

Making a success of succession

SARAH JOHNSON

With 32 offspring from a family of nine children and a farm actively shared by three of the brothers, achieving a harmonious succession plan for the Cummins family farm seemed a challenging prospect. A systematic and patient approach involving a trusted, independent consultant has reaped a positive outcome.

Succession in farming seems synonymous with failure. Too often we hear stories of communication breakdowns, families torn apart by dispute and bitter disappointment.

The succession story is different for the Cummins family from Yarrawonga, in north east Victoria, who invested time and money in a methodical process that gave every family member a voice and placed a dollar figure on the farming asset.

Until 2007 the Cummins' farm was operated by James, Greg and Des, three brothers from a family of nine children. Large broods are common in the Cummins family, with Greg and Des each producing seven children and James three, with another 15 offspring from their other siblings.

Many hands can make light work in farming families, but when it comes to succession, finding a solution that meets everyone's needs is complex. For the Cummins family, the process started in 2005, when Greg and Des decided to retire from the business, triggering a need for a succession plan and the start of a process that started with engaging the family's local accountant, a trusted person in the community, with farming knowledge. His role was to listen to all interested family members, including all 32 cousins, which enabled all parties to have their say before an agreement was made.

As a result of this process it was decided that James and his wife Lorraine would continue on in the business, together with James' son and daughter-in-law Jamie and Alison and his nephew (Des's son) Justin and wife Libby. Des and Greg were happy to see the farm continue and still lend a hand when required.

For Jamie, who had spent five years building a successful agronomy consultancy in Katanning, 277km south-east of Perth, it was a relief to see the progressive way his uncles and father addressed the issue of succession.



ON-FARM STORAGE ENABLES THE CUMMINS FAMILY BUSINESS TO HOLD GRAIN FOR SALE THROUGHOUT THE YEAR AND TO IMPROVE RETURNS BY BLENDING TO EXACTLY MEET BUYERS' QUALITY REQUIREMENTS.

Jamie had moved to WA in order to broaden his farming experience in a location with mixed soil types and large farm operations and to put into practice concepts he acquired at university.

I want our farm to be like one big vegie patch.

“What I learnt from being able to sit in a room with some of the best farmers in WA was incredible,” said Jamie. “But it wasn't all about agronomy. Probably one of the biggest things I discovered from my time in WA was the lack of succession planning in farming.

“One day I'd be in the car talking with the father about the farm's direction and the next week, the son would reveal his ideas that were on a completely different tangent. It was simply a lack of communication. Succession can be a touchy subject to handle but it has to be addressed. Processes have to be put in place. People can't just assume.

“My uncles and father were very progressive when it came to succession.”

With a plan in place, the impetus for Jamie and Alison to return home was a serious on-farm accident involving his father, who hit a power line while unloading a truck and was airlifted to hospital in Melbourne.

“He was very, very lucky to survive,” said Jamie. “For us, the accident was a reality check. Our family relationships mean a lot to Alison and me, so we decided it was time to pack up and go home.”

Before getting the packing boxes out, Jamie and Alison, together with James, instigated the next step of the succession plan by employing an independent consultant to value the property.

“We had everything valued, from the land and machinery right down to old work vehicles, so we could put a dollar figure on the farm. We wanted to know what we were getting into so we could set goals for a successful outcome.



JAMIE CUMMINS AND HIS THREE ELDEST CHILDREN EVA, JAMES AND SAM.

“One of the biggest things in farms is no-one knows what they’re going to have to pay out.”

Overall, the succession process took three years and according to Jamie, it was a valuable investment. “It’s the best money we’ve spent on the farm,” he said.

For Jamie, Justin and James, resolving ownership of the property has provided them with the freedom to take the direction they choose. “We know where we’re headed, which is the best thing,” said Jamie.

Part of the process involved getting to know each another as business partners; setting aside 12 months to ensure they worked well together. Jamie believes working in different capacities within the business is the secret to their successful union. Justin is responsible for the farm machinery, including servicing and maintenance, while Jamie concentrates more on the cropping side of the business. James manages the farm’s bookwork, markets hay and helps out where needed. They also employ a full-time farm labourer, Michael, who has worked for the family for 15 years, and employ casual staff where required.

