



Rocky year ahead?
Incitec sales are up, but the fertiliser market looks tough.
■ See p7

AGRIBUSINESS

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Landlord plan to help young farmers buy in

By PHIL THOMSON



A NEW investment company established by a young Liverpool Plains farmer has already raised \$100 million and could well become a model for succession planning in agriculture.

Centre Capital Securities is about to start buying farming and grazing properties and offering farmers a type of flexible contract rarely seen on the Australian agricultural stage.

The director of the company, Willow Tree-bred financial adviser, Mike Norman, 36, believes that because land assets are so expensive, more Australian farmers will get a foothold in the industry via landlord style arrangements in which corporations will increasingly be involved.

Under Mr Norman's plan, a farmer selling out to the investor group will be able to negotiate to remain on part of the property and stay involved in running the operation.

The farm manager brought in by Centre Capital to run the property would have the opportunity to negotiate a profit share arrangement or be



person or family unit down the track.

But Mr Norman points out that in recent decades many people raised on farms have found careers outside agriculture, then found it difficult to re-enter the sector, partly because of the high asset costs involved.

He said there was now a gap between available farming land and the young people who wanted to operate on that land.

With costs typically starting at more than \$500,000 for land and equipment, and bank finance more difficult in a credit-squeezed market, many young farming aspirants were giving up the chase.

This meant a wealth of experience was being lost when older farmers retired with few newer recruits available to buy in, Mr Norman said.

He believed more flexible financing arrangements, such as having corporate-owned farms being progressively bought by younger farmers, could provide innovative ways to enter the industry which more people would be interested in taking advantage of.

"When I travelled and worked in North and South America, where farms have been passed down from

... but first-up, a harvest

A BUMPER sorghum crop of up to 11.5 tonnes a hectare is coming off the header on the Norman family property at Willow Tree in northern NSW.

Keith Norman has been busy harvesting what is the mainstay crop on "Staplegrove" and in recent weeks he has had the help of his entrepreneurial son Mike (both pictured).

Mr Norman senior planted 2000ha of sorghum in November and it has now yielded eight tonnes to 10t/ha on most of his paddocks with a high of 11.5t/ha on some longer fallow blocks.

many generations, I saw that half the farms were set up as a landlord style arrangements. The farmer ran the farm and the corporation owned it."

After two years planning, his business kicked off this week financed by \$100 million from private and institutional investors.

In a separate move, his business will act as a broker for Australian farmers wanting to invest in agribusiness.

He said the investment option would give farmers bitten by high fertiliser, seed and chemical prices the

Summer crops make up two thirds of the Norman enterprise.

With the sorghum harvest nearing completion there is enough moisture still in the ground to give Mr Norman a good start to winter wheat planting in the same blocks.

Mike, a Central Coast based financial adviser, still makes it up north to the family properties to help during harvest.

While busy launching a new agri-investment arm of his business, Centre Capital, Mike Norman has his own sizeable stake in the 4000ha family aggregation.

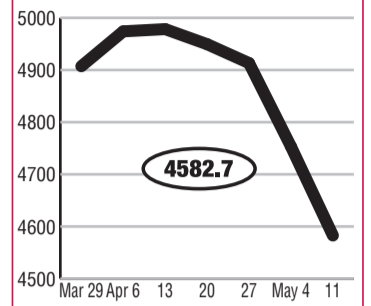
opportunity to make money out of such agri-giant suppliers as Monsanto, Syngenta, Nufarm, John Deere and Kubota.

His thinking is that farmers understand agricultural investments better than the average investor

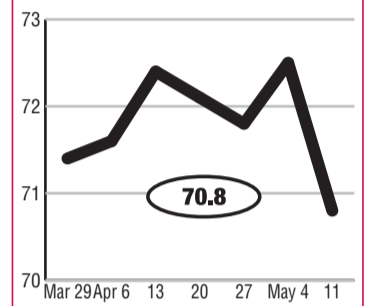
They knew they should look for medium to long-term investments, that seasonal conditions can vary and that worldwide food supply will be more constrained.

■ See also Ag fund buys in Bass Strait, p33.

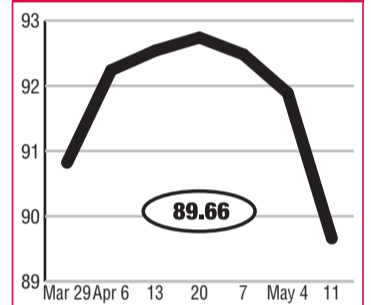
All Ordinaries



Trade Weighted Index



Aussie Dollar (US cents)



Making News

Arystra-Ospray deal:

Japanese-owned crop chemical company, Arysta LifeScience, has signed an agreement with the Australian division of the Cheminova group, Ospray Pty Ltd, to make the local company exclusive distributor of Arysta's range in Australia and New Zealand.

The agreement covers established products such as the herbicide, Select, and products still being developed. As part of the agreement many of the products will be formulated at the Cheminova site in Wyong on the Central Coast.

The new arrangement would enable Ospray to become "an even stronger supplier to the farming community at large," the regional president for Cheminova activities in Australia, New Zealand, the US and Canada, Martin Petersen, said.

Arysta LifeScience Corporation, the world's largest privately held crop protection-life science company, had revenues of \$US1.2 billion last year.

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