

WHAT'S MY FUTURE IN THE DAIRY INDUSTRY (FOR THOSE IN THEIR 20S)?

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So you have got yourself to here? Well done. With a bit of luck you have worked hard at secondary school, and you may have even advanced to tertiary study or got started on some Primary ITO development. You may have even found out, through some early mornings and time in a cowshed, that dairy farming is your future. Congratulations, you will do well.

Many have been before you, actually to be fair to you, they actually haven't been where you stand today.

You are the new generation where the career pathway isn't quite as clear as it was 10 to 15 years ago. Back then you could start where you are at now, realistically with a little luck, and by doing a tonne of hard work, you could achieve the success of land ownership as the ultimate goal.

Things have changed – the capital hungry business of the dairy industry, and the roller coaster ride of commodity prices, has changed the game plan for many. At times you can become disoriented, and wonder why you are perhaps doing what you are doing, and you may start to consider what success looks like.

So let's develop a plan. The plan needs to span the next 2 to 5 years is more than enough. Make the plan robust, include both financial and personal plans. Your plan will need action points to help achieve the short to medium term goals or achievements. Make sure that plan is heading in the general direction of what your "dream" outcome looks like.

Be flexible in the plan and be realistic. If you have no capital today and you are earning a \$50,000 salary, and you are paying off your car and student debt, I will be honest. Having a plan of owning a 1000 cow dairy farm in Canterbury within the next 10 years may not be realistic.

Understand what the financial and personal requirements of your present commitments are, and how that works with your plan. Be committed.

Notes:

Realise that what you're doing today might be a reasonable outcome for you. I have successful contract milkers who have achieved significant wealth creation over the last few years by saving hard, investing in long term assets like property, shares or their kiwi saver schemes and using debt sensibly.

Buying cows to lease out for nothing to start a herd and maybe go 50/50 share milking at Temuka is not really a plan. This has a significant risk associated with it that you cannot control or mitigate. Be successful at being counter cyclical - sometimes that means you have to stick to your knitting, take calculated risk that has at least a B plan attached to it and don't be greedy on either entry or exit.

Understand that the management jobs in the dairy industry compared with a lot of other jobs or careers are relatively well paid both in monetary and lifestyle terms, and while they may not allow you to purchase a farm, they do allow you to plan for a successful financial outcome for you and your family.

Value what you do today. I see a lot of people in the industry spending time day dreaming about the future but actually failing to do a really good job of what they are supposed to be doing. This is an extremely important point, when you have little capital, relationships and what you offer in raw physical and mental ability become extremely important to the success that you will achieve in the future. If you blow through jobs, especially at management and share milking level, eventually this catches up with you and reputation in this industry is paramount.

Be kind to those around you, and please remember that your solar system doesn't control the universe. What this means is asking your employer for a pay rise isn't a right; negotiating by ultimatum can be extremely dangerous to your future relationship and opportunities.

Understand that your brand is something you establish; how good you are at building that brand is your responsibility. However, the test of this is the value that your employer will pay for your ability, whether this be in dollar terms or in opportunities.

The opportunities in the industry remain endless, and they aren't all based on farm ownership. I have seen contract milkers with more asset base than their farm owners. This industry supports those opportunities in all sorts of ways; through education, progression within the farm and through the industry in either management, contract or share milking. The future is bright for people who are well skilled, financially secure in their own right to take up those opportunities.

Remember, get a plan, take responsibility and ownership for the plan, be realistic and do what you do right now as well as you possibly can.