Richard Melvin, Chair of the Nova Scotia Farmland Trust and Nuffield Canada Scholar, 18 December 2024.
[7] Definition from LawInsider. https://www.lawinsider.com/dictionary/crown-corporation
[8] Department of Industry, Innovation and Science, 'The performance and characteristics of Australian firms with Employee Share Schemes', July 2017.

milestones. Shares may be required to be sold back to the Company on the retirement, resignation or termination of an employee. There is flexibility in the type of ESS with respect to the type of shares that are issued and whether they have dividends payable or simply voting rights.

Just Us! Coffee & Roastery near Wolfville, Nova Scotia is a retail cafe and coffee roasting co-operative that enables its employees to own shares in the company that have voting rights attached.[9] Their model means that their employees from baristas to business administrators can become a member-owner, participating in decisions and ensuring they remain aligned to their co-operative's mission statement and values.[10]

The family farm Board

Family farm Boards can provide wide ranging benefits to a family farming enterprise. They can assist a business with formulating effective strategy, governance, risk management, and succession planning.[11] They also provide a framework to allow external and often expert advisors to provide input into the farming business and its executive functions outside of a typical fee-for-service arrangement which may be more cost effective. As Company Directors typically have access to key business information and data relative to a service provider, they can provide more specific and relevant advice as well as develop a greater interest in the business' success both from legal and personal standpoints.

A unique benefit a family farm Board can provide is the opportunity for non-returning family members to maintain both an interest and equity in the farm without necessarily keeping a position on the business payroll.

This arrangement may work particularly well for a larger scale family farming or fishing business where the current owners have multiple children, of which not all wish to return to work in the farm. A Board may be composed of returned family members, non-returning family members and external advisors with remuneration representing each member's equity and hours worked (or payroll salary).

Ashley Wiese (2024 Nuffield Scholar) runs a cropping enterprise in Narrogin, Western Australia. Ashley's children have all pursued careers off the farm, but still maintain an affinity for the land and the business. The Family Board structure is one that Ashley has been considering to allow the genuine connection to the farm and its management to be maintained, whilst not requiring farm labour from any of the next generation.[12] It is suitable for larger enterprises, including with some vertical integration, that would benefit from a broad skill set at the board level. This structure allows a farm manager to manage the enterprise with input from family members.

Estate freezing

Estate freezing is a popular scenario in Canada's agriculture sector. It is often seen where family members intending to return to the farm are unable to access finance to purchase equity

[9] Personal communication, Joey Pittoello, General Manager Just Us! Coffee & Roastery, 14 August 2024.
[10] 'Our Story', Just Us! Coffee & Roastery, https://justuscoffee.com/pages/our-co-op, 21 July 2025.
[11] 'Why does your family farming business need a board of advisers?' with Chris Scheid (Moore Australia), Humans of Agriculture Podcast, Oli Le Lievre and Livestock SA's AgRi-Silience Program, October 2024.
[12] Personal communication, Ashley Wiese, 18 July 2025.

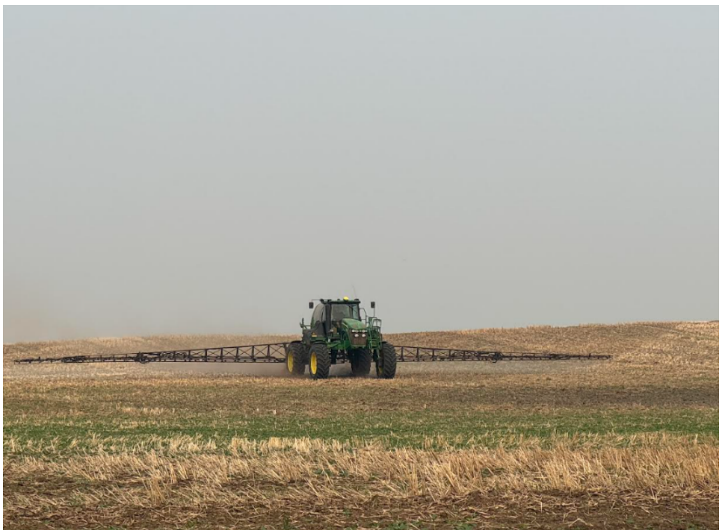
in the business, but the parties agree that the returning member should be a share or unit holder in the enterprise.

> "An estate freeze is a strategy that allows an individual to "freeze" the value of their current ownership in a business or other appreciating assets. This is achieved by converting shares or assets into a fixed-value interest, which "freezes" the current value for tax purposes. Any future growth or appreciation of the assets then accrues to new shareholders, typically family members or a family trust, who receive growth shares.
>
> For example, a business owner might convert their common shares in a company into preferred shares with a fixed value. New common shares are then issued to the next generation, allowing them to benefit from future growth without the founder incurring immediate capital gains tax."[13]

The Fransoo family run Hamlin Farms near North Battleford in Saskatchewan. They run a multi-generational large scale cropping enterprise and currently have six family members actively working in the business. The estate freeze model has allowed them to offer all of them equity in the enterprise, even though they have returned to the farm at different times and life stages.

It is imperative to note that an estate freeze can only occur when a Company, as distinct from any other entity, is at the core of the structure as the share issuing entity. Other entities cannot execute an estate freeze, and it is therefore important to know whether a current operating structure, possibly where land and equipment are owned in the same entity, needs to be reworked in order to bring an estate freeze play onto the table.

The Fransoo's structure revolves around an Operating Entity (company) that owns all machinery, inventory and infrastructure. This is the entity that is issuing the new classes of shares for the returning family members.



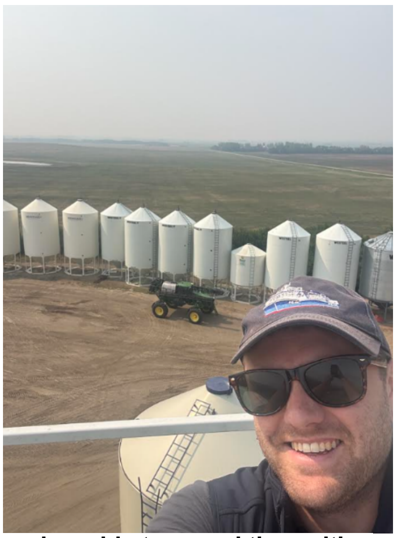


Figure 4. I visited Hamlin farms in North Battleford, Saskatchewan and as able to spend time with three of the Fransoo family members. (Source: Author)

[13] 'Estate Freezes in Canada', Nicholas dePencier Wright, Wright Business Law, 12 November 2024.

