



## Media Release

For release: Wednesday 23 November

### **Start-up costs threaten 'lost generation' for NZ farming, ANZ warns**

*\$60m package to help new farmers take first step towards ownership*

A 'lost generation' of New Zealanders are turning their backs on agriculture, as the current crop of farm owners ages while the cost of getting onto a farm soars beyond the reach of young investors, ANZ New Zealand has warned.

With the average age of a New Zealand farmer now topping 50, ANZ analysis reveals that the amount of capital required by the next generation to buy a farm has soared to over \$1 million\*, forcing many to seek other careers.

ANZ New Zealand moved to highlight the issues today as it announced a new multi-million dollar package to help enterprising young farmers take their first step in farming and progress towards farm ownership.

'It's never been easy to get onto your own farm and it's not getting any easier,' says Graham Turley, Managing Director Commercial and Agri at ANZ New Zealand. "The industry needs skilled young people to come in, develop business skills, accumulate capital, and take over as older farmers retire.

"Yet many in the next generation cannot see how they can raise the capital to gain ownership and control. They are no longer sure there is a fulfilling career in agriculture, and many of the best young people now see better options outside farming."

The new farm start-up package, available through ANZ and The National Bank Agri Managers, is designed to help new farmers get started in their first independent farming position, for example as a contract milker or in leasing land, as a first step towards raising further capital and buying a farm.

#### **ANZ/The National Bank - farm start-up package**

- A dedicated fund for loans to new farmers taking their first steps into agriculture – offering at least \$60 million over five years
- Up to \$50,000 of an applicant's loan may be unsecured
- A free business and personal account for the first 12 months of the business
- Expert coaching from ANZ and The National Bank agri managers on submitting an application, including budget, cash flow, and business plan
- 12 seminars across New Zealand on achieving long-term farming goals, such as getting onto your own farm or running a large-scale share milking operation.

The package will offer at least \$60 million of new lending in the first five years to help new farmers start their first agricultural business, along with expert support including coaching and seminars to help them manage their business soundly.

"These loans can be used to provide income in the first few months of a milking contract," says Graham Turley, "for example until a seasonal payment kicks in, or towards livestock and essential farm machinery such as a tractor or farm bike.

"We expect that a large majority of these packages will be taken up for contract milking. But they are available to young farmers be they sheep, beef, dairy or horticulture."

Graham Turley says the path to farm ownership requires dedicated long-term planning, and as part of ANZ's start-up package it is providing seminars on achieving farming goals, whether that's getting onto your own farm, running a large scale share milking operation or another goal.

"One of the keys to success is for new farmers to take up training opportunities to develop their business and farm management skills, and then apply these in their start-up opportunities.

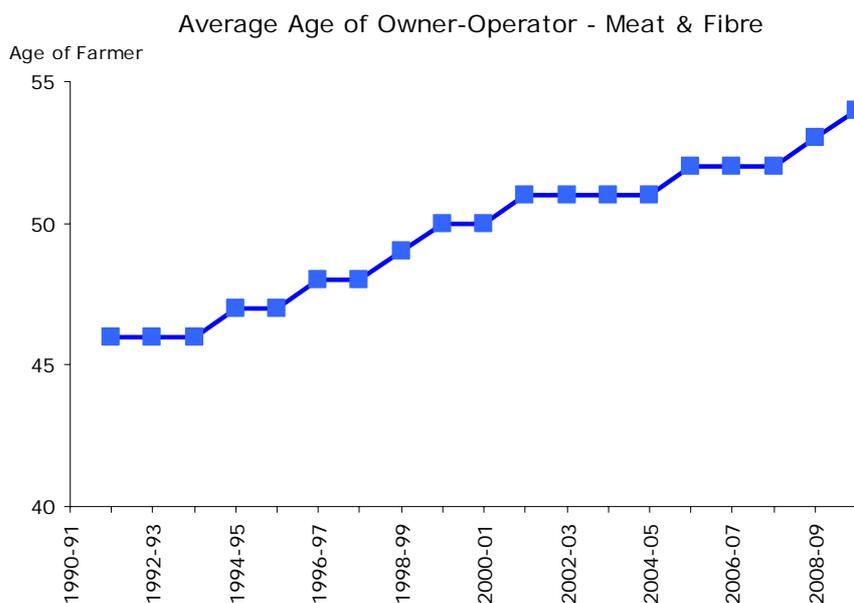
"We're investing in this because we want to see the industry grow. We've supported farmers in New Zealand for 170 years and we want to continue to do that. This new package builds on other support such as our backing of the Young Farmer Competition, and Fieldays which we have supported for 36 years.

"Agriculture has never been more important to New Zealand, and ANZ is uniquely placed to drive connections to and from the growth markets of Asia, given our international reach and expertise, as well as our strong domestic network."

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\*According to analysis by ANZ economists, a new farmer would need on average over \$1m deposit to buy their first dairy farm (including machinery, stock etc); and at least \$1.5 – 2m for their first sheep/beef farm



Sources: ANZ, National Bank, Beef + Lamb NZ.