

NEW TO FARMING · PART 2 OF 6

Ways into farming without buying a farm

By Nick Clunes · Updated 26 October 2026 · 9 minute read

SHORT ANSWER

You can start farming without buying land by leasing a block, share farming, running stock on agistment, working on a farm first, going into a joint venture or taking over the family farm. Each one costs less up front than buying, but each needs a written agreement checked by a solicitor. Work out the money for your option with a budget before you sign.

Land is the biggest cost in farming, and it's the one most new farmers can't afford at the start. The good news is you don't need to own a farm to run a farm business. Plenty of people start on someone else's land and buy later, once they have the skills, the savings and a track record.

I'm Nick Clunes from Farm CFO by Clunes Rural. I started as a banker at Greater Bank and have worked in commercial and equipment finance since 2018. Here are the six main ways in, with the money side of each. This is general information, not legal or financial advice.

The options side by side

Option	What you put in	What you pay or share	Money needed up front	Main risk
Leasing	Stock, labour, gear, running the block	Rent, often half-yearly or yearly	Stock, plant and a cash buffer	Rent is due in a bad year too
Share farming	Labour, skills, often machinery or stock	A share of income and costs	Usually less than leasing	Income falls for both in a poor season

Option	What you put in	What you pay or share	Money needed up front	Main risk
Agistment (your stock out)	Stock and their care costs	A fee, often per head or per DSE per week	Stock and a cash buffer	Feed or care on someone else's place
Agistment (stock in)	Your land and feed	You receive the fee	Little, if you have land	Overgrazing, unpaid fees
Working on a farm	Your time	You earn a wage	Nothing	Slower path to your own business
Joint venture or partnership	Money, skills or stock	Profits and losses, as agreed	Depends on the deal	Falling out with your partner
Family succession	Labour, often years of it	Varies, sometimes a loan or buy-out	Varies widely	Family conflict, unclear plans

DSE means dry sheep equivalent. It's a way of measuring how much feed an animal eats, compared with a dry adult sheep.

Leasing land

How it works

You rent a block from the owner for a set time and run it as your own. The NSW Government says an agricultural tenancy gives someone who isn't the owner the right to use a farm for farming. That covers leases, licences, handshake deals and share farming agreements.

The money

You pay rent, plus whatever costs the lease puts on you. You also need stock, gear and enough cash to get to your first sale. Ask local farmers and advisers what lease rates are being paid, and check recent land sales.

What to put in writing

The Young Farmer Business Program lease factsheet lists what a farm lease should cover. The main items are:

- The land, with title details, and how long the lease runs, including any option to renew.
- The rent, when it's due and how it can go up.

- Who pays rates, LLS rates, water, power and insurance.
- Who maintains fences, yards, water and buildings, and what improvements you may make.
- What happens if the place is damaged, or if either side breaks the agreement.

The factsheet says it's "highly recommended" that a solicitor prepares the lease. In NSW, read the Agricultural Tenancies Act 1990 before you sign.

The risks

Rent is due whether it rains or not. If the owner sells or dies, what happens depends on the lease. Before signing, inspect the place with the owner and take dated photos of fences, troughs and yards, so you both agree on the starting condition.

Share farming

How it works

The owner supplies the land and assets. The share farmer supplies labour, expertise and often machinery or stock. The NSW Government says income falls for both sides if seasons or prices are poor. Each side takes a share of the income and some of the costs.

The money

The split depends on who puts in what. In dairy, Dairy Australia says splits are commonly 50/50, adjusted for what each side contributes. You usually need less money than for a lease, because the owner keeps some of the costs.

What to put in writing

The share of income and of each cost, and who makes which decisions. Write down how you'll meet, how often you'll review the numbers and how either side can leave. Dairy Australia suggests reviewing income and cost sharing regularly, ideally monthly.

The risks

Your income depends on the season and prices, the same as the owner's. Dairy Australia also warns that if the owner controls how, when and by whom the work is done, the share farmer may legally be an employee, whatever the contract says. That's a question for a solicitor.

Agistment

How it works

Agistment is the fee a stock owner pays to graze stock on someone else's land. The Young Farmer Business Program lists four common ways to charge it:

- Dollars per head per week.
- Dollars per DSE per week.
- A percentage of weight gain.
- A share of profit.

You can run your stock on someone else's land, or take stock in on your own land and receive the fee.

The money

If your stock go out, you need the stock, the fee and the costs of looking after them, such as drench, shearing and cartage. If you take stock in, you earn the fee, but you carry the risk of your pasture being eaten out.

What to put in writing

The rate and how it's worked out, when it's paid, and the start and end dates. Write down who checks the stock and who pays for vet costs, and who fixes fences and water. Note the stocking number and what happens if feed runs short. The Young Farmer Business Program toolkit has a sample agistment agreement and a checklist.

For NLIS, stock on agistment generally use the agistment property's PIC. A PIC is a Property Identification Code, which every property with livestock needs. The NSW DPI factsheet (2017) says the stock owner and agistor must agree who records the move on the NLIS database, within 2 days of arrival. Check the current rules with Local Land Services, as tagging rules for sheep have changed since then.

The risks

The Young Farmer Business Program lists the common problems as poor management of stock, fences or pasture, and unpaid fees. If you send stock out, you're trusting someone else's eyes on your animals. Visit often.

Working on a farm first

How it works

You take a job as a farmhand, station hand or manager. You learn the work on someone else's money.

The money

You earn a wage and risk none of your own capital. You can save a deposit for stock while you learn. Some people run a few head of their own on agistment at the same time.

What to put in writing

An employment contract, with pay, hours and any housing or stock you may run. If you run your own stock on your employer's land, write that down as a separate agistment deal.