The land that is cropped by the operating entity is owned by the individuals and leased back at an agreed rate. This provides security to the family members in the event that a split should be required at any stage, and also provides freedom to the individuals of acquiring land at a rate they feel comfortable with.

The original shareholders may lose control of the corporation when receiving the freeze shares. However, it is possible for them to retain control by subscribing for a special class of voting shares of the corporation. These shares would have no value or would not be eligible to receive any income from the corporation.[14]

In addition, if the freezer ordinarily receives an income by way of a dividend from the corporation, then the income stream can still be maintained by way of the corporation redeeming a portion of his or her freeze shares during his/her lifetime. This is known as a so-called vanishing or wasting estate freeze plan.[15]

An alternative to this type of structure in Canada is a joint venture of all of the parties. It draws similarities to the estate freeze model in that each player brings their equity to the table under the umbrella of an operating entity, however their ownership remains several at the outset. This type of structure provides tax benefits in that joint ventures enjoy a comparatively low rate of 10% if small business criteria is met. The general company tax rate in Canada is 27%.

[14] 'The benefits of an estate freeze', Nadia Pulla, Fuller Landau, 4 November 2020. https://fullerllp.com/blog/canadian-tax-and-estate-planning/the-benefits-of-an-estate-freeze/

[15] Ibid.

Business Models

Introduction to Business Models

A business model refers to how an enterprise creates its value, irrespective of its entity structure. In farming or fishing a business model will refer to the production system, any value adding, packaging or branding and the route to market amongst other elements. Value may be created beyond the product, with some enterprises electing to change land use or subdivide property instead of focusing solely on the agricultural commodity.

Enterprise stacking & a return on asset focus

Creating additional enterprises on a farm, or 'enterprise stacking' is an achievable and often cost effective way for first and next gen farmers to create enough cash flow to finance their way into assets or land. It can also provide a pathway to support an additional person to return to the family farm.

Cotter Bros Firewood is a business founded by brothers Nick (2024 Nuffield Ireland Scholar) and Jack in Abbeyfeale, Ireland. The business is operated on the same premises as the family sheep farm, which produces organic lamb for the high-end domestic, and some export markets.[16] The firewood and lamb businesses are supplemented by a third business - Cotter Agritech, which provides modern, tech based sheep handling and management solutions. The business centers around the 'Cotter Crate' which makes sheep handling faster, safer and easier whilst also providing weighing and integrated drench dosing capabilities. The Cotter Crates are manufactured on the same site and utilises staff crossover in the Cotter's enterprises.

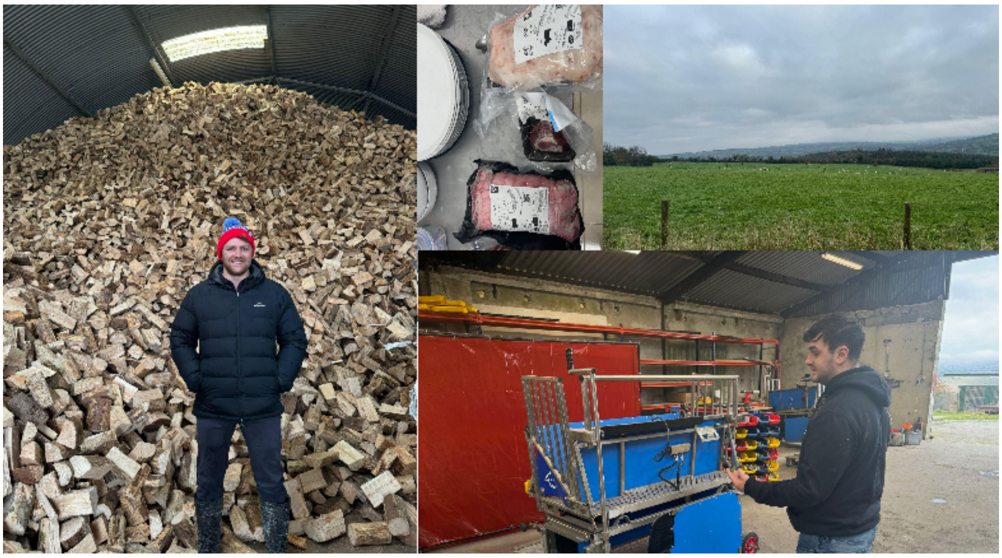


Figure 5. The three enterprises on the Cotter's property near Abbeyfeale, Ireland; organic lamb, agritech & sheep handling and firewood. (Source: Author)

Graham Clothier's family (2005 Nuffield Scholar) added a pasture-raised egg enterprise to their grazing business in 2017. Grazing and pasture-raised eggs production systems integrate well, with little production trade-off with respect to land size and benefits derived from chicken

[16] Personal communication, Nick Cotter, Cotter Bros Firewood, 4 November 2024.

feed inputs into pasture. The additional enterprise has supported an additional family member to work on the farm and is now proving to be an attractive growth opportunity for the business more generally.[17]

This method also has applications in the fishing & aquaculture industries. In wild harvest fishing, a skipper's skillset and their vessel is the base on which enterprises can be added. With the growing blue economy globally and other users seeking to commercialise the ocean, a fishing boat can serve dual purposes - one of which is providing safety and scout services for offshore wind vessels.[18]

In aquaculture, species diversification is being explored, as well opportunities to use symbiotic species in the same aquaculture system. Aquaculturists may also seek opportunities to contribute to restocking efforts for wild stocks, assisting with rebuilding efforts for species that have been experiencing population declines due to varying factors including climate change and disease.

Sub-division and title amalgamation

Robert Arvier (2017 Nuffield Scholar) manages West Pine Ag, which produces high-value irrigated vegetables on Tasmania's north coast. Robert is a first generation grower, who made the most of an opportunity leasing land from a neighbour who allowed the lease fees to be paid in arrears. The vegetable growing business is complemented by a retail store - *The Penguin Pantry* - in Penguin, Tasmania and enjoys the benefits of being nearby to an area with a more dense population, but also higher land values.

Robert is considering utilising land acquisition, sub-division and title amalgamation to grow production area with as close to a net-zero capital outlay as possible.

Selecting the right property to leverage this opportunity is the most difficult part, as different States and Council areas have varying rules with respect to zoning and title consolidation. In South Australia for example, an application for amalgamation will only be considered if:

- the allotments share a common border
- used in conjunction with the other parcel
- ownership must be identical with the same ownership number.[19]

This strategy can require the buyer to engage in extensive market watching and proactivity, as properties consisting of multiple titles are sought after for their amalgamation potential. A property suitable for this model should also have some key features to make it successful, like separate access for the dwelling and/or shedding, a dwelling nearby a boundary so it can be carved out from the main block easily, and ideally a smaller, lower value title adjacent so the amalgamation has a lower opportunity cost.

