

Welcome to the Winter Edition!

At the end of May, I was privileged to present a paper at the National Ag Institute of Australia conference. The theme of the conference was Innovation in Agriculture. The future is hurtling towards us at a rapid rate. New technologies and how we apply them will continue to rapidly change the way farmers manage their businesses and their farms – think Fitbit for Cows, a swarm of mower sized prescription farming robots or harvesting by drones. Recently the House of Representatives Inquiry into Innovation in Agriculture has handed down their report called Smart Farming. It's available on the web. I think we can expect to see not only new technologies impact how we farm, but new innovations in how agricultural research is undertaken and delivered on farm. Picture the day when you can print your own field sensors on an inkjet printer complete with an inbuilt battery, and then peg it down in your crop or pasture to monitor pest, disease, or canopy cover – what difference will that make to decision making and risk management in farming? The trend will be a growth in collaboration of farmers, researchers, entrepreneurs and the private sector to affect change in the industry. Follow us on twitter @meridian_ag to see this in action already.

Anna Cochrane

Sometimes farming can be like rolling a dice

In May and June, Meridian Agriculture has been working closely with Agriculture Victoria to provide workshops to farmers in drought affected areas to build skills and knowledge around financial literacy and risk management.

Understanding your farm finances is critical for surviving tough times in farming. The workshop participants looked at income, variable costs, overhead costs, interest costs, tax and the true cost of depreciation on a business and learnt various strategies to control costs. Knowing what drives profit in your business is also important. Too often people rely on gross margins of their enterprises to determine what they should produce, but gross margins don't tell the whole story.

Risk management planning is equally as important. There are a number of risks in every business and there is a simple process that can assist in managing these:

1. Identify all risks in your business via a risk checklist;
2. Identify those risks that you can manage;
3. Put strategies in place to manage those risks effectively;

New Livestock Genetics Advisor joins the Meridian Ag Team

Meridian Ag has welcomed Richard Cannon to the team as a Livestock Consultant. Based out of Hay in NSW and travelling extensively, Richard has a focus on genetic improvement, breeding objectives and stock selection, as well as animal health, husbandry, performance, enterprise mix and grazing management. Richard has an extensive history with involvement in the merino and beef seed stock industries, as well as large scale commercial livestock production. He is driven by maximising the genetic potential of livestock enterprises based on profitability, so coupled with good management and agronomy, producers can optimise their livestock enterprises.



He previously worked for Hazeldean as their Riverina Manager with a focus on Merino, Angus and Senegus seed stock production, selection and marketing of genetics, the facilitation of contract breeding agreements for several large pastoral companies, and the day to day management of an extensive Riverina station.

With the appointment of Richard, Meridian Agriculture now has a presence in the Western Riverina of NSW. Services offered out of the Hay office will be:

- Genetic selection and breeding objective reviews,
- Animal health, husbandry and performance measurement;
- Enterprise selection, mix and grazing management;
- On-farm and agribusiness recruitment service; and
- Family succession plans.

If you would like to get in contact with Richard, give him a call on 0427 931 177 or email rcannon@meridian-ag.com.au.

4. Identify those risks that you cannot manage;
5. Put strategies in place that trigger changes in the way you do things to get the best possible outcome if one or more of those risks were to occur.

The Meridian Team developed an interactive game where workshop participants rolled a giant dice which influences external factors such as rain, yields, prices and interest



rates. The participants worked from a model farm where they made decisions based on the roll of the dice.

Two more workshops are scheduled for Boort and St Arnaud in July with more workshops to be rolled out later in the year. Please contact Meridian Agriculture's office on 03 5341 6100 if you are interested in attending or would like further information.

Article by Anna Cochrane

The Peel Ag Business: Using Meridian Ag to their advantage

Operation Overview

Peel Agriculture Pty Ltd is a family business owned and run by brothers Colin & Rowan Peel. The business runs three enterprises consisting of chicken meat which is about half of the operation, a 1,400 hectare cropping program of which 50% is share farmed, and a prime lamb breeding operation of 2,000 breeding ewes turning off approximately 3,000 lambs per year.

What is the biggest change you've seen in agriculture/your business in the past 10 years?

Focus on efficiencies – we cannot afford to take our eye off the ball.

What do you think the biggest change will be in the next 5 – 10 years?

I think there will be continual improvement and development of the current existing technologies in all aspects of agriculture, with a steady-as-you-go approach to make sure that smart decisions are made in relation to our business and for the industry in general.

Why did you choose Meridian Ag?

We went to Meridian Ag and Ben for recruitment and HR policy development. It is always difficult to find the right people and keep them, which I am sure is not specific to our operation. We have a staff of 7 so it is important we stay on top of managing and maintaining the team. Ben has helped us fill roles, keep people in them and the continual development of HR policies and conducting performance reviews.

