Goal Setting and Options for Progression.

Mike Horgan, Greg Herbert, Dylan Ditchfield, Simon Light

Background

The New Zealand Dairy Industry has increased dramatically in size over the last few decades. The average farm size has increased in scale (and value) but there has been a decline in the total number of farms. The “traditional” progression ladder of sharemilker to farm ownership is perceived to be harder than it was a generation ago.

Four local farmers (ranging from 50/50 sharemilkers to multi-farm owner) have outlined their personal stories. They have outlined on how they progressed, given insights on how they have planned and key lessons learnt. Also if they were starting again what would the options they would consider.

Mike Horgan

If I were to put in print all that Maree and I have been involved in and worked through to be standing here today, you would probably regard it as a work of fiction!

To attempt to summarise the total contributing experiences of the past forty five years Maree and I have enjoyed through our passion for dairy farming, would take much more than the 20-30 minutes allocated on this occasion. I have attempted to highlight the experiences which were particularly significant in our journey to this point and to offer our thoughts on what may be possible on the road ahead.

Personal Background

- Left School at 16 achieved School C in Maths, Science and English.
- Could not get back to the family Farm in Te Kiri, Taranaki quick enough. Loved the smell of healthy cows; fresh cut grass; recently worked soil.
- Maree left school at 17 to work as a clerk in the Bank of New South Wales (now Westpac) in the Taranaki coastal town of Opunake, commuting each day from her family’s dairy farm at Pihama.
- We met in Opunake, attending the same church each Sunday. We started dating and after three years of my visiting back and forth to Pihama, we married in June 1973 —
June (winter) wedding, sensibly after the cows were dried off so milking was not disrupted! Practical planning, something that always makes life far less complicated!

**Career and progression in the dairy industry**

- We had limited resources, Maree having saved $800 over three years from a bank wage of $55/week. I had accumulated a 1968 1300cc metallic blue ford escort and 33 cows after four years of work on the family dairy farm, on a $27/week wage.

- We set out to find a 50/50 sharemilking position, which were, as now, difficult to find. We were offered an opportunity on steep country near Inglewood (Taranaki) with an old walk through cowshed and a very old house, both built pre-World War One. All leaky tap washers, blown light bulbs, grubby ovens, toilets, broken windows, etc we cleaned, repaired and replaced ourselves on arrival at the home of our new venture. Helps to impress the farm owner that you are not incapable and dependant. No heat pumps to protect us from the condensation that formed on the bedspread as the southerly chills penetrated the weather boards! No, this isn’t fiction!

- We were happy to achieve this position. We appreciated the faith the farm owner had in our very youthful initiatives.

- The totally hands on demands of dairying were not yet apparent to Maree as her father had not allowed his five daughters to experience too much of the “coal face” dairy farming experiences. Consequently my gentle patience was required to show her much of what was involved, something I continue to do as we share a fifth decade together.

- I often found her asleep leaning against the milk silo in the milk room on returning from getting the cows in. Getting them in on foot, no farmbike to disturb the solitude of those 4am starts. The milk silo by the way in those days was an open top variety, maximum capacity 1300litres. At peak these days, four tankers are required each day to shift over 100,000litres off our farms. I vividly recall asking the tanker driver to help me calve a cow on the odd occasion, he was always happy to do so! He probably thought how can these couple of kids run a dairy farm! I know the neighbour thought I was living with some high school girl, he asked me once if Maree was yet 16. I often saw him peeking through the hedge!

- Borrowing $10,000 initially at 3% which for some reason jumped to 7% within weeks, maybe the oil crisis. The Rural Bank were farming’s main source of funds back then,
evolving into the National Bank in the next decade. Our Bank manager then was an interesting character who smoked a pipe, initially doubting that two green 20 year old newly weds would have what it takes. In dealing with people I have always found that if you agreed with everything they said then did what you liked within reason, they generally supported your enthusiasm. The $10,000 allowed us to buy 65 cows at $125, a $1,600 tractor with manual front end loader (no cab). Maree’s dad lent us six cows after he had used them to rear some calves (Crazy cows, another story).

