

# Farm Advisory Boards - Templates



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Farm Advisory Boards - Templates is a collation of templates to assist Farmers and Advisers to establish and operate Farm Advisory Boards.

It is not an exhaustive list of documents, it aims to provide a starting point and give documents which can be modified to suit the needs of the business.

The document has been put together by Jeanette Long of Ag Consulting Co Pty Ltd. The author would like to acknowledge Bill Long of Ag Consulting Co and Tony Catt of Catapult Wealth for providing some of the documents.

Some of the templates can be used in-conjunction with “Developing a simple Farm Family Strategic Plan”.

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## Disclaimer

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## Farm Advisory Panel/Board Charter

### Name of the advisory panel/board

The advisory board will be called XXXXX and will serve the entity of XXXXX

### The role of the panel/advisory board

The advisory board will consist of (No) of people from within the business and (no) external to the business. One of these will assume the position of chairperson and one as minute taker.

Additional people may be appointed by an ordinary resolution made by the business. In the situation of a vacancy the board will appoint a replacement .

The length of tenure for positions will be...

The advisory board will have a mix of the following skills

- Accounting
- Finance
- Business
- Agricultural industry

### Role of the members

- Act for the benefit of the business
- Undertake their duties in good faith and honesty
- Act with skill, care and diligence
- Declare conflicts of interest and not allow any conflicts to impact the business
- Undertake diligent analysis of all proposals
- Provide expertise and skill generously
- Treat confidential information as the property of the business

Members shall

- Act in a business like manner
- Address issues in a confident, firm and friendly manner
- Use judgment, common sense and tact
- Minimize chatter and irrelevant remarks
- Ensure all are given opportunity to put forward views
- Be sensitive to interpreting requests from the chairman

A fundamental role is to monitor performance and compliance. The panel/ board is responsible for monitoring both financial and non-financial key performance indicators. Which includes *(may wish to add your own)*

- Cash reserves
- Balance sheet
- Profitability
- Staff
- Productivity
- Work Health and Safety
- Adoption of new technology
- Environmental measures
- Industry benchmarking

## Role of the Chairperson

The chairperson is normally independent from the business and is selected on the basis of their skills, expertise, personal attributes and record as a leader. The position will be reviewed ..... (*time frame*)

The chairperson has the responsibility of chairing each meeting ensuring desirable conduct while using effective governance.

## Role of the minute taker

The minute taker will normally be a business member who is selected on the basis of the person ability and skills. Their role is to record the outcomes, actions and key discussions accurately. Ensure agenda and relevant papers are prepared and distributed to all at least 7 days prior to the meeting.

The position will be reviewed...

## Remuneration

Independent members will be paid..... to

- Participate in meetings
- Provide XXX support between meetings

## Meetings

The meetings allow

- Sharing of information
- Decision making at a strategic level

The advisory panel/board will meet X times per year. It is expected to be in June, September and February. A yearly timetable will be developed.

Meetings will be held .....

The agenda and other items for the meeting will be provided to all 7 days prior to the meeting.

## Family Constitution Template

TOPIC	INTERPRETATION	TASKS TO BE DONE
Definition of Family	Who do you define as family? Only bloodline or include brother(s) and sister(s) and their children. In terms of this constitution, family is defined as blood family and everybody closely associated with blood family (e.g. children of bloodline parents). Non-bloodline family members will be appointed on merit and only on an employee/employer relationship.	<ul style="list-style-type: none"> <li>Define your family</li> </ul>
Advisory Board	Who is a member on the Advisory board? The Advisory board should have a person from outside your industry on the board that you trust regarding his/her business acumen.	<ul style="list-style-type: none"> <li>Put down the names of your advisory board and what your business expects of everyone.</li> <li>Include a person outside of your business</li> </ul>
Shareholding within the business	Who may have shares and who may have access to shares in the business?	<ul style="list-style-type: none"> <li>Define shareholding within the business</li> <li>Define whether employees may also have access to shares (maybe through employees trust)</li> </ul>
Management philosophy and objectives	Our major priority will be to balance family and business interests. Our company management will combine the highest ethical and business standards. By following this philosophy, we believe the business will continue to grow moderately and to diversify from a strong basis in this sector. Therefore, all decisions will be taken based on factual analysis and advice from outsiders (minimising emotions).	<ul style="list-style-type: none"> <li>Strategic plan for business – e.g. December</li> <li>Formalise all visions – e.g. September</li> </ul>

TOPIC	INTERPRETATION	TASKS TO BE DONE
<p>Jobs for family and their remuneration</p>	<p>Entry into the business will be an opportunity, not birthright.                      Family members will be employed in positions for which they have the appropriate qualifications and experience. If their performance consistently fails to meet expectations, they will be requested to leave. All appointments and retrenchments will be managed by a majority decision of the Advisory Board. Family members employed in the business will be remunerated according to market related structures. Incentives will be provided where expectations are exceeded. (State incentive e.g. exceeds expectations with at least 10%).</p>	<ul style="list-style-type: none"> <li>• Profile family members/ decision makers (Myers Briggs) by date (e.g. December)</li> <li>• Performance contracts must be in place for everyone – including family members</li> <li>• Salary scales – finalise by e.g. September</li> <li>• Training needs and programmes – e.g. September</li> <li>• Job descriptions – e.g. October</li> <li>• Emotional intelligence – e.g. September</li> <li>• Personnel policies for family members – e.g. November</li> </ul>
<p>Leadership</p>	<p>The next Executive Chairman will be selected on the basis of professional competence, as well as the following considerations: a proven track record; leadership qualities; the ability to command respect amongst employees and family members; a vision for the company’s future.                      Any additional chief operating officers of strategic business units would not necessarily be family members.                      The Advisory Committee will appoint the Executive Chairman as well as other CEOs.</p>	<ul style="list-style-type: none"> <li>• Structures to be put into place – e.g. December</li> </ul>

