



## COVID19 in the primary industry – threat or opportunity?

The economic consequences of COVID19 vary largely between industry sectors across society. Sectors like tourism and entertainment have suffered major losses, whereas in agriculture – classed as an essential industry – it may appear that little has changed in the daily life of a farmer. There will always be a need for primary producers, but unfortunately this does not mean a major event like a pandemic will leave the industry untouched in times of uncertainty. So in a way, the current situation presents an opportunity to identify threats to farming businesses and as a result deserves some consideration in terms of how to prepare the business for possible future events.

In many ways farmers operate at the start of the supply chain – being primary producers. Yet primary producers also require resources in order to operate a productive business. A prime example are products such as fertilisers and chemicals which can be short in supply. With the welcoming of some much-appreciated autumn rains across most of south east Australia, these are the kind of products producers like to have secured to make sure annual operating plans stay on track. This raises the question whether fertiliser and chemical are agriculture's equivalent of the supermarket's toilet paper – no one would want to miss out. But by proactively staying in touch with local suppliers, producers can play a part in preventing nasty surprises. Planning ahead well before a particular job needs to be done can give vital insights regarding the supplies at hand and the supplies required, which in turn allows to either secure resources beforehand or allow time to discuss any potential alternatives. This can play a big part in running a smooth pasture and animal health program.

Market volatility is not unfamiliar and can keep us all on the edge of our chairs. Closed borders and pressure on both global and local trade expresses itself in different ways. Premium lamb and beef cuts didn't find their way to restaurants as much, because restaurants were shut to the public. The closed borders and domestic restrictions due to COVID19 in Italy and India prevents wool from ending up in processing facilities. In addition, sale yards have to adhere to the social distancing rules, allowing less people at the sales but seeing increased activity remotely on platforms like Auctions Plus. And even though China's economy seemed to show some signs of recovery, it has not been confirmed and does not give any certainty around the current trading position.

Service providers are still in business and make the most of their ability to do what they do best while adhering to social distancing – which includes the work done by our team at Meridian Agriculture. We appreciate your cooperation and willingness to stay in touch remotely, and even have a crack at attending webinars and important meetings via web conferencing software.

Even though the country is still in a state of emergency, easing of restrictions is the topic of conversation and the 'post-COVID world' seems to be taking shape. Hoping we have coped with the toughest phase of the pandemic, now is a good time to reflect on your own business. Have you had to deal with product shortages? Have you had to step in to cover for employees? Did you need to change any practices that left your business exposed? Did you require more support from service providers than they could supply? And most of all, how did you deal with this personally? How is your mental health? Would you have done anything differently in hindsight?

The opportunity to learn from COVID-19 is now.

*Esmée de Looff, 9/6/2020*

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