What has been the difference to your business/farm since using Meridian Ag?

Ability to spend more time on the production side of the business rather than developing ads, reviewing resumes and writing policies.

Would you recommend Meridian Ag to your neighbours?

Yes, I think the HR services Meridian Ag offers are really good for the industry and it is important for our industry to be proactive in HR, WHS and people management. I am the Vice President of the Victorian Farms Chicken Meat Industry Group and we have spent a good deal of time looking at WHS policies and the continual development of industry best practice in this area.

Where was your most recent holiday and when?

We're off to Europe next week, and two years ago we did the Canadian Rocky's and Alaska and I would recommend this to

anyone who hasn't been!

What is your favourite meal?

Chicken or lamb, I am not a cuisine specialist and the basics can often not be beaten!

How much rainfall is ideal for your country and what time of year would it fall?

500-550mm is a good yearly average for us. Everyone, including us like a good start to March and a dry winter. For our chicken meat business the timing of rainfall makes no difference, which is a great element of our diversity.

How much rain have you had this year?

About 180mm at the moment.

How do you spend your downtime/time off farm?

I'm a long standing Rotarian and have done quite a bit of project and development work in Fiji and in Arnhem land over the last 15 years which is something that I really enjoy. I am also involved in agri-politics with the VFF and some chicken meat industry organisations.

What is the best piece of advice you've ever been given?

The role and benefit of diversity in operations.



Going forward, farm succession is going to be important to us, working out what we are going to do and how to go about that. Whether we keep it as one viable unit or look at breaking it down depending on what the family wants to do is a big consideration. Our father was very proactive on succession so we are quite open to different options

moving forward, but whatever the outcome ends up being, it is important to have a good team to make sure the business keeps performing, because we don't want to be left standing still or going backwards.

Interviewed by Dan Korff

Keeping an eye on the future

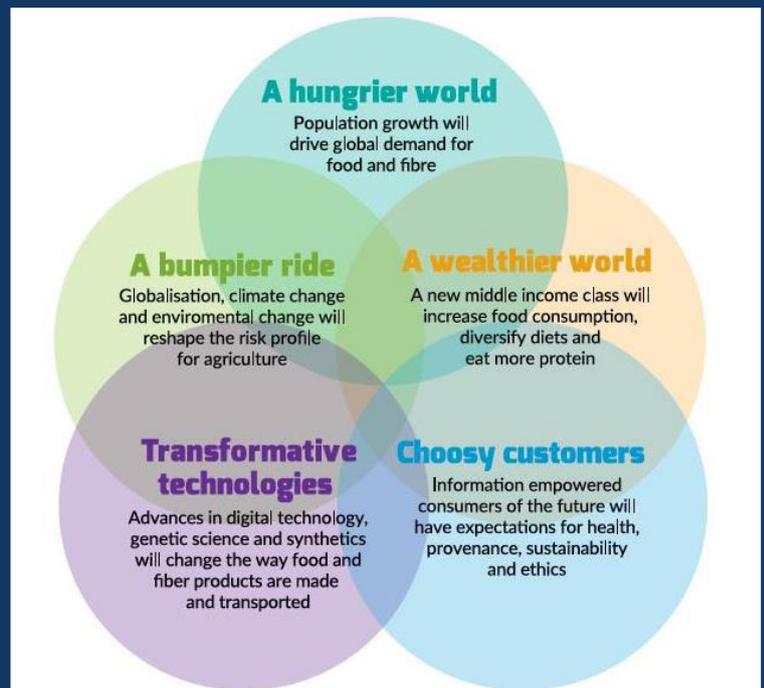
The last 20 years have seen an explosion in adoption of new technologies and the arrival of new industries, markets and customers.

What does that actually mean? In 2015, RIRDC identified five megatrends that will impact on Australian Agriculture over the next 20 years.

1. **A hungrier world:** By 2050 we are looking at 9.7 billion world population up from 7.3 billion in 2016 which is a 2.4m increase. Food demand is expected to increase by about 60-70%. This is not ours for the taking. We are competing in a global market. Did you know that Brazil has tripled its agricultural exports since 2000. Innovation in how we produce and market our products will be critical.
2. **A wealthier world:** Greater disposable incomes typically mean greater demand for protein and a consumer demand for a wider range of products. Australian producers will need to be able to identify value chain opportunities to maximise the opportunities and position themselves to capitalise on the opportunities. Innovations that change the way we produce protein will drive our ability to meet demand.
3. **Fussier Customers:** More real time data means more educated consumers that will change our traditional target markets. Our customers will demand niche market, speciality products, tighter product specifications that meet their traceability and ethical value positions.
4. **Transformative Technologies:** Digital disruption, improvements in genetics, new science technologies and data analytics will change how our clients work and how we work together. The impact that block chain and

artificial intelligence will have in agriculture will be so great, it is hard to comprehend.