Land use change

Changing land use can provide opportunities for first and next generation entrants to increase equity in farming assets rapidly. Noting that this practice often requires a significant injection

[17] Personal communication, Graham Clothier, Clothier Ag, 20 March 2025.
[18] 'These fishermen made peace with offshore wind. Then Trump came along.', Clare Fieseler, Canary Media, 30 June 2025.
[19] 'Amalgamating a property title', South Australian Government, Property Development, https://www.sa.gov.au/topics/housing/planning-and-property/amalgamating-land, 21 July 2025.

of capital upfront to complete a conversion, it can lend itself to partnership models with an established farm business owner who is seeking to increase their own wealth, but does not have the capacity to undergo the labour component of the works.

goFARM is an Australian agricultural investment company founded in 2013 by Liam Lenaghan that transforms undervalued farmland into highly productive assets. The company has grown to manage a $1.1 billion portfolio of farmland and water.

goFARM acquires struggling or underutilized farms, often small dairy or grazing properties, and converts them to higher-value uses such as irrigated horticultural crops like almonds, citrus, grapes, and tomatoes.[20]

This model can be utilised on a smaller scale, either by partially converting a property, or converting a smaller block into a high value crop. It lends itself to patient approaches to building wealth, as the property will likely not lose its current productive potential during the planning and conversion stages.

Stuart Barden (2009 Nuffield Scholar) is a grain, pulse and seed producer in Athi River, approximately 40km from Nairobi, Kenya. He made the move from New South Wales after visiting the area and being amazed at the potential and utilisation of the black cotton soil. He has been developing seed varieties that work in the low rainfall region as well as introducing cropping techniques which focus on water retention in the soil which has seen yields increase and turn otherwise unusable land into productive food bowls.[21] This is another method of land use change that focuses on changing production techniques rather than capital works, which provides a more realistic opportunity for first generation and next generation farmers looking for a less expensive entry into the industry.

Catalytic investment (farming & fishing targeting impact)

Catalytic investment, through private or government funds allow an enterprise to leverage their positive environmental, ‘impact’ or ‘people’ credentials to access finance where traditional credit options would not be available either due to their serviceability or unique business model.

Catalytic investment funds seek to de-risk early-stage investment, offering more patient capital, interest free periods, technical assistance in some instances and facilitation of supply agreements.

In Brazil, the Innovative Finance for the Amazon, Cerrado and Chaco (IFACC) initiative has now reached nearly $500 million disbursed, with a funding goal of $10 billion by 2030.[22] The IFACC seeks to significantly increase and accelerate lending in sustainable agriculture in Brazil and central Southern America.

Closer to home, *regenlabs*’ current focus is on supporting regenerative social enterprises in regional Australia to lead the shift toward just, climate-resilient local economies — by unlocking fit-for-purpose finance, future-fit business models, and catalytic ecosystem support.[23]

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[20] ‘Get up and go’, Sue Neales, The Weekly Times Ag Journal, November 2023.
[21] Personal communication, Stuart Barden, AusQuest Kenya Ltd, 26 August 2024.
[22] ‘Regenerative agriculture is emerging as a significant, financially profitable investment opportunity’, Ambition Loop, June 2025.
[23] Regenlabs, What We Do, July 2025, https://www.regenlabs.au/what-we-do.

The Wyatt Benevolent Institution Inc provides insight into how an impact funder seeks its investment opportunities on its website. Impact funders seek investments in for-purpose local businesses and enterprises that advance the wellbeing economy. These investments have a financial return that is proportionate with the impact they aim to generate.[24]

Because of these unique criteria, first generation farmers and fishers can leverage their personal brand, their desire to have a positive environmental or 'people' impact to meet the investment criteria. A business model can therefore be tailored to focus on impact whilst not jeopardising the ability to access some form of financing.

Dairy cow leaseback

Cow leasing is a collaborative arrangement, usually between landowner and key management personnel whereby the milking herd is owned by the employee and leased back to the dairy business or land owner. It has benefits on both sides of the transaction including:

- Reduced capital outlay and exposure for the dairy business or landowner.
- The herd owner can grow equity incrementally with regular income.
- The cows' health and productivity are in the interests of both parties.
- The lease fees are a deductible expense for the dairy business owner (whereas capital repayments on purchased cows are not).
- The dairy business owner can scale up cow numbers quickly.

Case Study: Ifan Roberts. Leicestershire, UK.

Ifan Roberts (2024 Nuffield UK Scholar) began working for his current employer as a farm hand at the age of 21. After the farm's manager left, Ifan was offered the role of managing the 250-cow dairy business. A sideways step within the same business to a larger farm in Leicestershire saw him managing 580 cows with 4 staff, which has now grown to over 1,000 cows and a team of 13 staff.

It was whilst working this job that Ifan was able to buy and rear 370 milking cows, which he leases back to his employer, accounting for approximately one third of the milking herd. Ifan is currently 29 years of age, and on track to have all debt on his herd paid off in the next 12 months.

Hub and spoke farm business model

Acquiring a small and relatively low cost property as a headquarters or home farm with a view to leasing more land, or outsourcing some of the production to rented ground can be an effective tool for first gen and next gen farmers.

This tool can be made even more effective if there is a dwelling on the home farm, which can be lived in by the owners, making a portion of the interest repayments on the main residence tax deductible. In most scenarios, the farm owner would have to be paying for accommodation somewhere nearby to the farm's production to manage the operation regardless of whether there was a dwelling on the property or not. Living on the home farm will allow the owner to

[24] The Wyatt Benevolent Institute Inc, How we Work, July 2025, https://www.wyatt.org.au/how-we-work/our-investments/.

effectively subsidise their cost of accommodation by being able to offset their farm income against the interest expenses associated with the farm production portion of the loan.

Small properties with a dwelling are usually able to be purchased with a residential home loan product, allowing the owner to access a longer term (15-30 years) and an interest rate lower than short term business finance.

The hub and spoke model works particularly well for intensive farming enterprises that require small land footprints. Barn-housed livestock or poultry, pastured chickens for eggs or meat, high value horticulture and other protected crops would suit a block smaller than 50 hectares, depending on location and climate and therefore be suited to the hub and spoke model.

In extensive farming systems like livestock grazing, the hub and spoke model can still be useful to allow first gen and next gen farmers to operate from a well equipped base, and to grow their business through additional leased land.

