



Family/Corporate Structures

Farm Management 500

Bendigo 2007

Where we were



Business 1

- 800ha owned, 640ha leased
- Need to expand
- Next farming generation starting
- 2 family members + casual labour

Business 2

- 640ha owned
- Owner with full time employment off farm and little time for on farm work and planning
- Farm needing a manager
- Small scale
- 1 experienced farm hand + casual family labour

What we came up with



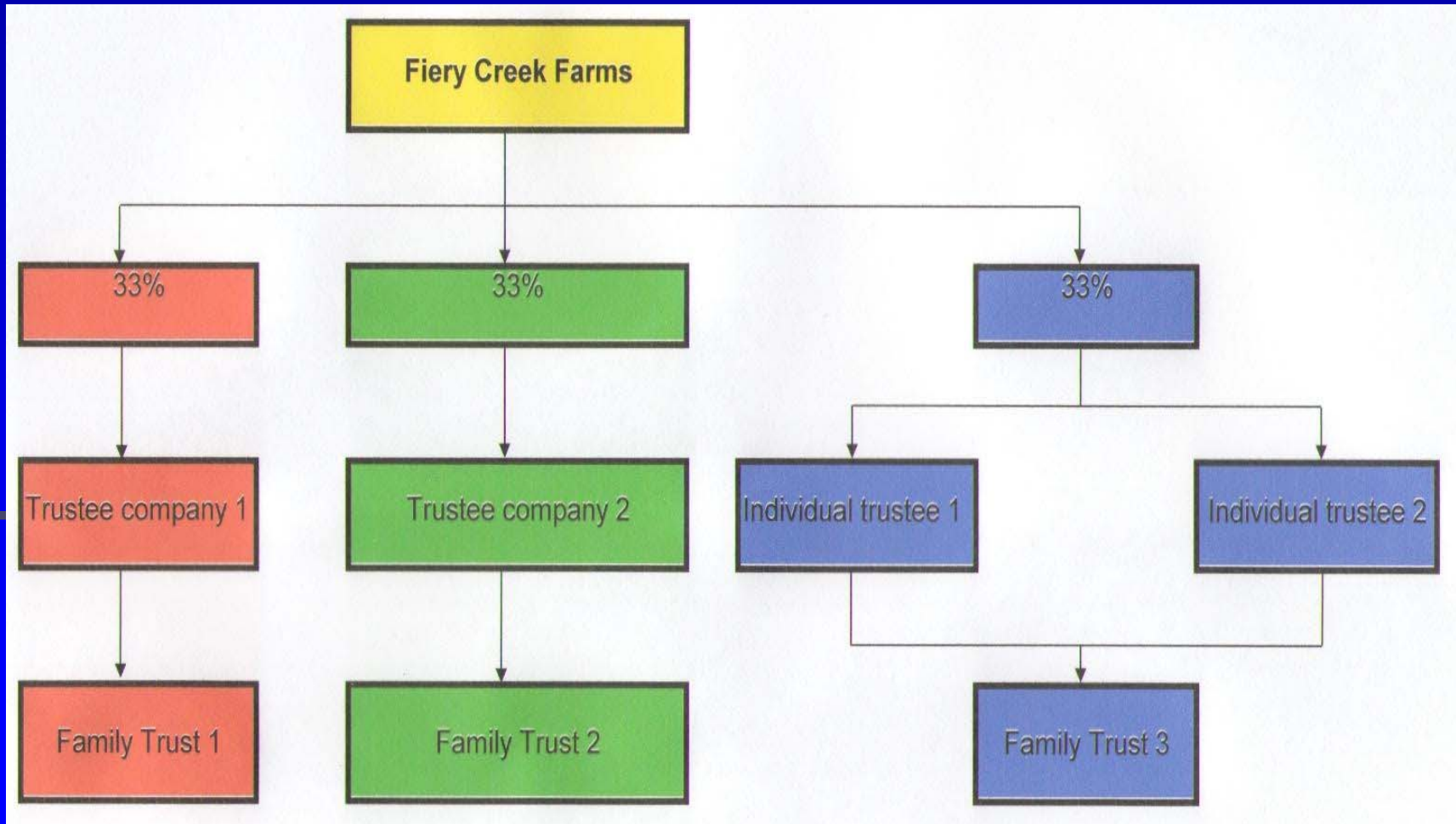
- Two businesses joined to one.
- Total area of 2000ha.
- Business to be run by a board of directors.
- One manager to run the day to day operations.
- Lease paid to all landowners.

What we put in



- Machinery & livestock the initial capital input from the existing businesses.
- David & Pam borrow money to fund their share.
- Setup costs paid for by new business.

How we set it up



How we do our jobs



- All people working for Fiery Creek Farms to receive a wage.
- All employees to have an employment contract.
- All board members & employees to have a job description.
- Strategic use of contractors for major tasks.



Name: David Oddie

Title: General Manager

Responsible to:Board

Duties:

- Board member
- Overseeing livestock operations
- Budgeting
- Staff management
- Implementing wool marketing
- Implementing grain marketing
- Asset management ie. keeping up-to-date monitoring of capital and communicating needs to the board/landholders for repairs/improvements.
- Supplier/agent liaison
- Board plans implementation
- Quality assurance
- Training of himself and staff – identifying training needs etc.

What to be careful of



- Must get good professional advice.
- Initial structure may not be appropriate at a later date.
- Risk of conflict between partners/investors.
- Partnership agreement essential.
- Cost of setup.
- ***Everything must be documented!!!***

Why we think it works



- Larger scale.
- Reduction of plant required.
- Better use of labour.
- Possibility of introducing outside investors.
- Guaranteed income for landowners.
- People working in the business are paid for the work they do.
- A business that can be valued at better than just the value of the land.
- Separation of land investment and farming business.
- More control of our future.

Where we are



- One business of reasonable scale.
- Slow increase in size to 2200ha.
- Three full time staff with limited casual labour.
- Opportunities for outside investment.
- Training the next generation.
- Easier generational change.
- Professional approach to our business.



