

Future Proofing Mixed Farming Systems

There has never been a better time to determine your own future.

On 21-22 August, 2014, the Graham Centre for Agricultural Innovation is facilitating an industry wide 'think tank' on potential scenarios for securing the future of Mixed Farming Systems in the region.

We will identify critical internal and external drivers of Mixed Farming Systems viability and sustainability and develop recommendations for the Graham Centre, industry and government to assist in addressing those drivers.

The forum will explore challenges and opportunities along the entire value chain by focusing discussion around three key themes:

- 1) Theme 1 – Key drivers of a resilient mixed farming system
- 2) Theme 2 – To add value, or not to add value - that is the question
- 3) Theme 3 – A fair days pay, for a fair days work

For each of the three themes, a broad range of business leaders will speak about the opportunities they identified, the challenges they faced along the way, their successes, failures and their vision for the future of their business.

Renowned industry and academic commentators will lead and facilitate the dialogue for each of the three themes.

The day preceding the forum, the Graham Centre will lead two industry tours across the Riverina mixed farming region to provide a richness of alternative business models to draw on and discuss in shaping the future.

Theme 1: Creating a resilient mixed farming system

Primary production is a risky business. Like any other business, mixed farming systems are subject to market volatility, fluctuating exchange rates and other demand side factors. But to add to that risk, mixed farming systems are also exposed to extreme volatility on the supply side of their business. Rainfall, a mixed farming systems major raw material is volatile to say the least, and despite years of trying, its prediction has remained elusive.

Despite this, Australian mixed farming systems have developed to be amongst the most efficient in the world, and are one of the least subsidised, second only to New Zealand.

Clearly many Australian mixed farming systems have got it right. So what are the keys to their success and what support if any do they need to remain competitive into the future?

Theme 2: To value add or not to value add - that is the question.

Three recent trends suggest opportunities for Australian agriculture to shift from export commodity supplier to higher value added consumer segments in domestic and export markets;

- A. Increasing consumer spending power in emerging economies is said to be creating demand for higher value added food products, convenience foods (ready to eat) and the food service sector.
- B. Increasing competition in commodity markets from the 'green revolutions' in South America, sub-Saharan Africa, Eastern Europe and Asia.
- C. Increasing domestic consumer demand for food provenance.

At the same time, high manufacturing costs including compliance and cost of labour has seen some industry manufacturing sectors in Australia struggle. The automotive and canned fruit and vegetable industries are recent casualties in the battle against imported products, while at the same time a number of success stories are evident in the grains, meat and dairy industries. Is it simply a matter of picking the right winners?

Theme 3: Beyond the farm gate

Primary producers are at the 'raw' end of the agrifood and fibre value chain. Despite growing rhetoric about global demand for food outstripping supply, 'food security' creating a new world order, and Australia being touted as the food bowl of Asia, primary producers in Australia are evidently earning less than they have ever earned before.

If there are opportunities to realise greater value from the market for attributes such as food safety, eating quality, production assurance and Australia's clean green image, are Australian producers really in a position to capture some of that value.

Is it possible and/or desirable for Australian primary producers to stake a claim and capture the rewards from new market opportunities? Are they willing and able to share the market volatility and other post farm gate risks?

Program - Future proofing mixed farming systems

Friday 22 August (CSU Convention Centre)

8-8.20am Arrive and coffee

8.20-9am Forum opening:

- Mr Scott Hansen, Director General NSW Department of Primary Industries

Keynote speaker:

- Mr Paul Morris, Department of Prime Minister and Cabinet

9-10am **Theme 1 – Creating a resilient mixed farming system**

Speakers:

- Dr David Sackett, CEO Growth Farms Australia
- Mr Sam Archer, Chair Riverina Local Land Services
- Mr Peter Kaylock, Producer and 2013 Nuffield Scholar

Facilitator:

- Mr Cam Nicholson, Nicon Rural Services

10-10.30am Morning tea

10.30-11.30am **Theme 2 – To value add or not to value add – that is the question**

Speakers:

- Mr Bob MacSmith, Director MSM Milling
- Mr James McNaughton, Owner Knights Meats and Deli
- Mr Neil Druce, Owner/Director Green Grove Organics

Facilitator:

- Associate Professor Chris Blanchard, Director Functional Grains Centre, Charles Sturt University

