



WELLBEING IN AGRICULTURE

BDO WELLBEING IN BUSINESS INDEX
BDO TE RANGAHAUA O NGĀ HAUORA PAI

JULY 2022

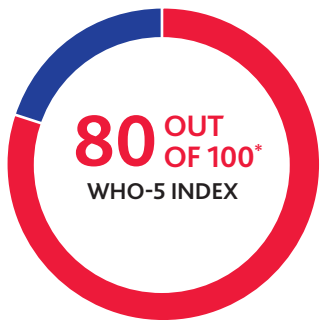


WELLBEING IN AGRICULTURE

GOOD CONDITIONS IN THE AGRIBUSINESS COMMUNITY

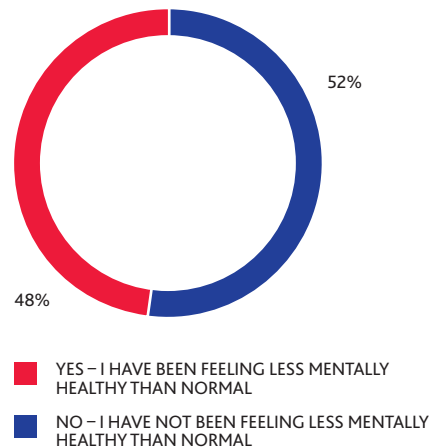
Agriculture scored 80 on the WHO-5 wellbeing measure – this is significantly above the whole-of-business average of 69. This is particularly encouraging given that agriculture has traditionally been a sector that has suffered from poor mental health at times.

Strong commodity prices for red meat and dairy is providing for good business conditions for agriculture presently.



*** HOW THE WHO-5 SCORE IS CALCULATED:**
Someone who scores 'all of the time' on a particular statement is given a score of 5, while if they score 'at no time' they get a score of 0 for that statement. The total raw score, ranging from 0 to 25, is multiplied by 4 to give the final score, with 0 representing the worst imaginable wellbeing and 100 representing the best imaginable wellbeing.

IN THE LAST 6 MONTHS HAS ANYTHING BEEN CAUSING YOU TO FEEL LESS MENTALLY HEALTHY THAN NORMAL?



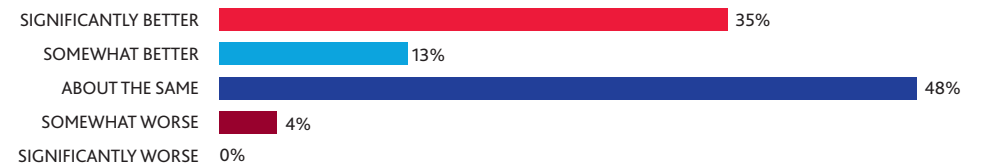
REDUCED IMPACTS OF COVID-19

Though supply chain disruption is a problem for agriculture businesses that primarily rely on export for their income, COVID-19 has still had less of an impact on that sector when compared to some of our other focus industries, such as retail and tourism. This is reflected in the results, with 48% saying that they feel about the same as when COVID-19 was at peak disruption.

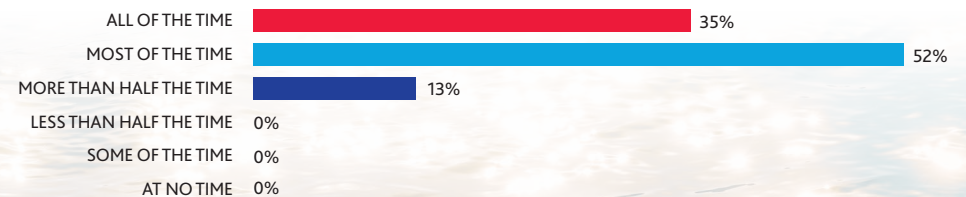
Despite a positive WHO-5 score, just under half (48%) of agricultural business owners surveyed said that they had been feeling less mentally healthy than normal at some point in the past six months. This highlights that, though conditions are favourable for agribusiness currently, wellbeing still fluctuates, and has been a particular issue in rural communities in Aotearoa.