• Milking 105 cows through an eight bale walk through is quite a process, the season began well and the farm owner was very pleased with our early efforts both around record production and the way we were tidying up the farm. Unfortunately mid-November was the last time we had any rain until early February. Using all the October harvested silage and buying in hay to keep our cows alive only to be pounded by significant losses as facial excema struck. These were the days before Zinc Sulphate was used as a preventative. We had to shoot 17 cows and cull 25 for an average of $26, yes $26 each. Our record season became a very average one, drying off in mid-March, having produced 18,000kgms, a very average 500kgms/ha. Payout, listen carefully, 76cents/kgMS. Gross income, our half of the cheque, around $7,000.

• Fortunately going into our second season in calf cow prices were down, largely due to low feed reserves and the fact that the very severe previous season had meant money was short for everyone. We had celebrated my 21st birthday sharing a mince pie. Our farm owner supported us by allowing us to use his runoff to winter some of our cows.

• Our net income from our first season of 50/50 sharemilking was less than the combined wages of our pre-marriage jobs! I had supplemented our income by working part-time for the local agricultural contractor.

• The experiences of those first three seasons, Maree calls them our “Nightmare”, created within us an initiative, a drive to be innovative despite adversity. We have never been a couple to require support or look for a shoulder to cry on, we enjoy using our own efforts to achieve.

• In 1976, my parents were ready to step back after milking 120 cows together for many years, they were by then in their fifties. By this stage we had produced two lovely daughters and our focus/strategy revolved about how best we could provide reliable security for our growing family. Borrowing further to increase cow numbers to 150, we took on a 50/50 contract with mum and dad. The Rural Bank, who while we had not improved our equity in the previous three years, were very impressed with our resolve
and resilience through those difficult years and were more than willing to support us in this next step

- In those days the Rural Bank handled the mortgage arrangements and the required repayments through deductions from our dairy company payments, our personal and farm working accounts were handled by a mainstream bank, in our case the BNZ. If you met your repayments, the Rural Bank pretty much left you to it.

- At Te Kiri more children arrived over the next ten years, privileged and proud to have produced four lovely daughters and two fine sons. At one stage having four children under five, with often 60 nappies on the clothes line and no automatic washing machine! Te Kiri is if you don’t know the area is very rocky, swampy land and as we progressed through our four years 50/50 contract with mum and dad, we continued to develop the farm. Developing a farm is a great way to become capable at turning your hand to everything from building, drain laying, mechanical repairs, welding etc, skills that have served me well over the years in being very resourceful and useful in keeping things running when repairs are required. We had almost doubled production from the farm by our second season, from Dad’s best, 13,000kgsms to 23,000kgMS, around 160kgsms/cow. Very poor by today’s standards! To this point time off had been limited to the occasional nice lunch in town between milkings.

- In 1980 we were offered an opportunity to buy the farm. Despite the farm needing much further development, there was much of our heart and soul in the area so we called on the Rural Bank once again to convince them that we needed to borrow 100% of the $130,000 purchase price.

- Dad was willing to leave $60,000 in for three years at the same interest as the Rural Bank, 7%. The area involved was 76ha. ($1,700/ha) Payout in 1980, $1.50/kgms, production, 23,000kgms

- The priorities of a growing family continued to be our focus as we took on farm ownership. Our children were starting to go to the local primary school just 800 meters up the road and over the next fifteen years we spent as much time off the farm as we did on, involved in playing, coaching hockey, helping district/community initiatives and Board of Trustee responsibilities. Certainly the farm was not overlooked and we continued to improve its value through development, rock removal, drainage and regrassing.
By 1991 I was getting tired of the development demands of the farm and was keen to buy land that was more productive and less demanding. To do so in Taranaki meant selling our land at $15,000/ha and buying better land for $30,000/ha. Consequently I journeyed south to see what all the fuss was about in Southland. After making several surveying trips, I convinced Maree to come down for a look in late 1991, she arrived on a rather average Invercargill weather day and suggested we return to Taranaki and continue the status quo. Within weeks of our return, a next door neighbour at Te Kiri put his 50ha runoff on the market at $5,800/ha. By this stage the Rural Bank was under the wing of the National Bank, the National bank were responsible for most of rural lending up to the early nineties. Rural Bank staff were still involved so our previous relationships continued and the credibility of our integrity and responsible attitude to financial expectations over the previous eighteen years allowed us to expand to 240 cows (72,000kgms) on 126 ha. Payout: $3.40/kgms. Something to consider: we had raised six healthy children to this point on 76ha! The additional 50ha purchased certainly needed considerable further development to allow milking cows to get the best from it, quite a challenge. Eighteen months into this new project, I returned to see what was happening in Southland, was impressed with 160ha at South Hillend. Maree was getting tired of my unsettled attitude, aware that I was working pretty hard to develop the new block, agreeing to come for another look, she reluctantly agreed to sign up to a shift south. Relocating six children aged between 7 and 20 to South Hillend from a district where many of our neighbours could not believe we would leave an area where three generations of our family had farmed.