The benefit of using this model for extensive systems is that the owner will still benefit from increases in the capital value of the home farm whilst also leveraging the ability to make operating profits on leased land. The owner can increase livestock numbers, and equity by acquiring more leased land. The owner will be able to access the equity in the livestock, or liquidate the units in order to fund future purchases of land.

Case Study: Paul and Brittany Windemuller. Coopersville, Michigan, USA.

Paul Windemuller is a first generation dairy farmer in Coopersville, Michigan. Paul has a background in dairy farm advisory and milking in both the USA and New Zealand. Paul runs Dream Winds Dairy, a 200 cow robotic free stall dairy barn. The property is approximately 13 acres, which was purchased by Paul and his wife Brittany in 2015. At the time of purchase, the dairy was set up in a side-by-side format with a capacity of around 80 cows.

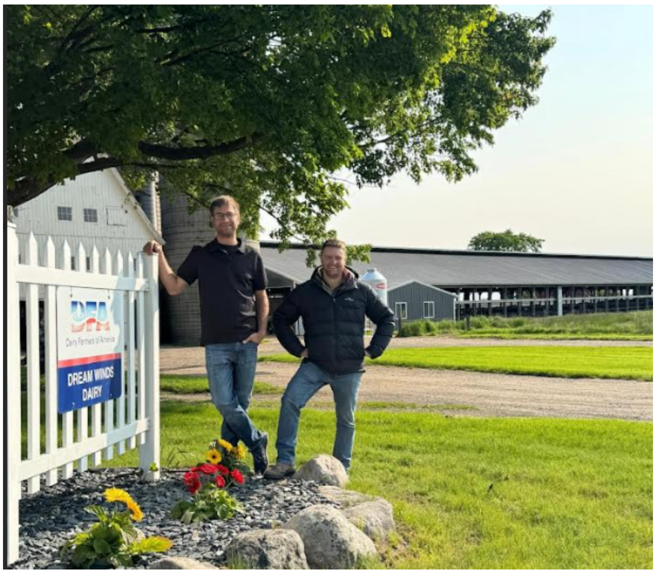

Figure 6. Paul and me outside of Dream Winds Dairy and the dairy barn which Paul recently built. (Source: Author)

In 2012, Paul and Brittany returned home to Michigan from New Zealand after living there, studying and working on a dairy for 12 months. They brought home $2,000USD and their 3-month-old first born child.

Whilst living with family for approximately 2 years, Paul and Brittany were able to save money to raise a 10% deposit on the purchase of the farm, topping up to his bank's required 20% downpayment by utilising a high interest non-bank finance product.

Immediately after purchasing the property, they lived on the farm and rented the majority of the farm to be able to afford the short term mortgage repayments and other costs.

With a savings balance of $20,000USD, Paul converted an old turkey coop on the property to a free stall dairy barn by salvaging parts from old disused parlours in the area, and completing most of the manual work, including pouring the concrete himself. They leased the converted coop to a neighbour for bred heifers whilst looking to upgrade and expand their business. Paul also held down a full time job during this process.

In a spare barn on the farm, Paul and Brittany raised feeder calves for cashflow, which ultimately ended up in enough income to pay off the high interest non-bank finance.

In 2014, Paul began the dairy farming business by milking 30 leased cows in a home made parlour and a year later, built a 160 stall free stall barn ultimately with a view to implement robotic milking. The barn build was financed by obtaining a quote for earthworks, completing the work himself and using the value of the work as a downpayment on the loan required from the bank to complete the project.

They extended the barn to allow 220 cows to be milked. In 2017, Paul purchased 3 robots for the farm and reduced his milking cow herd to 180.

In 2018, the converted turkey coop was replaced with a new free stall barn and an additional robot, which has allowed the business to milk 250 cows.

Paul engages a neighbour to feed the cows daily and haul the manure. All feed is bought in, in collaboration with neighbouring crop farmers. In the first few years of dairy farming, the only machinery owned by Paul's business was a $3,000USD skid steer.

Attitudes and business practices

Introduction

No matter the soundness of entity structure and business model, the most successful first and next generation farmers and fishers are leveraging positive attitudes, routines and behaviours to achieve their business goals. These are unique to the operator and the more authentic and practiced they are, the greater the chance of succeeding becomes. There are common threads amongst successful first generation business operators and some of their key attitudes and business practices are included in this report.

Abundance theory and the 'relentless pursuit of opportunities'

Abundance theory is a concept utilised effectively by James Greenacre, a former banker turned dairy farm manager in Northern Tasmania. James has joined forces with Rob Bradley (2009 Nuffield Scholar) and manages a farm utilising a similar model to the syndicate model described earlier in this report.

James notes that abundance theory is one of his key business mindsets and refers to aligning your business thoughts and decisions with positivity and opportunity, which is intended to create and lead to more opportunities for growth and progress.[25]

Rob said that what drives James' success is that he 'relentlessly pursues opportunities'. This attitude can be so valuable for first generation farmers and fishers as it enables you to grow the non-financial assets quickly and effectively. These are experience, skills, relationships and reputation amongst others. These assets might be categorised as 'people assets'.

These other 'assets' can compound quickly, particularly if one is enthusiastic about growing them. James Greenacre is a prime example of this. The good thing about the 'people leverage' area is that people genuinely like to help.[26]

Relationships beyond the transaction

There is a cliche in business that it is 'all about the people'. This is true, and it is true on every continent. Business owners that treat their suppliers, customers, staff and everybody in between as equals and friends rise to the top. There are so many unknowns and unexpected events in farming that only a strong network of people who *want* to help can get you out of some situations. Actions that build relationships beyond the transaction can be small, but they should be encouraged at every level of business as they are more important to business success than the format of your cashflow budget, the breed of your cows or the colour of the tractor you drive.

Seeking, accepting & implementing advice

New entrants into any industry should do so humbly. It is wise to remind oneself that the people around you, whether you disagree with their philosophies or practices, have been in the industry a lot longer than you have. Being humble and respecting what came before you endears you to the community around you - this will be your support network in the tough times and in the good times. Seeking, accepting and implementing the advice from establishing business owners is another way that young people can build relationships quickly

[25] Personal communication, James Greenacre, Rosemount Agriculture, 4 September 2024.
[26] Ibid 1.

which will help them in their own business endeavours in the future. Not only do you learn valuable lessons, but the advice giver receives the satisfaction of their knowledge being valued.

Policies that facilitate first and next generation entrants

Introduction

The policy recommendations in this report are focused on facilitating first generation and next generation farmers and fishers into asset ownership in their respective industries. Policy recommendations come with trade offs which can negatively impact other stakeholders and their impact should be considered during their implementation process.

