



Pathways to Farm Business Ownership

Case Study



Bruce and Jackie Bowie
Parents



Daniel and Louise Bowie
Sheep and Beef Farmers - Mt Marchant

The Bowie Family

Throughout his farming career Daniel Bowie always had the goal of farm ownership in his sights, but he didn't expect to be living the dream on the family farm where he grew up. In 2015, at 34 years old Daniel and his wife Louise took over the sole ownership of Mt Marchant, a 420 hectare sheep and beef property in the Northern Wairarapa.

When Daniel and his two siblings were young, their parents Bruce and Jackie had always said that the farm would probably be sold due to high debt. They encouraged their children to work hard and to follow their interests whether it be in farming or other industries. It wasn't until many years later, when Bruce and Jackie became involved with a farm advisor and had their first family meeting, that the prospect of family succession became a real possibility.

From a young age Daniel had a keen interest in farming. After finishing school he took on a shepherding job for a year before heading to Lincoln University to complete a Diploma in Farm Management. Following that he spent 2 and a half years travelling overseas. On returning to NZ he took on a shepherding job working with a farmer by the name of Derek Neal. Daniel told Derek that he was looking to further his experience and step up into a Farm Manager's role. Derek contacted Sam Robinson, a friend of his farming in central Hawke's Bay, to see if he knew of any jobs coming up. Sam trusted Derek's opinion and learnt that Daniel had valuable experience and a solid work ethic. The farm neighbouring Sam's was up for lease so he suggested that he and Daniel could go into an equity partnership on that property.

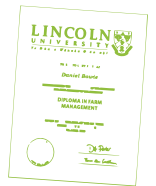
Daniel's Progression to Farm Business Ownership



2000
Left School, Shepherding
1 year



2003
Overseas travel
2.5 years



2001
Lincoln University Diploma
in Farm Management



2005
Shepherding
2 years



2007
Equity Partnership
3 years



2010
Equity Partnership
5 years



2015
Farm Business Ownership

The lease farm was a 400 hectare sheep and beef property with approximately 4200 stock units. The pair set up their equity partnership and entered the lease which was for a 3 year term. After that the farm was sold. Sam and Daniel both wanted to keep their partnership going so decided to take on a new lease near Dannevirke. The property was similar in both size and number of stock units, however this time the lease lasted 5 years.

Both Daniel and Sam benefited from the equity partnerships by making cash profits, but for Daniel there was also great value in the experience he gained. Working with and learning from Sam provided Daniel with the opportunity to develop his farm management skills, preparing him for the step-up to farm ownership.



Succession Planning for the Bowie Family

The idea of family succession for Mt Marchant was introduced to the Bowie family 3 years prior to the handover. It came about through Jackie and Bruce attending a seminar run by Farm Advisor Phil Guscott. Inspired by what they heard they contacted Phil and talked with him about the financial position of their farm business as well as their goals and wants for the future. Several weeks later Phil, Bruce and Jackie arranged their first family meeting to discuss the future of their farm business.

All three children; Natalie, Tom and Daniel were present at the meeting, as was Louise who was Daniel's fiancé at the time. Phil presented a number of scenarios to the group, one of which was retaining the farm in the family. All of the children had the opportunity to voice their opinion. Unanimously they agreed to try and retain ownership of Mt Marchant in the family. Although both Tom and Daniel were in farming careers, the family agreed that Daniel and Louise were in the best financial position to take over the farm. A plan was agreed with step 1 needing Bruce and Jackie to pay off their debt on the farm. Meanwhile Daniel and Louise needed to raise enough capital to purchase a retirement house for their parents. This they achieved through the equity partnership opportunity with Sam.

Sole ownership of Mt Marchant for Daniel and Louise was made possible by receiving Daniel's share of his inheritance early, in addition to a loan from Bruce and Jackie (for the balance of the farm's value). Daniel and Louise pay interest on the loan to provide a retirement income for their parents. When Bruce and Jackie pass away the loan will be paid out to Natalie and Tom, along with the value of any other assets.

Daniel and Louise are excited and thankful to have been given the opportunity to take on ownership of the family farm business. For the other members of the Bowie family the value of still being able to come 'home' to visit has made the outcome positive for everyone.