Nineteen years after buying the Te Kiri farm for $130,000, we sold it for $1.1m, the 50ha runoff block purchased after my initial visit south in 1991, we sold for $610,000, more than twice what we paid for it eighteen months earlier! This allowed us to buy 160ha at South Hillend to convert and 80ha at Dipton as a wintering /grazing block. Payout 1993, $3.30/kgms.

Our plan was to convert the 160ha at South Hillend, milk 400 plus cows, put a manager on, have long overdue holiday, enjoy ploughing some land that did not require many hours of rock picking, build a nice rotary cowshed and begin paying off the mortgage, which after conversion costs, extra cows, shares etc had risen to $1.3m from the $520,000 we still owed on the Te Kiri farms. We paid $7,700/ha pre-conversion for the 160ha South Hillend sheep farm. Just as matter of interest, we paid $103,000 for our new JD 95hp ldr/cab tractor and $43,000 for our first Hilux ute in 1994, not a lot different to today's prices! Our family transport included a 1986 Toyota Corolla and a 1989 Toyota
Lite Ace van (not exactly Beemers and Mercs.) Our first years (1994/95) production in Southland was 110,000kgms. Payout $3.30/kgms.

- The demands of those first few months converting, dealing with children who did not think dad’s idea of moving south was that great and dealing with a rather indifferent community and climate were very challenging, made more so when our second daughter Bridget, 19 years old and Ginny, 20 our sole farm assistant, were killed by a drunk driver in April 1995, ten months into our southern experience. There were never any thoughts about going back to Taranaki. Going/looking back never changes history.

- After a few years farming the original 160 ha it became apparent that dairy farming in Southland is just too easy when compared to the work we had to do at Te Kiri. In 1998 we readily accepted the opportunity to buy the next door sheep farm (120ha, $6,800/ha) and convert it to allow us to milk 850 cows through our original 44bale rotary cowshed. Taking on more staff to allow sensible work hours for all involved. During the next few years there were many retiring sheep farmers in the area allowing us further opportunity to expand. In 2000/2001 we built three new 50 bale rotaries to accommodate over 2000 cows. Maree and I still spent many hours in the cowshed, in fact we too like my mum and dad, did not give up milking regularly until we were into our fifties. Dairy farming is not a part time job, like any successful business it needs your 100% participation and leadership.

The role of goal setting and planning

- We were never a couple who had far reaching, mind blowing plans. We based a lot of planning around what we were doing currently and doing it well. This always allowed us to consider other opportunities from a firm foundation. Flexibility is my favourite “F” word. Never let yourself be stifled by inflexibility. Don’t procrastinate! There has never been any certainties, no one I know can predict with any certainty what is likely to happen at any time ahead from the moment we are currently in!

Key lessons learnt along the way

- We only considered opportunities that were next door or thereabouts. This allows constant observation and control. It helps for staff to see us on the ground, leading by example as often as possible.
• We have always had an attitude of dealing with anyone and everyone both beyond and within our business in a respectful way despite perhaps their attitude to us. Your dignified integrity will open or close many doors depending on how well you portray it.

• We have never needed to “bang on the table”! Respect everyone, every time and you will always be regarded with respect.

• A sensible expectation of those you deal with will always encourage loyalty and support.

• Do not expect your bankers to make the decisions you need to be making. If you display a weakness in your own confidence how can you expect them to support you? I would suggest this will be as important to them as your equity level!

• Prioritise what you expect to achieve and be mindful of the collateral damage in the challenge of that or those achievements. How will it affect the family? Do I expect to have a holiday at some stage? Importantly will I have the energy to see this through without looking for a shoulder to cry on?

• Our philosophy generally has been to enjoy the challenge of what we choose to do, if you are not enjoying the situation you are in, do something about it! There has never been a place for the word “can’t” in my vocabulary. Many of us have yet to realise our full potential, we are only limited generally by self-doubt and laziness. You have to do that extra bit to create that credible self that will impress others into supporting your progress.

We have never looked at what others are doing and despised or resented their success, if you are wasting time doing that, you are missing an opportunity to be productive for yourself.