5. **A Bumpier Road:** Continued changes in our climate, our environment, the way global business interacts and the growth of cross-sectoral integration will mean our businesses will need to have greater agility, greater resilience, and a greater understanding of the drivers of our risk profiles to respond to more shocks and more severe shocks across climate, financial markets and consumer trends.



(Source: RIRDC, 2015)

Article by Anna Cochrane

Machinery Rings

“Machinery Rings” is a term (syndication is another) given to a system which reduces the overall need for machinery by sharing it between several farms. The concept is well understood in New Zealand and Europe but there is a poor level of acceptance in Australia.

At their most sophisticated, machinery rings work extremely well. The more sophisticated arrangements involve a group of farmers who form a company, effectively a contributor owned contracting company which is a separate entity from all the contributing farmers. All the machinery needed for major farm operations is owned, operated and maintained by staff employed by the ring.

The manager of the ring acts as a contractor and work is undertaken for contributing farmers at agreed rates. It is usual to do contract work for farmers who are not members



or owners of the ring at higher rates.

Farmers who collaborate to effectively own their contracting company see the benefits in a reduced cost to the business; don't suffer the problems of sharing individually owned machines; and have a professional service available to them. There is a big difference between owning and lending a machine and owning part of a company which owns and operates the machines you need.

The remaining disadvantage is that work may not be completed at the optimal time. At Meridian Ag we have been able to address that issue through some innovative solutions. Call Mike Stephens on 03 5341 6100 to discuss further.

Article by Mike Stephens

Let's get to know Peter Flavel



Peter is an Agronomy Advisor and Manager based at our Casterton Office. We asked him to answer a few questions about himself.

You have experience in soils nutrient analysis. If you could give a grower any advice pertaining to this, what would it be? Soil fertility is critical to productive pastures. Often the trend in change is just as critical as the actual level. Detecting and measuring the variation in a paddock will be critical.

What do you think is the biggest opportunity for Australian Agriculture in 2016? The flexibility of the business to adapt to different seasons.

What is the biggest threat? Not being able to quickly take advantage of an improved season should it appear.

Tell us about your family and values that are important to your family life? My wife and I have 3 adult children living in 3 different states. We believe family is the centre of a balanced life. We have encouraged the family to be concerned about others, honest and accountable and be happy with what you do.

Where did you go to school? I went to primary school in New Guinea and then Boarding school in Adelaide for my high school years.

What is the most important lesson you have learned in life? There are always many people in a worse position than I.

What is your favourite holiday destination? Keeling and Cocos Islands.

When growing a business, what is the first piece of advice you would give someone? Knowing what are the key profit drivers.

What do you do outside of work? I like to try and fish, home cook and garden.

Why did you choose to work for Meridian Agriculture? I had returned from a stint in WA and felt I wanted to return to agriculture. Fortunately Andrew Speirs and Meridian Ag gave me that opportunity.

Knowing your employees

To know that we know what we know, and to know that we do not know what we do not know, that is true knowledge – Nicolaus Copernicus.

Knowledge is important when we make any farm business decisions. For any aspect of the business operations, the more knowledge the better and employee information is no exception. Various levels of information about people working for your business is valuable for both performance management and the various safety, legal and compliance issues businesses may face.

For example, knowing the blood type and/or medical condition of an employee may save a life if there is a serious accident on farm. Knowing whether your employees have a current licence to drive a car, motorbike or truck may not only prevent an accident from happening, but will ensure you start to fulfil your requirements for any potential workplace safety claims that may come against the business if an accident occurs. You only get this knowledge from asking the right questions and ensuring the information you collect is used.

Meridian Ag has created an Employee Details Form that covers all areas you need to know about prior to an employee starting work with you (or to collect if they are already working with you). This form is available by calling our Yendon office on 03 53416 100 or emailing info@meridian-ag.com.au.

Keep in mind that legally the definition of 'employee' need not only be people employed to work for your business, but also includes family members and contractors.

Article by Ben Reeve

Meridian Ag out and about!

Come and see us at the following:

Sheepvention, Hamilton
1st & 2nd August

Lambex, Albury
10th - 12th August

Grasslands Conference, Hamilton
15 September

Yendon

a 96 Harbours Road,
Yendon, VIC 3352

p 03 5341 6100 | f 03 5341 7630

e info@meridian-ag.com.au

Casterton

a PO Box 226, 32 Henty Street,
Casterton, VIC 3311

p 03 5581 2826 | f 03 5581 2746

e info@meridian-ag.com.au

Harden

a PO Box 68, 314 Albury St,
Harden, NSW 2587

p 02 6386 2570 | f 02 6386 2910

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