Headline policy issues can be addressed quite adequately by focusing on the core elements of the issue that is trying to be solved. Better policies also address the causes of the issue as well as the symptoms and recognise that whilst trying to solve the headline issue, that there may be several other factors that are contributing to it, that might be loosely related.

In this report, the policy recommendations are set against the backdrop of a changing farmer demographic - that is, non-farm revenue has increased significantly in the US, from 30 to 41 percent of farm households' personal income in the 1930s to over 90 percent in the early 2000s.[27] This demonstrates that in some cases the modern farmer is now different to the one that old policies were designed to assist. A common example of where programs or policies fail to recognise this change in demographic, is where an income qualifier is used to determine a farmers' eligibility for a program. In drought years, where a farmer's income is nil or negative but they have maintained off farm income, they may not be eligible for a program, or may need to seek a determination or exemption to be. New policy in this area should recognise or encourage a farmer to have and maintain off farm income without impacting on their ability to benefit from it.

In an expansion of demographics, modern policies should consider the generational differences in expectations and desire of policy. Policies that supported our great-grand parents (post World War I) into farming and to build farming communities, like Soldier Settlement Schemes[28] had their roots in a philosophy of determination, competition and conquest, perhaps resultant from requirements of the time period. The policies that are designed to support the same outcomes today should be tailored towards millennial (born between 1981 and 2000) and Generation Z (born between 2001 and 2020) qualities and desires to be effective. That is they foster meaningful work over expansion, open communication with managers or land owners, remote working opportunities - including having off-farm jobs and the ability to provide flexibility and entrepreneurship.[29] In short, the policies of the past that grew farming communities may not have the same impact as reinvented ones that fully recognised that the modern farmer will be a completely different human being to the ones referred to in our policy framework now. Policy makers can leverage these generational differences and seek to gain returns to their communities by tapping into millennials' and Generation Z's desire to collaborate and make positive social impact.

From a tax perspective, the framework for intergenerational farm rollovers in Australia is adequate and often favourable to the farmer. It allows for reductions or deferral in capital gains tax, reductions in stamp duty charges and carve outs of main residences on the farm

[27] Mishra, Ashok K., Hisham S. El-Osta, Mitchell J. Morehart, James D. Johnson, and Jeffrey W. Hopkins. 2002. Income, Wealth, and the Economic Well-Being of Farm Households. Agricultural Economic Report No. 812.
[28] National Museum of Australia, Soldier Settlement, 18 September 2024. https://www.nma.gov.au/defining-moments/resources/soldier-settlement
[29] 'McCrindle Research 'The generations defined' https://mccrindle.com.au/article/topic/demographics/the-generations-defined

properties. The wicked problem brought about by steadily increasing farmland and fishing ITQ values in Australia is that despite the ability to transfer these assets at a low tax cost, the consideration back to the owners cannot be met or justified by the generation receiving them. This problem is common, if not universal, in today's succession planning discussions and policy has not yet made acknowledgement that this will recur and possibly worsen over the next decade as the next 20 to 30 years will see the biggest intergenerational wealth handover in history. This is according to estimates made by the Productivity Commission in a 2021 report that approximately $3.5 trillion of assets is likely to be transferred in Australia by 2050.[30] We are entering an era where succession planning and intergenerational transfer will occupy more of our policy stage than ever before.

A Parliamentary Standing Committee on Agriculture and Industry inquiry into Intergenerational Transfer of Farms and New Entrants

In order to fully understand the requirements of the modern farmer or fisherman, the tools available and the direction our communities want to head, an inquiry into intergenerational transfer of farms and fishing quota and new entrants should be conducted. The Canadian House of Commons' Standing Committee on Agriculture and Agri-Food is currently engaged in a study which began in October 2024 into Intergenerational Transfer of Farms and New Entrants. The study is akin to an Australian standing committee inquiry, as it invites submissions from stakeholders and the public on the issues surrounding the study topic.

The inquiry would be a key step in gaining insights into what farming businesses and families feel they need to execute a seamless transition. It would also provide those looking to start or have just started a farming business with an opportunity to inform policy makers about key drivers of success and failures.

The Committee should include legal, taxation, business and agriculture and fisheries professionals with support from first generation, next generation and retiring farmers and fishers.

Farm & land matching services

Land matching programs offer a service that aims to connect retiring farmers with young and new entrants so that they can negotiate their own terms of transitioning the farm's management.

The British Columbia Land Matching Program (BCLMP) has seen significant success with more than 360 land matches to date[31], providing a viable pathway for existing landholders and new farmers. New entrants looking to start or expand their business are introduced to landholders looking for a tenant, a partner or a manager and then the BCLMP can assist with developing agreements between the parties.

The BCLMP provides:

- An online and searchable inventory of B.C. land opportunities;
- Personalized, regional matchmaking services for farmers and landholders, including support to develop land use agreements;

[30] 'Economic mobility – faring well, but not for all', Productivity Commission 18 September 2024, Danielle Wood.

[31] Personal communication, Dani Watson, B.C. Land Matching Program Coordinator, Young Agrarians, 11 February 2025.

- Referrals to business and technical support services;
- Educational events and resources to increase knowledge and facilitate matches between new farmers and landholders.[32]

The BCLPM is funded by several sources including the Country, Provincial and Federal Governments as well as charitable trusts and foundations.

The success of programs of this style rely on the capability and enthusiasm of the staff driving the connections between new entrants and landholders. Finding and retaining effective key staff is ultimately driven by sustainable funding models.

The University of Nebraska-Lincoln led *Land Link Program* aims to achieve similar outcomes in the United States of America. The program has not achieved the volume of successes that the BCLMP has achieved but it demonstrates that there are similar issues faced by new entrants and retiring landowners across the North American continent.

Youth Development Acts

Youth Development Acts seek to codify programs that aim to support young people into primary production.

Alaska Longline Fishermen's Association (ALFA) has advocated for policy change to support young fishermen. Modeled after similar agricultural programs, the Young Fisherman's Development Act would help connect and expand on existing regional efforts to support beginning commercial fishermen.[33]

The program will provide funding and support for state, tribal, local, or regionally based networks or partnerships to:

- Create training and educational opportunities in sustainable and accountable fishing practices and marine stewardship, business practices, and technical initiatives that address the needs of beginning fishermen.
- Create mentorship/apprenticeship opportunities to connect retiring fishermen and vessel owners with new and beginning fishermen.
- Foster a conservation ethic that prioritizes sustainable fishing practices and marine stewardship.
- Offer financial support and guidance for new fishery entrants.[34]

Entrenching a program of this kind in statute will ensure that reliable and ongoing funding will be allocated to it.