Options for progression in today’s dairying landscape

• What are the realistic option around dairy farm ownership going forward? For many of you, it is too late given your expectations and energy levels. All those years you wasted at university, travelling overseas, buying the latest Commodore, partying up large and waiting for an opportunity to trip you up, have cost you the advantage you would have achieved starting five/ten years ago using the money you wasted on those distractions! In saying that, I contradict myself by saying it is never too late! Maree and I were in our early forties when came to Southland, we have meet other couples who made the move
south even later in their lives. Don’t despair if you are thirty five and haven’t yet retired to
the comfort of your own home!

- I would suggest that many of you are making very good money as farm managers,
  contract, lower order or 50/50 sharemilkers, you will have disposable income to begin
  investing in land now. No I don’t necessarily mean one hundred, two hundred acres, just
  affordable options in sensible locations. These investments will the beginning of a
  serious commitment. Begin this process as soon as you can, today’s a good day to start!
  We have encouraged a number of our past and current staff to look at such investments.
  Those that have made those minor investments have gone on to make great advantage
  from them. It must be remembered that we came to Southland 20 years ago, people talk
  about a right time. Did we know that that was the right time then? A journey of a
  thousand kilometres begins with that first step!

- I would suggest that today’s land investment opportunities are no less or more
  demanding than they were 40 years ago, it still requires a disciplined commitment.

- When we started out at 20 with 33 cows we had no idea that 40 years later we would
  have a dairy farming business worth over $100million, particularly after that disastrous
  first season in 1974, producing just 18,000kgsms from 100 cows. Production achieved in
  the past 13/14 season was over 1.7mkgms, with our latest investment, we are
  targeting 2.1million kgsms for 14/15 season. It would have been “pie in the sky” stuff to
  even dream of such progress. I would suggest if we had to do it all again in today’s
  world, I would change very little! It is no more difficult now to be farm owners than it was
  forty years ago! In the last few months we have bought back a dairy farm we sold five
  years ago! I can assure you we did not pay cash for it, borrowing almost all the purchase
  price. The banking fraternity involved went through the same procedures, had the same
  expectations, the same concerns that have been always at the forefront of all of our land
  purchases over the past forty years. It was and still is necessary for Maree and I to step
  up to make this latest commitment! Today’s financial concerns for us, given the size of
  our business, also include how we deal with employing thirty families who will be vital in
  ensuring success both for them and us. One compromising is issue I see today is, many
  of you are doing very nicely as contract or sharemilkers, making very good money! Why
  would you want to commit to the demands of farm ownership and the extra responsibility
  that involves? So I would suggest we give up the blame game, that my generation has
  over-priced the options and be thankful that our efforts have actually smoothed the
  pathways, considerably reducing the work load required to meet the challenges of farm
ownership today. Maree and I certainly have had it a lot easier than our parents/grandparents did!

For many of you to follow in Maree and my footsteps in today’s “many options” world with all its distractions, is never going to be an easy ask but anything worth achieving will always have those extra demands. In any good team there has to be a “Captain” someone to sort the team’s options, put the case, get a consensus but make the final decision despite the apprehension of the others involved. I am sure bankers need to see everyone on the same page when it comes to decision making. Do not rely on others to provide future proofed advice, there isn’t any, it will be your signature on the sales and purchase agreement. Do not blame others, Fonterra, Banks, Governments and so on if the rules change and you feel threatened after committing, look for the best alternatives in managing those changes. You will never succeed blaming others for “your” situation. I recently saw a quote “Success? Excuses?” You cannot have both!

I have never been a great advocate of equity partnerships, the best number in any partnership is “one”. The old adage “Too many cooks spoil the brew” can sometimes ring true despite our well-educated, technologically advanced society. In saying that there are many successful equity arrangements out there but I have always been fiercely independent. Our sons, including four other similar aged investors have been involved in a dairy equity arrangement over the past five years on a smaller holding (80ha). Doing much of the conversion/development work themselves, the property has now been sold to one of the investing couples, a great outcome for all involved and the dairy industry.

