

A photograph of a man and a woman standing on the back of a truck, looking out over a rural landscape. The man is wearing a dark blue polo shirt and light-colored shorts, and the woman is wearing a light blue t-shirt and jeans. They are both looking out over a field with some trees in the distance. The text "BROKEN DREAMS TO HOPE AGAIN" is overlaid on the image in large, white, bold, sans-serif capital letters.

# BROKEN DREAMS TO HOPE AGAIN

Bankruptcy  
threat to a  
win-win  
proposal

We are a dairy farming couple in South Gippsland. Honest, hardworking, but not too financially savvy. We were doing well on a leased property, but wanted to fulfil a dream of owning our own farm. With no assets, we took up an offer to purchase land through a vendor and the rest with a bank.

Unfortunately, the land had no equity, nor was it productive as hoped. So when the dairy industry downturned, it put us in financial hardship straight away. We contacted RFCS Gippsland to help manage debt and keep the farm.

Although the Rural Financial Counsellor (RFC) assessed our situation, negotiated with lenders and found ways to free up cash to meet loan payments, these were only short-term arrangements until revenue from the farm improved. The RFC wanted to ensure we were developing an achievable long-term plan. They even engaged our milk company with farm consultants to help improve productivity.

Having to take other work to pay bills put pressure on managing the farm. It was supposed to be temporary, but the farm just didn't progress. Continuing to rely on off-farm income and government support, we didn't have enough money to make the vendor payment. We discussed with our RFC what it would cost us to continue farming in hope that it will improve. Financially, the hard decision was, we had to leave this dream of ours.

Our RFC was great in helping us exit plan, renegotiate lending arrangements and made available solicitor fees to extend vendor finance. But the farm didn't sell and we did not want to accept a reduced price causing us to face bankruptcy. We wanted to pay all our debts.

We continued farming with our RFC staying in contact with our situation and lenders, but over time it was getting impossible to continue. Overworked and barely surviving, we had to face the consequences of accepting a reduced sale.

To my surprise the bank supported us. Apparently we were seen favourably because of our strong history, commitment, ethic and communication. With our RFC, they considered and accepted a payout allowing us money to pay ALL debts in-full AND provide enough money to re-establish ourselves.

Having RFCS Gippsland support and backing of a bank who believed we were good operators, gave us confidence and finances to continue our dairy dream.