
Agribusiness - Industry Commentary, Debate, Analysis and Research

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Congress Update.

The final speaker for the 2002 Congress (November 12 and 13) has been confirmed – Dr Ray Johnson from Ridley AgriProducts.

The session delivered by Dr Johnson will look at the projected future growth of the livestock industries as they affect feed requirements and will cover all the current "issues" of growth in the livestock industries, both monogastric and ruminant, such as the pig growth driven by exports, uncertainties of poultry growth due to imports etc. Future raw material requirements for the intensive livestock sector will be examined, including the impact of the ban on meat and bone meal in ruminant diets.

With the release of GM canola in 2003, problems will emerge in the feeding of dairy cattle, particularly as dairy companies want a 5% maximum limit on GMO's in feed. There are also the associated issues of GMO's in the stockfeed industry, such as liability, identity preservation, etc.

This session has been created to compliment the industry overview that will be delivered by Mike Hayward from Meat and Livestock Australia – both sessions will provide excellent coverage of the state of play in the Australian livestock sector.

Agribusiness Essays.

Got something to say about an issue effecting the agribusiness / agri-food sector?

A new section has been added to Agribusiness Online called Agribusiness Essays.

The new section is for the publication of material that falls outside the ambit of the Association's current publications – the Review for peer refereed academic research – Perspectives for general research – Connections (with AARES) for issues relating to economics and resource management.

The Essay section is aimed at providing a forum where 'opinion pieces' that seek to discuss a particular issue can be placed and read by members and visitors to our web site - so contributions are encouraged.

To get the ball rolling, two essays have been included in the Online Essay section.

Lessons in Issues Management - Monarch butterflies and the Media.

Abstract. - In today's information driven age, news, or what is generated to resemble news, has become grist to a massive mill that is designed to churn out stories for the edification and entertainment of the reading, listening and viewing public.

We, the consumers of media output, are now so awash with information and the media is now so competitive that quality, balance and in many cases, good taste, have often become victims the general clamouring for our attention and controversy and 'shock value' are two of the main tools used to grab that attention.

A validation of this hypothesis can be found than in the Monarch butterfly – BT Corn saga that exploded across newspapers and the airwaves in mid 1999 – reporting that laboratory tests had 'proven' that pollen from BT corn was capable of killing Monarch butterflies.

Globalisation – Is it a Myth?

Abstract. - This essay will attempt to make the case that, what is generally accepted as being the result of 'globalisation' is in fact nothing of the sort and that many of the 'results' of globalisation actually predate its emergence as a commonly used term.

Recent analysis of the Fortune 500 companies – comprising 90% of foreign direct investment and 50% of world trade – indicates that over the last 20 years their global reach has not really changed, indicating that what is generally understood to be globalisation is in fact a myth.

Globalisation has little to do with foreign ownership, foreign investment, multinational companies, loss of sovereignty and so on, but has a lot to do with the removal of tariffs and subsidies that insulated domestic economies for decades a process of economic 'internationalisation' rather than corporate 'globalisation'.

Farmshed Conflict Of Interest Drives Sale

(from australia.internet.com's weekly newsletter – Author Stewart Taggart)

After a rumored investment of close to \$40 million, the partners in the Farmshed.com (Rural Press Ltd., Wesfarmers Landmark and the National Australia Bank) have decided to pull the plug and put the web site up for sale.

Initially conceived in the halcyon 'dot com' days as a means of providing an integrated platform for delivery of the services provided by the three partners (information, rural merchandise / marketing & finance), the Farmshed.com has turned out, if the actions of the partners putting the site up for sale is any indication, to be yet another failed dot com.

It seems like only yesterday that the world was being 'revolutionised' by the 'new economy'. In those days anything that didn't have a dot com attached to it was passé and redolent of the terminal decay and decline that was then 'the old economy'.

There were several problems with the 'new economy'. Firstly speculation and wildly optimistic estimations of the ability or willingness of people to embrace technological change drove it.

Secondly, in Australia at least, the infrastructure on which the electronic platforms were to run either didn't exist (no broadband) or was substandard (the majority of internet users are still restricted to 56 Kb dial-up connections, worse if you are in a regional area).

This second point is critical in explaining a large part of the failure of e-commerce to become established in key sectors of the economy. The current infrastructure just isn't up to the task.

Unrealistic expectations?

Were we really going to see farmers shift their input procurement, marketing etc, over to the web? It is all very well to talk about speed and cost of transactions, but the cost is not the only component in a transaction. People are complex social beings and existing person-to-person relationships are very powerful. Would a web site provide the same level of *relationship* as the local stock and station agent or their counterpart in the produce store? Could a web site offer advice based on years of local or product knowledge, talk about politics or join you for a drink at the pub?

Flawed strategy?

One perplexing part of the Farmshed story is why the investing partners developed or maintained competing web strategies, offering a virtual facsimile of the input they had to the Farmshed.

This strategy may well have been a means of hedging the investment into Farmshed, but one has to ask the question – if the Farmshed investment needed hedging by running a virtual duplicate along side, but without the input of the other Farmshed partners, why was such a large amount of money invested in the venture in the first place?

Far from becoming an electronic business platform for farmers to transact their livestock, wool, financial, merchandise and information needs, - as the original intention may have been in the e-commerce / new economy days - the Farmshed has become another 'me to' generic agricultural web site – with the obligatory weather map, weekly commodity prices / forecast, generic links to other agriculture related sites, etc – in other words nothing that could not be found on 3 or 4 other Australian web sites with a similar target audience – or on a plethora of other web sites from around the globe.

The value equation.

The australia.internet.com article on the sale of Farmshed quotes use figures for the site of "...roughly 60,000 individual users per month, of which 30,000 are registered and about 10,000-20,000 are heavy users." Quite impressive numbers, but does it represent good value for money for the partners?

Contrast those figures with the individual user sessions logged by the Agribusiness Association site, which averages approximately 620 users per day, or roughly 18 600 users per month – or around 1/3 of the Farmshed traffic for about 0.1% of the cost...

Canberra Bush Capital Lunch - OCTOBER 24 - National Press Club, 12.15 pm

Water Use in a Dry Land – Where is the balance?

Speakers: **Tim Fisher** – Australian Conservation Foundation and **Ian Donges** – NFF

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