Many of you will expect that your current well paid life style will just improve when you buy your own farm, “yeah right”! You will restrict many opportunities available in pursuing farm ownership by saying, “No, we are definitely not shifting to that part of the Country, the acreage of that property is not sufficient to allow us to put staff in place, that particular commitment to debt is not something we are comfortable with”! And so it goes on but if you are serious about a commitment to farm ownership, you will need to take a first step! If you can achieve your ideal situation, well done but in many situations you will need to make concessions to your expectations to get there. Do not invest to impress! We have never been show ponies! A measure of success is certainly not in its size but in the satisfaction of the circumstances it provides.
“Success comes before work only in the dictionary”. “The only time you start at the top is when you dig a hole”, two of my favourite sayings! Maree and I have worked harder than many of you will demand of yourselves. My Mum and dad used to the same thing! We still put in many long days, retirement for us is not a consideration, Having some our children involved in the business and the great people we employ is more than enough reason to keep us rowing the boat.

Our love of this great Nation is another reason, much of our focus in developing our business, has been inspired by the fact that New Zealand performs well above its weight in the international arena, thanks largely to our very innovative and progressive dairy industry. Why would you not want to be part of that journey?

**Greg Herbert**

**Personal Background**

- Born and raised in Hawera, South Taranaki.
- Raised in town, wider family were farming.
- Academically bright enough, battled through high school, thrived at university.
- Completed Bachelor of Applied Science (Agriculture & Agribusiness).
- Joined the BNZ graduate programme in late 2003, based in Matamata.
- Moved to Southland as an Agribusiness Manager with BNZ in 2004.
- Left BNZ in 2008 to go farming full time,
- Met Sonya, nowadays have 2 children (Benji 3 ½, Maisie 1)

**Career and progression in the dairy industry**

- 2007/08: Entered into an Equity Partnership while still at BNZ.
- 2008/09: Left BNZ to go Lower Order for the Equity Partnership, farm sold during this season, EP dissolved at end of season.

- 2009/10: Entered into new EP of larger scale and better location. 4 seasons hard slog with little reward decide to change to a business that is 100% in our control.

- 2013/14: 50/50 Sharemilking, 620 Cows at Mokotua. Loving it!

**The role of goal setting and planning**

- Short term goal setting is not really something we formally do, however SWOT analysis has worked very well and is used. We are well aware of our Strengths, Weaknesses, Opportunities and Threats.

- We don’t use goals to drive us instead create habits, behaviours and operate in a way that drives success (for the most part, success is wealth creation in this industry). We control those things that we can, and don’t lose sleep on those we can’t.

- We aim to have the only constraints to our business being things outside of our control.

- Benchmarking and the use of financial KPI’s indicate progression and also allow us to compare ourselves.

- We know where we want to be long term and we believe our habits and behaviours will get us there in the fastest possible time.

- We know what we are passionate about, we have our own opinion of the best way for us to generate capital in this industry.

- Regardless of what you do it is essential to have some form of structure and planning. Know your business.

**Key lessons learnt along the way**

- There is an easier life than dairy farming, so make sure you are working with purpose. Ensure there is just reward for every work undertaking you complete, although this does not always have to be financial.
- Mentors and likeminded people with similar values are worth their weight in gold. Create a network of ‘go to’ people and use them.

- This industry is fantastic for sharing knowledge, everything can be found if you know where to look or who to ask. You do not need to know everything, but you need to know how to find what you are wanting to know.

- Back yourself, with thought and application you can do anything. Self-education and up skilling is extremely important, read regularly.

- It is extremely beneficial to have a good partner and operate as a team. If you are sacrificing family time for the business then ensure the business is rewarding the family 100%.

**Options for progression in today’s dairying landscape**

- The traditional pathways are not as defined as they once were, but they are still there.

- It all starts with saving and sacrifice, be good with money.

- Decide if its skill or capital that restrain you and address this.

- Get to the front of the pack.

- Timing is everything, but you have to make it happen.

- Look at profitability and returns, be able to soundly analyse a proposition and monitor as it progresses.

- Ensure you are financially outperforming your end goal.

**Dylan Ditchfield**

**Personal background**

Born and raised in Te Puke, Bay of Plenty, son of a stock agent/auctioneer, I took a liking to dairy farming from a young age. Spending many holidays on my Grandparents farm and then my early teens on my uncle and aunties farm. I thought I was destined to become a dairy farmer. That was until my later years at high school when the kiwifruit orchards paid
pretty well and my teachers and other influences around me, thought I should go to university or get a trade. So when a refrigeration apprenticeship was offered to me in seventh form, I took it.

