

'FARMER SCARCITY', LAND COST THE BIG THREATS

Insufficient rain, land, oil and phosphorous are often touted as the biggest threats to agriculture, but Peter and Nikki Thompson are most concerned about the scarcity of farmers.

"Worldwide, the biggest problem we face is an imminent shortage of farmers," said Peter. "The countryside needs people, but no one starting today has the sort of money needed to get off the ground."

In south west Queensland, where the Thompsons farm, most property values are in a range of \$8 million to \$15 million.

Passionate about the future of farmers, sustainable food production and the natural environment, Peter and Nikki are tackling the rural skills shortage and capital barriers with a model that separates land ownership from the business of food and energy production.

Together with Anthony and Anna Dunn, they have established Soil2Soul, a co-operative model in which long-term investors buy the land and absorb the burden of debt, leaving skilled farmers to apply their expert agricultural knowledge, create a quality product and take care of the land.

Soil2Soul's model is based on blue economy principles, which is about leaving nothing to waste and utilising the abilities of all contributors, Nikki said. "It's about nature and human kind working together. We need to look at new and blue ways to consciously evolve nature in a sustainable way."

Key to their model is the ability to attract young people to agriculture. "Our big thing is getting young people back into farming or into agriculture in the first place," said Peter. Soil2Soul offers attractive salaries plus profit sharing linked to productivity and the opportunity to build equity. "They have the ability to earn or buy personal financial equity over time, while also earning comparable salaries to miners or lawyers, at \$100 to \$120,000 a year," he said.

The business targets people in the 25 to 35 age range, who are ripe to learn and develop with the help of mentors. One of their goals is share the combined knowledge and expertise of managers within the business through a mentoring network.

"It's not about Peter and Nikki and other members of Soil2Soul wanting to become multi-hectare land barons," said Peter. "It's about sharing our lifelong learnings and knowledge."

Already, one of the managers at Soil2Soul mentors students

studying agriculture or veterinary science at Queensland University.

The Thompsons believe traditional family farms are not sustainable into the future, but see models like Soil2Soul as the future of the new 'farming family'.

"Taking this cooperative approach, it really is like a big family farm," said Peter. "The investors are like Mum and Dad; they are patient investors with long-term intergenerational aims. They're not looking for a quick buck; they are true equity partners. In fact, this model allows Mum and Dad to retire, without handing the burden of debt to the next generation."

They also hope to revive regional communities and actively seek investors with a social and environmental conscience. "One question we're always asked is: 'What's in it for the investor?'," said Peter. "Their return is through the capital growth of well-managed land, but more importantly it's about enhancing the natural environment. It's through good land management practices and revitalising the social infrastructure of our food-producing regions that we will get families to return to the empty houses. It will help rebuild the communities."

Peter says Soil2Soul's philosophy is about optimising the resources available rather than exhausting them. The Thompsons believe an increasing trend to produce more for less is not a recipe for profitability or land sustainability. "We need to move from the mentality of producing more and more for less and less. It seems to be something we've been duped into over the years. All we're doing is producing a whole lot more at very little margin," said Peter. "That has no resilience. It's inherently high risk, both financially and most importantly environmentally."

They endorse a model where farmers look to new products, such as energy, which Soil2Soul has done with Coal Seam Gas (CSG); primarily methane found in coal seams underground. "We made the conscious decision to integrate with CSG production on our land," said Peter. "The compensation we receive has removed much of our debt monkey."

"To me conservation agriculture is much more than zero till, disc seeders or fertilisers," he said. "These focus almost entirely on reducing costs and creating higher production. We believe you need to focus on creating value and how to produce that from your land, your products and your people by optimising, not by maximising."