The New England Young Fishermen's Alliance (NEYFA) offers an intensive nine-month course designed to guide individuals from seasoned deckhands to successful owner-operators. This type of training course, designed to create asset owners is unique amongst its kind, and can be especially effective if there are quota allocations carved out for communities or new entrants. In addition to on-vessel training, the program offers training in:

- Business Management
- Budget Development
- Marketing & Branding

[32] British Columbia Land Matching Program, Young Agrarians 22 July 2025. Youngagrarians.org/tools/land/bc-land-matching-program/.
[33] Alaska Longline Fishermen's Association, Young Fishermen's Initiative, https://www.alfafish.org/youngfishermen, 25 May 2025.
[34] Ibid.

- Collaborative Marketing
- Public Speaking

Fishery quota allocations when input controlled fisheries are reforming

Fisheries transitioning to quota management involves shifting from open access systems to those where a total allowable catch (TAC) is set and then allocated to individual fishers or fishing entities, often through individual transferable quotas (ITQs). The most common reason for these transitions to be implemented is that in general terms quota managed fisheries improve economic performance, sustainability, and the ecological health of fisheries.

When fisheries transition to a TAC system, it provides an opportunity and an equitable time to create an allocation of quota to be quarantined or specifically set aside for a given purpose - be it for research, indigenous groups, or community use.

This instrument is used commonly around the world in many fisheries, including in Alaska. To access some forms of quota in Alaska, one has to prove residency to access the quota or be part of a Community Development Quota (CDQ) Program. In these programs, eligible communities can form nonprofit entities and may request no-cost community permits or purchase commercial quota shares.[35] Whilst these programs may lend themselves to assisting indigenous groups access quota, a similar tool can be used effectively to allow first generation fishers a foot in the door, with the ability to own and fish lower cost quota.

Community fisheries and farming finance

The Alaskan Department of Commerce, Community and Economic Development offers long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products. The eligibility requirements for the loan are such that they favour local, smaller scale businesses who have close and definite ties with Alaskan communities and intend to live in Alaska indefinitely. Loans are available for limited entry permits, quota shares, vessels, or gear.[36]

An additional benefit of Government provided loans in commercial fishing is that the fishery's health and sustainability are both managed and invested in by the regulator.

[35] The Western Alaska Community Development Quota Program, NOAA Fisheries, 1 October 2018. https://www.fisheries.noaa.gov/resource/document/western-alaska-community-development-quota-program

[36] Department of Commerce, Community and Economic Development, Division of Investments, Loan Programs, Commercial fishing, https://www.commerce.alaska.gov/web/inv/LoanPrograms/CommercialFishingLoanProgram.aspx, 25 July 2025.

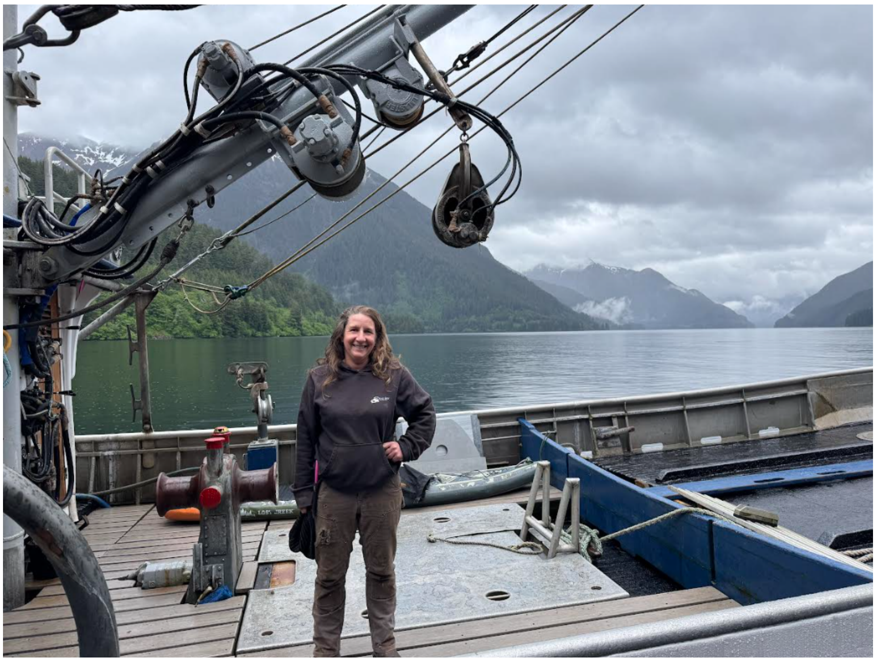

Figure 7. Amy Schaub is a first-generation fisher who I visited in Sitka, Alaksa. Amy spoke highly of the loan programs and community development quota programs in her home State. (Source: Author)

Young Farmer Loans and their eligibility

Loan products targeted at under 40 year old farmers are commonplace in most developed countries, and have been around for approximately twenty years in some instances. They have been the subjects of multiple Nuffield Scholarships both in Australia and abroad.

To address the widening gap between land or fishing quota and commodity prices, ultimately a first generation or next generation purchaser will need a benefactor of some kind. This may be a bank or loan product. However, the success of Young Farmer loan products is yet to be fully proven. In one instance, a major agricultural lending representative provided in a personal communication that their Young Farmer loan product had enquiries but most either met standard credit metrics or otherwise they did not proceed.

The Australian Government's Regional Investment Corporation (RIC) is a provider of low-interest loans for farm businesses and farm-related small businesses. One of RIC's products is the AgriStarter loan which aims to assist establish or develop a first farm business in which the applicant holds or will hold the sole interest or a controlling interest.[37] This product's description is promising for young and first farmers, however to be eligible for the loan, the applicant must hold commercial debt or be able to obtain commercial debt, which will likely preclude most potential customers in the first instance.

In addition the AgriStarter Loan product eligibility sets out that the applicant should contribute, or intend to contribute, at least 50% of their labour and earn at least 50% of their income from the farm business. These parameters may seem logical, but to the modern young farmer who

[37] AgriStarter Loan, Regional Investment Corporation, https://www.ric.gov.au/loans/agristarter, 23 July 2025.

should be seeking to reduce the labour required by the farm, and diversify their income, this may preclude the sort of new entrants the primary production sectors should be seeking to attract and retain.

The RIC is providing much needed finance to a variety of Australian farm businesses, as evidenced by its growing loan portfolio, but it is questionable as to whether the lending is as catalytic for new entrants as it could, and should be.

A review of the RIC's product portfolio should be considered with a view to enabling a risk and regulatory environment for character-based lending for new farmers. Access to capital without land or quota collateral is one of the greatest challenges faced today by aspiring entrants into primary production.