TOPIC	INTERPRETATION	TASKS TO BE DONE
Communication	<p>We acknowledge the importance of open communication and will respect the opinions of other family members, even if we do not agree with them. In the event of disagreement, we commit to constructive resolution within the shortest possible time that places the best interest of the company and the family over our own preferences.</p> <p>The following formal meetings will be held to facilitate open communication:</p> <ul style="list-style-type: none"> <li>• Advisory Board meetings twice a year in March and September. These meetings will focus on strategic issues.</li> <li>• Operational meetings once every week on Thursdays at</li> <li>• 09:00 - These meetings will focus on operational activities.</li> <li>• Family council meetings once every two years during a full family gathering. These meetings will focus on family matters affecting the whole family.</li> </ul> <p>All meetings will be formal meetings where decisions are taken on a 75% consensus basis.</p>	<ul style="list-style-type: none"> <li>• Advisory board meetings – first week in December</li> <li>• Operational meetings – weekly</li> <li>• Family council meeting – December</li> </ul>
Advisory Board	<p>In order to provide objectivity, expertise, experience and guidance, non-family directors will be appointed on the board and will be remunerated according to a fair system for their involvement. All family board members will be required to hold a management position in the company and must be at least 25 years of age. Outside professionals regularly retained to provide services to the company should not be board members. Bloodline family members not on the board will be permitted to ask questions or make suggestions for board action to the board, and the board will endeavor to respond to such requests promptly.</p> <p>The board will take responsibility for the strategic management of the company and resolve any conflict amongst the family on business issues. The board's decision will be final and binding on all.</p>	<ul style="list-style-type: none"> <li>• Identify people, test whether interested, get CV's – end of October</li> <li>• Meetings: March and September</li> <li>• Obtain remuneration rate for non-family directors</li> <li>• Director's training at first directors meeting - December</li> </ul>
Employees: Non-family	<p>We are committed to the continuance of an environment that values the contribution of non-family employees, treats them with respect, and provides them with appropriate rewards and benefits.</p>	<ul style="list-style-type: none"> <li>• SETA – Learnership training - October</li> </ul>



TOPIC	INTERPRETATION	TASKS TO BE DONE
Changes to constitution	The Advisory Board will formally review the family constitution every year. Any family member older than 25 years of age may recommend changes by submitting it in writing to the Advisory Board. While we acknowledge that this document is not legally binding, we will support the constitution and encourage our children to do so.	<ul style="list-style-type: none"> <li>• Signing of constitution - December</li> </ul>

## Advisory Panel/ Board Agenda Template

1. Minutes of previous meeting
2. Matters arising from the minutes
3. Report on Action plans
4. Major correspondence
5. General business (as required)
  - a. Farm business and seasonal update
  - b. Strategic plan
  - c. Budget update/review
  - d. Financial planning
  - e. Marketing plan – grain / livestock
  - f. WHS
  - g. Management/ operational issues
  - h. Superannuation / investments
  - i. Succession/transition
6. Date and time of next meeting
7. Close

# Current Business situation

Date

**Business Trading Name:**

**Business Entity Structure: (eg Partnership, Company, Trust):**

**Names of family members involved in the above structure:**

**Asset Ownership:**

Property Name Or Hundreds and Section Nos	Name of and ownership type	Owned, leased or share- farmed?	Current market value	Current debt
Eg Block 1	John Smith Sole Owner	Owned	\$500000	\$300000

**List any other farm assets held in the above structure**

**Off farm assets**

## Current Balance Sheet

Date :

<b>Assets</b>	
Land value	
Machinery value	
Stock value	
Hay and grain On hand	
Outstanding payments	
Off farm assets Eg shares, real estate	
Cash on hand	
Other	
<b>Total Assets</b>	\$
<b>Liabilities</b>	
Land loans	
Machinery loans	
Overdraft	
Outstanding creditors	
Other	
<b>Total Liabilities</b>	\$
<b>Net worth</b> <b>(Total Assets – Total Liabilities)</b>	\$

**Business profitability**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Total income</b>					
<b>Variable expenses</b>					
<b>Overheads</b>					
<b>Drawings</b>					
<b>EBIT</b>					
<b>Interest</b>					
<b>Taxation</b>					
<b>Cash surplus</b>					

# Personal & Business Future Goals template

Name:

Where would you like the business in be ....

**In 1-5 years**

**In the longer term 5-20 year**

**At a personal level**

**What would you like to do outside of the business? le your personal goals**

What are your personal aims for your role in the business in the next

1-5 years

5 - 20 years



# SWOT Analysis

<p><b>Strengths</b> (internal to the business ie regular business meetings)</p>	<p><b>Weaknesses</b> (internal to the business ie distance between properties)</p>
<p><b>Opportunities</b> (external to the business ie market opportunities in a livestock breed)</p>	<p><b>Threats</b> (external to the business ie possible closure of a useful market)</p>

# Business meeting proposal template

<b>TOPIC:</b>
<b>PURPOSE:</b> le for decision/discussion/ noting
<b>RECOMMENDATION:</b>
<b>OVERVIEW OF FACTS:</b>
<b>RISKS/ IMPACTS</b>
<b>FINANCIAL IMPACT</b>
<b>PREVIOUS CONSIDERATIONS</b>
<b>LINK TO STRATEGIC PLAN</b>

# Action plan template

Meeting date:

ACTION	DETAILS	WHO	BY WHEN	COMPLETED / REVIEW

# 1 Page Action Plan

VALUES	KEY TARGETS
3-5 YEAR GOALS	KEY ACTIONS (3 MONTHS)
1	
2	
3	
4	
5	