Looking forward, the outlook is positive, with 87% of agribusiness owners surveyed saying that they expect to feel generally satisfied with life in six months' time. The final 13% said they expected to feel this way more than half the time.

COMPARED WITH WHEN YOUR BUSINESS WAS FACING THE MOST DISRUPTION FROM COVID-19, WOULD YOU SAY IN THE LAST TWO WEEKS YOUR GENERAL WELLBEING HAS BEEN:



TAKING INTO CONSIDERATION YOUR PREVIOUS ANSWERS, HOW DO YOU EXPECT YOUR GENERAL SATISFACTION WITH LIFE TO BE IN 6 MONTHS' TIME?



WELLBEING IN AGRICULTURE

PLANNING FOR VARIABLES IN AGRIBUSINESS

"We know there is an issue with mental health in New Zealand's rural communities. We also know from our work with farmers and other agri clients that they really do have it tough – weather conditions are becoming increasingly unpredictable, succession planning continues to be a hard conversation for these predominantly family-based businesses, and compliance and regulatory requirements are increasing along with increasing cost structures. It's therefore excellent to see a potential level of resilience being borne out in the survey results and we hope that this continues as we further track wellbeing among agribusiness owners.

We know that in agriculture many events can happen unexpectedly – having a plan to help get you through these difficult times is key to staying mentally healthy as business conditions go through their natural ups and downs."



ROD HANSEN,
AGRIBUSINESS ADVISORY PRINCIPAL, BDO CHRISTCHURCH

FINDING OPPORTUNITIES TO CONNECT WITH OTHER FARMERS

"In rural communities and on the farm, it's all too easy to start to feel isolated. Particularly when you're carrying the load and responsibilities of running a farm, it's good to talk through those issues with others. Networking is so important, which is why we're proud to sponsor the Rural Support Trust's nationwide Time Out Tour. We encourage farmers to attend events like this, which provide opportunities to network and connect with other farmers. In the Time out Tour, people will have the opportunity to hear from Matt Chisholm and others like him about how they navigate challenges and stay mentally healthy."



FRAZER WEIR,
BDO NATIONAL AGRIBUSINESS LEADER

KEEPING AGRIBUSINESS WELLBEING HIGH FOCUS: SUCCESSION PLANNING

One of the greatest challenges to wellbeing that an agribusiness owner can face is around succession planning. Succession planning can be hard on farmers' mental health. Not only does it require contemplating what life will be like beyond the days of a key family member, there can also be significant differences of opinion as to the best way forward for the passing on of assets. This can lead to anxiety, stress and the temptation to place succession planning in the "too hard basket" or put it off until later.

But the more you delay, the more difficult the succession planning process will become. Instead, there are plenty of ways you can make the process run smoothly:

- 1. Front-foot the conversation** – Succession planning is often the elephant in the room in family farming businesses, and if you don't address it early, anxiety can build. It's better to avoid making assumptions and front foot the conversation so you can understand different family members' expectations from the beginning.
- 2. Be clear on your objectives** – know what you want to achieve from the process, who's best placed to continue the business, and what your capital needs are likely to be.
- 3. Review the current state of the business** – assess your farm's bankability, tax and business structure settings. This process may include right-sizing any debt so that the business is left in a viable position, allowing your children or your other chosen persons with the best opportunity to succeed.
- 4. Seek the help of an independent mediator** – they can help you with the difficult conversations and guide you through the process.



CONTACT OUR SPECIALIST AGRICULTURE TEAM
AT [BDO.NZ/AGRICULTURE](https://www.bdo.co.nz/agriculture)



**WELLBEING SUPPORT
CONTACTS**

Xero Assistance Programme (XAP)
[1737.org.nz](https://www.1737.org.nz) – National mental health helpline
Mental Health Foundation ([mentalhealth.org.nz](https://www.mentalhealth.org.nz))