After 12 month of this, I found crawling around in ceilings and working in industrial environments wasn’t for me. So still with a yearning for dairy farming, I went to see a successful sharemilker and also a successful farming couple with my Dad, and when asked if anybody could make it in dairying without family financial backing, they told us “if you’ve got a positive attitude and enough determination, you’ll make it alright.”

So that was that. Six weeks later I was working for the same sharemilker that we went see. He and I worked out that if I worked a year for him and then completed a diploma in Ag at Massey University the following year, this would fast track my knowledge, with enough practical experience to go managing in my third year in the industry. So this is what I did. And for that third season I pestered a farm owning couple enough for a manager’s job I really wanted, until they gave in. So then managed their 500 cow herd for the next three years.

Career progression in the dairy industry

My goal from when I started in the industry was to go 50/50 sharemilking and then farm ownership. I wasn’t quite sure how I was going to get to farm ownership, but I had worked out what I had to do to get to sharemilking.

In my third year managing, Sheree and I were married and we decided to follow her career of physiotherapy overseas for 19 months, then to return to NZ in pursuit of 50/50 sharemilking. On our return, we took a look down south for opportunities and managed to secure a 50/50 position with Tasman Ag milking 150 cows in 1997. Through the purchase of some extra R1 heifer’s that year, Sheree’s extra income, good work ethic and smart decisions, we were offered a 500 cow 50/50 sharemilking the following year, which we accepted. Stepping up to 600 cow the year after that, gave us enough equity at the end of that season to go into an equity partnership, with a 47% shareholding ending up milking 1100 cows with a 220ha freehold and 510 lease properties. Sheree and I put our heart and soul into this venture but realised if we didn’t step aside we were going to burnout. So the company we were in, purchased a 680ha sheep and beef property two years later which Sheree and I ran as a grazing block for two years, overseeing the dairy farm bringing in a small equity partner to manage it. In 2004 we decided to exit the equity partnership, selling our shares in the dairy farm and buying our partners shares in the grazing block, then
proceeded to convert 160 ha of the flats straight away to dairy. In 2008 we purchased another farm 60 km away, converted it and also entered into another equity partnership on a neighbouring property, also converting it. Then the recession hit and we decided to exit the equity partnership after two years to consolidate, and then sold the other recent conversion after four years to further consolidate.

Two years down track now and we are ready to reinvest, but not on a grand scale, and not in land and assets. But investing in people, and were not just talking about money, but also investing our time in people. It’s called “letting go while you grow.” It’s not easy, but it’s hugely empowering and satisfying.

**The role of Goal Setting and Planning**

Goal setting and planning go hand in hand with progression. Progression and successful careers don’t exist without first knowing where you are going, and then how you are going to get there.

I had no idea at the end of high school what I wanted to do, but once I had found my career of choice, goals were set and plans were made to achieve them and this has been happening for the last 25 years. It’s what gets me out of bed each morning, it’s what drives me and gives me energy.

As you move through different stages of your life, your goals change, and you continually have to educate, develop and challenge yourself, so you can further grow and develop the way you think, behave and restructure your life to be able to sustainably achieve the goals set.

It is essential to start with the end in mind. What do you want that end picture to look like? (farming, family and personal life) As you progress, making sacrifices, going the extra mile and fully committing yourself, you need to continually review and assess whether you are going in the right direction. Because when you reach the top of the ladder, you don’t want it to be leaning against the wrong building.

**Key lessons learnt along the way**

Well where do I start?
The first thing I can say is that if you really want to analyse it closely, I’ve had way more failures and made plenty more mistakes in my career than successes or good decisions. The key difference here is that I see all my mistakes and failures as a step closer to the goal I am striving to achieve. These lessons learnt are a really important part of the journey because if you’re not learning, you’re not progressing. It’s a real easy way of turning a negative into a positive. And it works. Life is only how you perceive it.

When I ask aspiring young dairy farmers I talk to “what is your ultimate goal in dairy farming? The answer is almost always “farm ownership.” A word of warning. When you slave your guts out with blood sweat and tears and you finally reach your destination of farm ownership, don’t expect a welcoming party of hundreds and a fireworks display, because actually, it’s just another day, and the journey continues. Make sure you enjoy the journey to achieving your goals, and after onto the next one.

Find a mentor and surround yourself with positive people who will pull you along. You are who you hang out with. When the going gets tough, you need someone you can trust, to go to and ask for advice. These people are crucial in helping you get back on your feet. Sometimes they will tell you some things you don’t want to hear. Listen, make a decision and get on with it.