“It’s good to have your own area in the business,” said Jamie. “I trust Justin and Dad’s decisions and they trust mine.”

Effective communication was critical to the succession process and the Cummins family continue to make it a priority. They meet most mornings, sometimes only for five minutes, to plan the day’s activities and every two months Jamie, Justin and James have a more formal meeting to look at all areas of the

business. “Our farm runs really well when we communicate. When we don’t communicate enough we have issues,” said Jamie.

They have also started to conduct reviews with Michael, giving him the opportunity in a formal setting to raise any concerns. The family tries to ensure Michael’s work satisfaction by giving him decision-making opportunities and a sense of ownership in aspects of the business. “We reward our workers, not just through salary but also by allowing them to make decisions. Michael is really good with servicing, so if a vehicle needs work he just goes and does it. Even if you think he should be doing something else at the time, you’ve just got to run with it,” said Jamie.

They were the farmers you’d see at the football on the weekend because they were well organised.

The Cummins own 2,832ha and share-farm another 1,214ha about five kilometres west of the Murray River near Yarrowonga. The area is known as an ‘inland aquatic paradise’ thanks to a weir on the Murray that ensures plenty of water for river sports and activities.

The family continuously crops a rotation of canola, wheat, barley and canola or oaten hay. They also experiment each year with a legume crop but are yet to achieve

the success required to replace a larger proportion of cereals, due to low pH levels. “Our soil pH is at about five and a half in calcium chloride, so it’s not great for legumes such as lentils. We’ve tried vetch, lupins, beans and lentils but the dollars returned per hectare have not been great,” said Jamie.

At this time, legumes are a casualty of the Cummins’ succession agreement. “Land value is about \$1,800-\$2,000 an acre, and with our debt levels due to succession we can’t afford to not have every acre working for us,” said Jamie. “It’s not really the way to look at it, but while artificial nitrogen is still cheap enough, we make more money growing a wheat, barley or canola crop than from growing a lupin or a legume.”

Understanding their soil is a key aspect of the Cummins’ farm management, another legacy from Jamie’s time in WA. Poor, sandy soil forces WA farmers to become soil experts, according to Jamie, and he gained a lot from their knowledge. “They know a lot more about their soils than we do back here,” he said.

The Cummins family have invested heavily in better understanding their soil, taking soil samples every year and digging soil pits across their property. “We’ve done a lot of soil testing to see what nutrition is lacking and to determine our limiting factors,” said Jamie. “We wanted to see why our crops were drying off later in the year and found that most of the crop is grown in the top 20cm of soil. I really wanted to access moisture and nutrition further down.”



THE DBS AUSPLOW SEEDER HAS A 3.05M WHEEL BASE TO FIT THE CONTROLLED TRAFFIC SYSTEM AND IS SET UP FOR 370MM ROW SPACING.

Testing revealed ample phosphorous in their soil, which is mostly red loam over clay with some self-mulching grey clay loam, yet it was not available to the plant. As a result they have more than tripled their lime application from 300 to 1,000 tonnes each year. Lime makes the phosphorous and trace elements like copper and zinc more available to the crop plants. “When it comes time to do our budget, lime comes before a lot of things now,” said Jamie.

A combination of liming, stubble retention and a controlled traffic system has improved their soil, which is noticeably more friable. “The lime has allowed the roots to access deeper into the profile and because we’re tramlining, we’re not compacting the soil.

“We like to see the top 3cm look like mulch. I’ve always said that when you go fishing you won’t find worms in the bare ground, you’ll find them in the rose garden or vegie patch where there’s straw and moisture. I want our farm to be like that; one big vegie patch.”

The family began the conversion to controlled traffic farming 12 years ago, investing \$35,000 in one of the first 2cm guidance kits on the market. They operate a DBS Ausplow knife point seeder on 370mm spacing.

“When they came out with the 2cm system, that was a huge improvement for our seeding accuracy and meant we could inter-row sow the following year,” said Jamie.

“Being able to sow canola into standing wheat stubble was the next step up for our program. Thanks to ground cover, we had less summer weeds and more moisture carry-over if we had summer rain.”