In Wendy Craik AM's 'Review of the operation of the Regional Investment Corporation Act 2018' completed in 2024, it was noted that several stakeholders responded to the review that the parameters of the AgriStarter loan, such as the 50:50 cap on loans and off-farm income requirements made it difficult for new entrants to obtain the product. The review recommended maintaining AgriStarter's current loan parameters until the government analyses the appropriateness of the product's policy objective in relation to facilitating inter-generational change in the agriculture sector.[38] A clear policy direction from the government on this would unlock several further steps in achieving a more fit-for-purpose new entrant loan product to be offered by the RIC.

It is noted that whilst not directly related to young farmer loan products, Farm Management Deposits (FMDs) have a similar off-farm income cap, which can prevent new entrants from utilising them.

Income caps to deduct primary production losses

Australia's tax rules relating to the deferral of non-commercial losses have the potential to hinder first generation and next generation farmers starting new enterprises. Without a successful application to the Australian Tax Office's Commissioner, a primary producer must defer a loss in an income year if the total of their taxable income, reportable fringe benefits, reportable super contributions and total net investment losses is greater than $250,000.[39]

Given that it is increasingly common for first generation farmers to have and require multiple income streams, including full time employment, to get a business started, this provision can significantly impair cash flow in the vital start up phase of a farm.

If a person intends to use the equity built up in an investment, or property portfolio to finance the start-up of a farm, the potential capital gain on the sale may trigger their first year of losses to be deferred.

The non-commercial loss provisions do prevent high earning individuals from utilising losses from a lifestyle or hobby farm to reduce their tax liability on their main source of income. However, first generation and next generation farmers can be collateral damage.

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[38] Craik, W 2024, *Review of the Operation of the Regional Investment Corporation Act 2018*, Canberra, July. CC BY 4.0.

[39] 'Offset or defer the loss – individuals or sole traders', Australian Tax Office, 6 April 2025. https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/losses/non-commercial-losses/offset-or-defer-the-loss-individuals-or-sole-traders.

The provisions should be reviewed to consider adding age brackets or remove the requirement for the Commissioner's discretion if the taxpayer self-assesses as a start-up commercial enterprise.

Individuals that work multiple jobs or generate multiple income streams should be encouraged into food production, as they often are the innovators and new groundbreakers that the industry is seeking to attract.

Ageing in place provisions

A review into planning regulations that facilitate retiring farmers to age in place should be conducted. This review should seek to enable additional land titles to be considered if it will allow a new entrant to build a dwelling on the existing farm, or to carve out the land with the existing dwelling. The objective of this review should be to avoid retiring farmers selling their entire property because they have exhausted the other alternatives - like finding an off-farm manager or leasing their property.

If retiring farmers could build additional, separate and not co-located dwellings on the same title as the existing dwelling, it may enable their children to live and work on the farm. This may be a useful stepping stone for further succession planning and ownership transition. In South Australia, development that will result in more than one dwelling is permitted on an allotment where all the following are satisfied:

- it is located within 20m of an existing dwelling
- shares the same utilities of the existing dwelling
- will use the same access point from a public road as the existing dwelling
- it is located on an allotment not less than 40ha in area
- will not result in more than two dwellings on the allotment.

These may be suitable in some instances, but in practice, extra flexibility may be required to achieve sustainable long term outcomes for the families, related or otherwise, involved in the farming enterprise.

Reliable and constant funding to Young Farmer Organisations

Young Farmer Organisations are a sleeping giant in the Australian agricultural advocacy sector. If adequate and reliable Government funding was made available to these groups, to allow their largely volunteer-run executives to focus on issues outside of fundraising, their impact on the sector would be significant.

Generally, these organisations are filled with enthusiastic, highly qualified, community minded regional people who are seeking to make positive change in Australian agriculture. With a focus on the issues that affect young people primarily, these organisations can canvass younger regional people and provide input into policy that will drive real changes in the facilitation of young people in farming and fishing. Their advocacy and marketing of careers in the sector is usually more authentic and more appealing to young people outside the sector and they play a key role in creating a culture in the industry of inclusivity and modernness. Macra Na Feirme (Ireland) and The Young Fishermen Network (UK) are two such organisations.

Macra is a voluntary organisation representing a thriving community of 13,500 young people from rural Ireland. They advocate for, nurture and develop their members aged between 17 and 40 in a fun, inclusive and supportive environment. Their programmes and activities encourage young people to play an active role in their local community, making rural Ireland an attractive place to live and work. In 2022, The Irish Department of Agriculture, Food and the Marine outlined three scenarios regarding "restricted growth" of the dairy sector in Ireland.[40] John Keane (2024 Nuffield Ireland Scholar) was the immediate past President of Macra and advocated against quotas in any farm enterprise citing that it would limit the productive capacity of farmland while also increasing the competition among farmers for the remaining available land, ultimately making it more difficult for young people to enter the industry as asset owners.[41]

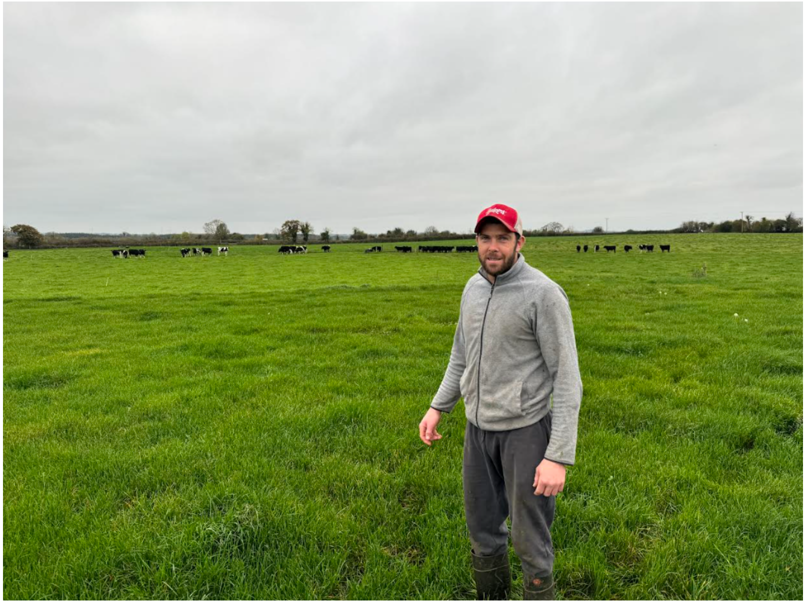

Figure 8. Meeting John Keane was one of the highlights of my Nuffield experience. An inspiring dad and farmer from county Laois in Ireland, I was fortunate enough to travel with John for 5 weeks on my Global Focus Program. (Source: Author)

The Young Fishermen Network (YFN) is the first and only initiative of its kind in the UK, aims to drive recruitment of new crew members, support the retention of current fishermen through social events and mentorship; and amplify the voices of the next generation of fishermen.[42] The YFN does this by using social media to effectively promote the careers and pathways for young people in the industry as well as facilitate their introduction to skippers by hosting events and inter-port relationships.[43] The YFN has now partnered with schools to educate children on where seafood comes from and the possibility of a career in the fishing industry.