11.30-12.30pm **Theme 3 – Beyond the farm gate**

Speakers:

- Mr Angus Woods, Director Woods Grains
- Mr Andrew Bouffler, Non-executive Director, Southern Ag Grain
- Mr John Brady, CEO Kagome

Facilitator:

- Professor Tim Reeves, Timothy G Reeves and Associates Pty Ltd

12.30 -1.30pm Lunch

1.30-3.30pm **Group discussion - strategies and tools**

Facilitator: Mr Bill Long, Ag Consulting and GRDC Southern Panel Member

3.30-3.45pm Forum summary

Mr Andrew Rice, Manager Grower Services South, GRDC

3.45-4pm The future – where to from here?
Professor Tim Reeves, Timothy G Reeves and Associates Pty Ltd

Presenter and Facilitator Biographies

Mr Sam Archer

Sam farms with his family at Gundagai running a sheep and cattle enterprise in the foothills of the Snowy Mountains. In 2008 he was awarded an Australian Nuffield Farming Scholarship and travelled throughout the Americas, Europe and India researching private sector/consumer funded environmental stewardship schemes broadly based around carbon, water and biodiversity.

He is Chair of the Riverina Local Land Services and a non-Executive Director of the Rural Industries Research and Development Corporation. Formerly he was a member of the Australian Farm Institute's Research Advisory Committee, Senior Vice President at NSW Farmers Association, Chair of Murrumbidgee Landcare and member of the National Farmers' Federation Economics, Trade and Sustainability Committees.

Associate Professor Chris Blanchard

Chris is an Associate Professor in food Science at Charles Sturt University and Director of the ARC Function Grains Centre. His first degree was in medical science and his PhD was in the area of plant/virus molecular biology at CSIRO Division of Plant Industry. He has worked as a postdoctoral scientist at the Ludwig Institute for Cancer Research in Switzerland and CSIRO Grain Quality Laboratory in Sydney. He joined CSU in 1998 and teaches food science, nutrition and molecular biology. His current research interests are focused on how to add value to grain, particularly through understanding health and functional properties. Chris has also served on the GRDC Southern Regional Panel for the past six years and is currently the Deputy Chair.

Mr Andrew Bouffler

Andrew has over 25 years experience as an owner/manager of a mixed farming enterprise in southern NSW and understands the opportunities and threats faced by farmers in his region. As the principal of the Trigger Vale Poll Merino and White Suffolk studs he has a vast knowledge of the Australian sheep industry and has actively participated in Research, Development and extension via advisory roles for Sheep Genetics and the Sheep Cooperative Research Centre. Andrew holds a Bachelor of Agricultural Economics from the University of New England.

Andrew was a major driver in the establishment of Southern Agventure an unlisted public company with over 250 predominantly farmer shareholders. Andrew received an Australian Nuffield Scholarship in 2007 and was selected to participate in the Duchy College 'Challenge of Rural Leadership' course in Devon, UK during November 2009. He also successfully completed the Australian Institute of Company Directors course in 2010. Andrew was

appointed Non-Executive Director of Southern Ag Grain a joint venture grain accumulation business between Southern Agventure and Emerald Grain (Sumitomo) in July 2012.

Mr John Brady

John is CEO of KAGOME Australia, a wholly owned affiliate of the Japan based KAGOME Group, a A\$2.3b public company quoted on the Nikkei.

As CEO, John is accountable for the commercial success of a vertically integrated agribusiness with domestic and overseas customers. He has led the development of a Farming division and a market entry into Foodservice, complimenting the Processing operation that John has overhauled.

With a corporate career, which has taken him into many challenging international markets, John is a courageous leader with a range of behavioural skills. He has sound commercial attributes and a record of reversing poor performing businesses, with practiced change management techniques. John is a great communicator, engaging stakeholder support with his persuasive delivery.

Mr Neil Druce

Neil is born and bred on the 'Green Grove' organic farm at Kamarah near Ardlethan NSW, where his father Alan has been practicing organic farming since 1962. He attended and graduated from Ambassador University in Pasadena, United States.

Neil has worked as an organic farmer, fertilizer spreading contractor, woodwork teacher, furniture restoration teacher, public speaking teacher, gym supervisor, waiter, butler, chef, concert manager's assistant, limousine driver, licorice chef, chocolatier and soon to be a whisky distiller.