With most of their machinery – seeder, headers and spray cart – converted to 3.05m wheel span five years ago, the controlled traffic ‘tramlines’ are like a road. “In 2011 we had a lot of rain at harvest but we were still able to get on the paddocks and continue harvesting. We were virtually in water but could carry on because the tramlines were so hard. Controlled traffic is reducing the impact on the soil throughout the whole property.”

Stubble retention is an important yet challenging component of the Cummins’ no-till operation and Jamie is not afraid to admit to burning stubble on some paddocks. “This year, with the amount of rain we had at the start of sowing, if we hadn’t burnt some of our stubbles we wouldn’t have sowed our crop on time,” he said. “It would have been two months’ late and cost us hundreds of thousands of dollars.”

The significance of good timing is another pearl of wisdom from Jamie’s WA experience and he works by the maxim that timing is 90% of profitability. “In WA I looked at the best farmers and tried to work out the difference between them and the poor farmers. The bottom line was they got things done on time. There only needs to be one thing out of whack and



A COMBINATION OF STUBBLE RETENTION, THE CONTROLLED TRAFFIC SYSTEM PLUS LIME AND GYPSUM SPREADING IS IMPROVING SOIL CONDITION AND CROP PERFORMANCE BUT STUBBLE IS SOMETIMES SACRIFICED SO CROPS ARE ABLE TO BE SOWN ON TIME.



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“The more successful farmers made sure their summer spraying was done on time; they’d have their machinery and GPS maps ready to go and would make sure their seeding, spreading and fertiliser applications were all completed on time. They were also good at their own time management. They were the ones you’d see at the football on the weekend because they were well organised. I think that’s the biggest thing in farming; timing.”

While it’s not something the family does every year, burning stubble is also about controlling rye-grass and making up for the lack of a legume in their system, which would help with stubble break down. In certain circumstances, it also alleviates unnecessary worry.

“When I came back to the farm I had the

view that we'd absolutely stop burning and that would be it," said Jamie. "But I don't think that's the case every time.

"Last year we had a real issue with stubble load because we hadn't burnt that piece of land for several years and there was a mass of stubble there. Every acre has to provide a return for us, so we burnt to make sure we slept at night. It's one thing less to worry about at sowing time. Everything has to flow."

Jamie values his mental health in a game that involves risking large sums of money, and lifestyle is increasingly taking on more significance for Jamie and Justin. Jamie and Alison have four children, aged 7, 4, 2 and 6 months and Justin and Libby are parents to three children, aged 6, 4 and 3 years.

Succession can be a touchy subject to handle but it has to be addressed.

Balancing family time with running a profitable enterprise isn't easy. "We've got to realise that it's OK to outsource some jobs, rather than take on everything ourselves," said Jamie. "We are well aware that our time is limited and sometimes it's best to outsource jobs where you're making very little money."

The family purchased a truck to support the on-farm storage facility James and his brothers set up 10 years ago. They now have 7,000 tonnes of on-farm storage, giving them the flexibility to market grain throughout the year. "We are able to quality-enhance our grain on farm by blending to match buyers quality specifications. Financially it has been a winner. The amount of money we've made by having the capacity to store our grain and market it all year round is great."

The storage facility comprises eight large and 20 small silos with automated aeration, a weigh bridge and grain-testing hut.

The truck is used to transport grain and cart lime from Geelong and gypsum from Melbourne back to the property. "Running a truck does increase our workload but the money it makes outweighs this at the moment. Saying that, we will get others in to cart grain if our time is better spent elsewhere."

A task that Jamie is unlikely to outsource is spraying, as the farm's Case IH Patriot

4420 self-propelled spray cart gives him a bird's eye view of the paddocks, helping him pinpoint problems and positive results on the run. Known as Jamie's 'office' because he spends so much time in it, the spray cart represented a hefty investment but is the most critical machine on the farm, according to Jamie. "It has increased our efficiency. We can cover a greater area in a given time using a self-propelled sprayer than a tow-behind so it enables us to get spraying done on time, when weeds are fresh and not under stress."

Helping farmers make sound decisions with their machinery investments was a key focus for Jamie as an agronomist in WA and is a high priority now that he's at the coal face. "I tried to help farmers reduce their costs by limiting their mistakes," he said. "There's a lot of different machinery available that costs big money. You have to do your research, be open-minded and listen to lots of opinions because you can burn up money so quickly. I don't think there's enough money in the game to make mistakes."

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