The risks

It's a slower path to your own business. But the lessons are cheaper than making the same mistakes with your own stock.

Joint ventures and partnerships

How it works

You team up with someone else. One might bring money or land, and the other brings labour and skills. A partnership is a business structure where two or more people share income or losses. A joint venture is a looser deal for a set project, such as running a mob of steers together for a year.

The money

Profits and losses are shared as you agree. In a partnership, each partner can be responsible for the business's debts, so get advice from an accountant and solicitor first.

What to put in writing

Who puts in what, how profits and losses are split and who makes decisions. Also write down how the books are kept, and how either side can get out, including what happens if one partner dies or wants to sell.

The risks

Falling out. A clear written agreement and regular meetings about the numbers do more than anything else to prevent it.

Family succession and farm transfer

How it works

Succession means handing the farm, and control of it, to the next generation. The WA Farm Business Resilience Program's succession guide says to start early and take your time, as two to five years is likely. It

suggests family meetings with an agenda and notes, then a written succession plan and estate plan.

The money

There may be legal fees, stamp duty and sometimes a buy-out of siblings or a loan to the parents. The RIC AgriStarter Loan has a succession option. As at October 2026 it offers up to \$2 million over 10 years at 5.71% variable, interest only for the first 5 years. You must meet RIC's eligibility rules, and at least half your total debt must be with a commercial lender at the start.

What to put in writing

The succession plan, updated wills and any partnership or company agreements. Get independent legal and accounting advice for each family member where interests differ.

The risks

Family conflict, and plans that live only in someone's head. Transferring a farm business that isn't viable just passes the problem on.

A worked example: lease or agistment?

This is invented, and the rates are illustrative, not market rates. Sam has 300 first-cross ewes and is choosing between two deals.

Option A, leasing 100 ha. Rent is \$22,000 a year. Under the lease, Sam also pays for fertiliser (\$4,000) and fence and water repairs (\$3,000). That's \$29,000 a year.

Option B, agistment. The agistor charges \$0.90 a head a week for the ewes, with lambs at foot free until weaning. After weaning, 354 lambs cost \$0.40 a head a week for 10 weeks until sale.

Agistment cost	Sum	Amount
Ewes	$300 \times \$0.90 \times 52 \text{ weeks}$	\$14,040
Lambs after weaning	$354 \times \$0.40 \times 10 \text{ weeks}$	\$1,416
Total		\$15,456

Agistment costs Sam \$13,544 a year less (\$29,000 less \$15,456). But with a lease, Sam controls the paddocks, the grazing and the timing. On agistment, the agistor can end the deal when their own feed runs short, often in the same dry spell that makes agistment hard to find.

Neither is right for everyone. Put both into a budget and a monthly cashflow, then decide. My first farm budget guide shows how.

Where to get help

- **A solicitor** for any lease, share farming, agistment, partnership or succession agreement. In NSW, Legal Aid NSW is on 1300 888 529.
- **NSW Young Farmer Business Program** for the leasing and agistment toolkit, with sample agreements and checklists.
- **Local Land Services** for PICs and NLIS questions.
- **Regional Investment Corporation** for the AgriStarter Loan, and my guide to RIC loans explained.
- **The Rural Financial Counselling Service** for free help if you're in or near hardship: 1300 771 741.
- **An accountant** for the tax side of each option.

For the bigger picture, start with getting started in farming, then set up the paperwork with the farm business setup checklist. If you're borrowing, read farm loans explained and state government farm loans. You can test a deal with the free cashflow forecaster. If you'd like me to look over the numbers on a lease or share farming deal before you sign, that's project work, quoted before I start.

Common questions

What is the cheapest way to start farming?

Working on someone else's farm costs you nothing and pays a wage. After that, agistment usually needs the least money, because you only need stock and a cash buffer. Leasing and share farming need more, because you take on the running of a whole block.

What is the difference between leasing and agistment?

With a lease, you rent the land and run it yourself, so fences, water and pasture are usually your job under the agreement. With agistment, you pay a landholder to graze your stock on their land, often per head per week, and they usually keep looking after the land. Your agreement should spell out who does what.

Do I need a written agreement if I know the landholder?

Yes. A handshake works until something goes wrong, like a dry year, a death or a sale. The NSW Government strongly encourages putting agricultural tenancy terms in writing, and the NSW Young Farmer Business Program says to have a solicitor review a lease before you sign.

Who sorts out a dispute over a farm lease in NSW?

In NSW, the NSW Civil and Administrative Tribunal (NCAT) can hear agricultural tenancy disputes. You must apply within 3 months of the dispute arising, or within 3 months after the tenancy ends. NCAT can't hear disputes over \$500,000. Get legal advice early.

Can I get a loan to take over the family farm?

The RIC AgriStarter Loan has a succession option for farm businesses going through succession. It can cover refinancing debt, succession costs such as legal fees and stamp duty, and buying land or assets as you take over. You must meet RIC's rules and also have a commercial lender.

Sources

1. NSW Government, Agricultural tenancies
2. NSW Young Farmer Business Program, Leasing and Agistment Toolkit
3. NSW Young Farmer Business Program, Factsheet: Lease agreements
4. NSW Young Farmer Business Program, Factsheet: Lease checklist
5. NSW DPI, NLIS sheep and goats agistment requirements, Primefact 850 (2017)
6. Dairy Australia, Share farming
7. WA DPIRD Farm Business Resilience Program, Succession planning: a guide to success
8. Regional Investment Corporation, AgriStarter Loan
9. Regional Investment Corporation, RIC variable interest rate change 1 August 2026

General information only, not financial, tax or credit advice. Worked examples use made-up figures.