When you are choosing people to be part of your team, do your homework on them. Whether its employees, employers, sharemilkers, farm owners, equity managers or partners, I don’t care if it’s your grandmother, do your homework. Find a minimum of three different types of references from different people, then ask yourself do they align with your own values. If they don’t and you allow them to be part of your team, I can almost guarantee from experience and reflection, the relationship will not end well.

One thing that has helped me more in recent years, is my ability to reflect. We often think as employers we are always right. And we often are right, but we set our people up to fail because of lack of support we put around them. Or we make an impulsive decision on an investment or employment choice without doing the homework. Then we blame everyone around us when it all turns bad. But when I reflect on why we got into a poor outcome, every time, ultimately the accountability lay with me, with the lack of process, due diligence and ability to listen to good advice when it was given. Don’t make hasty decisions and set your people up to succeed.

Options for progression in the today’s dairying landscape
First of all, you can’t change the facts. The latest Dairy NZ economic survey says that forty years ago it took twenty three years of profit per hectare, to buy 1 hectare of dairy land. This remains the same today. So relatively speaking, farms are as affordable today as they were forty years ago.

The second thing I will say, is that remember, if you have entered the dairy industry within the last five to ten years, with all due respect, that period is all you know. The dairying landscape has changed and evolved for more than a hundred years that it has been in this country. It will continue to change and evolve for the next hundred. My strong advice is to embrace change and learn to change quickly. Just because 50/50 sharemilking positions aren’t as common as they used to be, it doesn’t mean they won’t return or that there aren’t other equivalent opportunities. Continue to look at different ways you can progress to achieve your goals and ambitions.

I believe that the way forward into the medium term future, for people wanting to progress in the dairy industry, is to form partnerships and relationships with people that hold the same values for genuine growth in the dairy industry. With the focus on collaboration and using individuals with different strengths, giving clearly defined roles for each partner, I believe people wanting to progress will achieve their goals in similar or faster time frames as those in the past.

Over the past two to three decades we have seen herd sizes increase from units that took one to two labour units with a “get on with it” task orientated focus for productivity, to now where it is common to see units with 3 – 4+ labour units needing a people management focus for productivity. These are the real skills you are now required to have if you want to be sustainably progressive in the dairy industry. Face it, accept it, and sort it.

In summary, history says that only about five to ten percent of people in our industry will achieve farm ownership. The landscape will change around you irrespective of what industry you are working in. What doesn’t change, is the attitude, sheer determination and the ability to adapt that is required of the people that want to achieve farm ownership or the equivalent. So if you think this is you, make a decision, get the right people around you and simply get on with it.

My last tip is -

90 – 95% of people give up during the real hard stuff when they are moments away from success. “Dig deep” and “never ever give up” and you will be there be for you even realise it.
Simon Light

Personal Background

Childhood

- Urban background
- Dad a civil engineer
- Mum a registered nurse
- Teenage Years
- Spent all my weekends heading out to my friends farm, mainly focusing on shooting.
- Post High School
- Left school aged 16 years – underachieving
- Wanted to be a sheep farmer
- Decided dairy industry had more achievable pathway to farm ownership

Career Progression

- Enrolled in a dairy farm trainee course
- 6 months duration
- Out of 60 attendees only 20 passed
- First farm job in Matamata 210 cows
- Won top first year cadet in Waikato
- Worked on 3 different farms over next 4 years
- Spent a year on each farm aiming to get a good reference at each job.

Got first 50/50 job

- Working for Craig and Anne Tweedie
- 335 cows, stayed for 3 years
- Entered New Zealand Dairy Industry Awards for the first time.
Second 50/50 job
  - Syndicate of North Island farm owners

750 cows
  - Continued to rear extra stock
  - Paid off debt
  - Brought into equity partnership
  - Brought run off in Te Anau

Key lessons learnt along the way
  - Milking your own cows – great experience
  - Know your strengths and weakness’s
  - The easy road is not one worth taking
  - Our partnership would be huge strength
  - Dream big!!
  - Be clear about the dream – set goals
  - Don’t take advice from accountants and bankers
  - Best advice and motivation is those who have succeeded
  - Good quality staff – a hard lesson
  - Avoid minority equity partnerships
  - the journey and take time for family
  - Live a well-rounded life
    o 4 beautiful kids
    o Wife has completed a Masters in Health Sciences
    o Shot some stags, caught some big boars, and plan to do a lot more hunting.