[40] 'Food Vision Dairy Group proposals will reduce production – Macra', Aisling O'Brien. edairynews.com, 29 May 2022.
[41] 'Macra na Feirme will 'not stand for quotas in any farm enterprise'', Rubina Freiberg, Agriland, 8 March 2022.
[42] Young Fishermen Network, Blog Posts, The National Federation of Fishermen's Organisations, https://www.nffo.org.uk/young-fishermen-network/, 4 November 2024.
[43] Personal communication, Matilda Phillips, Executive Officer YFN, 31 October 2024.

Conclusions

Looking over the fence and across the seas for hints as to how best manage the looming transition of wealth in agriculture and fisheries is a start. A more robust and logical approach is to commence the review of intergenerational wealth transfer and the setting out of the goals and outcomes that our communities are seeking to achieve by the end of it.

There are inspiring, proactive, innovative and passionate young people the world over who are looking for opportunities to take the reins in food production and carry on and improve the legacy of those who came before them – but currently, their inclusion in meaningful food production asset ownership is hanging on chance or their potential exhaustion.

Canada is paving a way forward by utilizing its Parliamentary structures to firstly recognise this issue and allocating time and resourcing to see if a plan can be drafted which takes into account the changing demographics of farmers, the modernisation of farming & fishing and the policy frameworks in which they are carried out. Australia could consider taking similar approach and spend some pausing, planning and preparing for what could be a generational opportunity ahead of it.

Recommendations

The cornerstone recommendation of this report is for the establishment of a Parliamentary Standing Committee on Agriculture and Industry inquiry into Intergenerational Transfer of Farms & Fishing quota and New Entrants.

This Standing Committee would review the current policy settings, demographics and tools available to farming businesses. The Standing Committee should have a view of setting out a strategic roadmap to facilitate the expected large scale wealth transfer within arming and fishing families expected to occur over the coming decades with a focus on obtaining the best possible outcomes regarding food security, food sovereignty, opportunities for new entrants and primary production sectors underpinned by profitable sustainability.

Other key recommendations for industry and policy makers include:

- Reliable and constant funding to Young Farmer Organisations.
- A review of policy settings for Young Farmer Loans and their eligibility.
- Removal of Income caps to the eligibility criteria to offset primary production losses against off-farm income.
- Increased funding to support farm land and fishing quota ‘matching’ services.
- A focus on fishery quota allocations to Young Fishers’ Associations when input controlled fisheries are reforming to ITQ systems.

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Appendices

Appendix 1

Entity Structure Directory - Advisor Queries

Factor/Business Element	What your advisor might ask	What they are trying to learn
Business model	Tell me about your farm or fishing business, what you produce and where it is.	Gaining a general understanding of what you do and how you create value for your customers. Where your business is might provide in-roads into other options depending on your council area, proximity to population hubs, things of environmental significance or other zoning considerations, or development opportunities.
	Can you send through your most recent tax return and financials?	These documents provide an unqualified statement as to what the farming business is doing ***solely*** from a financial standpoint. Whether it is reporting profits or losses. There are several important things on the balance sheet which will allow your advisor to open their toolbox and use on tailoring an entity structure like: do you have carryover losses how much debt you have how much equity you have should/can your stock or land be revalued. In essence, these documents will form the basis of future information that your advisor will provide to the tax office, and so they need to be understood at the outset. Note: a thorough advisor will know that these documents alone will not provide a complete picture of your business, so should

		continue to ask you questions
	Do you have a forward budget, ideally one of your own and one that you provided to the bank?	This will assist your advisor in designing an entity structure that works for your business' 'actuals', rather than budgeted figures. In some cases, a business will thrive or die by its tax planning and position, so the entity structure should take into account the most conservative set of budgeted figures or its actual figure than budgeted figures that are used for a different purpose, like acquiring finance.
	What is this season looking like?	This ties into the budgeting element above, and will assist your advisor in calibrating an average year against the year you are planning on setting up the entity structure.
	Do you plan on growing, staying stable or reducing in size?	An understanding of the future size of the business is important in entity structure planning. It is generally more cost effective to build a larger-then-required structure at the outset rather than retrofitting one later on as this may have stamp duty, CGT or administrative challenges.
Family tree	Are you married? Do you have children?	Your advisor might be trying to identify opportunities for income splitting (via trust distributions). Children will inevitably form part of the succession planning process whether they join the farming business or not. This will also help your advisor estimate the timeframes of when your potential and future grandchildren might need to come into consideration.

Risk	Do you plan to get married? Are your children married?Are there other family members in the businesses and are they married and have children?	Your advisor will be seeking to develop an understanding of whether these relationships pose a risk of breakdown or divorce resulting in the potential split of assets. Designing an entity structure to be resilient in the worst case scenario may be more complicated up front but avoid significant loss of progress if unexpected negative circumstances arise - this is a marriage breakdown in most business cases.
	Can you provide any relevant agreements - partnership agreements, trust deeds, lease contracts?	Your advisor may be trying to discover whether any existing agreements/contracts will thwart their new entity structure design, or whether they can leverage any of the terms of those documents to your advantage.
	What are your relationships like with your children and their spouses?	This is to assess the likelihood of a marriage breakdown becoming a risk to the businesses assets or continuity.
Tax planning	Have you prepared a farm budget?	Income years that result in losses (especially in a start-up phase) can be strategically used and knowing they will occur in advance allows your accountant to leverage them the most effectively. Profit making years may require additional planning to distribute income for maximum tax efficiency and again, knowing this in advance will allow enough time for additional entities to be created to leverage them.
Personality	There may not be specific questions your adviser asks here, but they may seek to understand your business or	Some business owners prefer a low risk model with low start up costs and minimal debt solely because

	personal history to consider if you have a preference toward a certain style of business ownership or risk appetite.	it makes them more comfortable in their personal life. Others value growth over this comfort and are more satisfied with reaching scale quickly. An advisor should take these traits into consideration when suggesting an entity structure/business model. Incorrectly assessing a clients personality or risk appetite can lead to their frustration, regardless of the effectiveness of the structure or business model.