Neil has been Managing Director of Green Grove Organics since 1998.

Mr Peter Kaylock

Peter runs a family farm growing rice, cereals, canola, vetch, wool and lamb at Moulamein, NSW. He was a Nuffield scholar in 2013 and is the current chairman of the Moulamein Grain Co-op.

Peter graduated from Marcus Oldham College in 1980 and immediately returned to the family farm, where his father handed him the chequebook very quickly.

Travelling the world with Nuffield has highlighted just how productive, progressive and efficient Australian farmers are. It also highlighted how expensive it is to farm, how regulated farming is, and how restricted Australian marketing systems are. In saying that, Peter believes Australia is the lucky country, and sensible farming decisions will ensure Australia's future success.

Mr Bill Long

Bill is a farm business advisor and manager of Ag Consulting Co, a Yorke Peninsula based agricultural consulting business established in 1996. The company provides agronomic and farm business management advice to farm businesses across South Australia, and manages

and conducts research and communication projects to growers on a range of agronomic and farm management issues.

He is a member of the BCG Yield Prophet team, and was a founding member of the Yorke Peninsula Alkaline Soils Group, the SA and Vic Independent Consultant group and the Ag Excellence Alliance. He is past Chairman of SA GRDC Advisor Update Committee, TopCrop SA, Crop Science Society of SA and the Snail Management Action Group. He is a current member of the GRDC's southern panel.

Bill holds a bachelor of Applied Science in Agriculture, is a graduate of the Institute of Company Directors and undertook studies in the use of decision support tools and farmer and advisor decision-making processes. In 2009, he was awarded a Churchill Fellowship to investigate the effects of varroa mite on bee populations and implications on pollination of Australian pulse field crops.

With his wife Jeanette, he grows wheat, barley, canola, lentils, peas and beans and runs sheep on his properties at Ardrossan and Undalya, SA.

He is passionate about the grains industry and enjoys the complexity and challenges of understanding and managing farming systems across Australia.

Mr Bob MacSmith

Bob and his brother Pete started Mac Smith Milling on their family farm near Cudal in 1992. In 2006, the brothers formed a joint venture with the Chairman of The Manildra Group, Mr Dick Honan, and built a new factory in Manildra – the heart of the canola growing region in NSW. The business steadily grew and in 2010 a purpose built, state of the art packaging plant and warehouse known as Manildra Packing was established on site to package a range of MSM produced edible oil products.

This year MSM Milling constructed a new feed mill on site to value add to MSM produced canola meal and other locally sourced feed ingredients. The high quality stock feeds are available in both domestic and international markets.

Mr James McNaughton

Co Owner of Knights Meats with his wife Deanna since October 2009. Prior to purchasing Knights, James owned and operated a family farm at Holbrook, NSW. Their primary focus was prime lambs and beef production but he also built up a broadacre spraying and windrowing business which complimented the farming income. The contracting business became the dominant source of income and led to the leasing of the property and its eventual sale.

After 13 years contracting and a family of three children, James and Deanna decided to take a different direction with the purchase of Knights Meats. The last five years has provided James with a very steep learning curve and great appreciation of what the wider world offers.

Mr Paul Morris

Paul has been a professional public servant in the agricultural, fisheries and forestry areas for 30 years. He has served in policy, research, and senior management positions and is currently leading the Agricultural Competiveness Taskforce in the Department of the Prime Minister and Cabinet. In this position, he oversees the development of the Australian Government's White Paper on agricultural competitiveness, which will drive the long-term agricultural policies of the government.

Paul was previously Executive Director of the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and has also held a number of senior positions in the Department of Agriculture and had a posting at the Australian Embassy in Washington DC. He has qualifications in economics from the University of Melbourne and the Australian National University.

Mr Cam Nicholson

Cam is a partner in Nicon Rural Services, a consulting business near Geelong working with the grazing and cropping industries and in natural resource management. With his wife he also farms sheep and cattle on the Bellarine Peninsula, Victoria.

Cam is currently involved in a number of projects with GRDC, MLA and Landcare. He is project manager for the Woody Yaloak Landcare Catchment Project near Ballarat, provides consultancy advice to farmers, and lectures on animal and pasture systems to students at Marcus Oldham College.

