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Farm diversification decision-making

This guide aims to help new landholders make decisions about diversifying their property. These five steps can guide you to making a decision that will help you avoid failure and disappointment.

Step 1: Compatibility

It is easiest to act upon an idea that is highly compatible with what is already being done. It is harder to diversify into a completely new opportunity.

It is important to clarify the purpose of buying a farm before plunging into any enterprise. For example, if you don't live on the property or cannot be there every day, then you are well placed to graze animals or grow crops that need constant care.

Some useful questions to ask yourself before diversifying:

- Are we living on a farm primarily to enjoy the environment or to focus on some agricultural activity?
- Will we be away from the property for extended periods of time?
- How much do we know our proposed venture?
- Have we got the time to do the work, especially during the peak seasons for harvesting?
- Am I physically able to do the work? What about in 15 years' time?
- Will we enjoy doing this type of work?
- How much will it cost to do this properly?
- Do markets exist for the amount I will produce? How far away is the market?
- Do I have to spend half my time trying to sell the product?
- Are there other things that I would rather be doing?

Lease, share farm and agistment agreements

You can enjoy living on your rural property without taking part in farm activities. Leasing, share farming and agistment agreements allow another farmer to use your land for agricultural purposes. For leasing, share farming and agistment, an agreement should be prepared that defines the terms, conditions and payment. These agreements can be helpful when you have just purchased a property and before you commit to a particular activity.
DEPI was established during 2013, bringing together the former-Department of Sustainability and Environment and the former-Department of Primary Industries. If you are unable to find the information you require on this website, please contact us on 136 186 or leave feedback online.