Professor Timothy Reeves

Tim has worked for over 40 years in agricultural research, development and extension, focussed on sustainable agriculture in Australia and overseas. He was a pioneer of no-till research in north-east Victoria. His professional career includes positions in the Department of Agriculture, Victoria, Foundation Professor of Sustainable Agricultural Production, Adelaide University (1992-95) and Director General of the International Maize and Wheat Improvement Centre (CIMMYT) based in Mexico (1995-2002). His other roles in recent years have included; Member, United Nations Millennium Project Task Force on Hunger, Member, European Commission Expert Group for Evaluation of Framework Projects, and Senior Expert, Food and Agriculture Organisation of the United Nations (FAO).

Tim recently chaired an FAO/Government of India review on climate change and Indian wheat production. In 2012 he chaired a major review for the Bill and Melinda Gates Foundation. He was formerly a Board Director of the Grains Research and Development Corporation, and is currently a Board Director of the Future Farm Industries Cooperative Research Centre. He is also a Professorial Fellow at The University of Melbourne, an Honorary Professor at Deakin University, Adjunct Professor at Queensland University of Technology and a former President of the Australian Society of Agronomy.

Tim has received several international and national honours. He is a Fellow of the Academy of Technological Sciences and Engineering, an Honorary Professor in the Chinese Academy of Agricultural Sciences, and in 2003 received the Centenary of Federation Medal. Tim participated in the Rural Stream of the Australia 2020 Summit at Parliament House. He is

currently Director, and Principal of Timothy G. Reeves and Associates. Pty Ltd, specialising in national and international consulting in agricultural research.

Mr Andrew Rice

Former agribusiness consultant and agronomist, Andrew is the GRDC Manager Regional Grower Services –South.

As an active partner in his family's farm at Parkes, New South Wales, Andrew has developed a solid understanding of growers' needs. He has an extensive network of contacts within the region, having spent six years on the GRDC's Southern Panel.

In his current role, he enjoys facilitating the regional adaptation of the GRDC's research and development products to speed uptake on-farm. Working with members of the Southern Panel and the Regional Cropping Solutions Networks which support the Panel, Andrew helps plan research to ensure all GRDC's southern region investments are focused on grower needs at a local level.

As one of the three regionally-based managers, Andrew brings the face of the GRDC into the southern region. Having GRDC staff in the region offers visibility, accessibility and understanding.

Dr David Sackett

David was a founding partner of Holmes Sackett and Associates, committing over twenty years to the business as it developed into the leading agricultural consulting business in South East Australia. He was also a board member of both the Sheep and Future and Farm Industries Cooperative Research Centres, and Prattley Livestock Equipment. David currently sits on a number of company boards related to agriculture. Since 2008 he has been the Managing Director of Growth Farms, a company that specialises in the acquisition and management of agricultural investments for both domestic and overseas investors. The business currently manages over \$360m of assets across a diverse range of sectors including broadacre cropping, sheep, beef, cotton and sugar.

Mr Angus Woods

Angus is one of the family members and owners of the Woods Group of businesses located in Goondiwindi, Queensland. He has been back working in the business for 11 years. Prior to that Angus studied a dual Bachelor Degree of Commerce and Business Management at the University of Queensland. He then worked as a Graduate Accountant at Ernst & Young. Originally his role within the business was farm manager of their 12,000 hectare property, but in 2011 he moved into the town operations to take up a role in financial management, sales and business development. His key achievements have been getting Woods Group set up to perform all accounting and financial reporting in-house, something that used to be outsourced, and more recently, the development of a new business, Woods Foods.

Starting out in agriculture some 60 years ago, the Woods Family were originally focused on agricultural production. Now the Woods Group of businesses, employing up to 100 people, has evolved into a business that has a mix of domestic and export customers, across a range

of industries including food manufacturers, flour millers, stockfeed, gluten-free, rural merchandise outlets and transport. Their key business areas are primary production, grain marketing, stockfeed (pork and poultry), seed production and sales, transport, and more recently, food.

Further Information:

Ms Toni Nugent
Industry Partnerships and Communications Manager
Graham Centre for Agricultural Innovation
E: tnugent@csu.edu.au, T: 02 6933 4402, M: 0418 974 775

www.grahamcentre.net