

# Barry Irvin



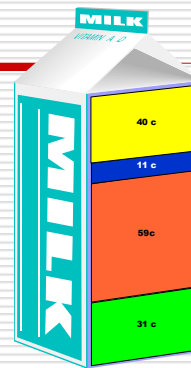
Chairman  
Bega Cheese

**There's Something About Dairy**



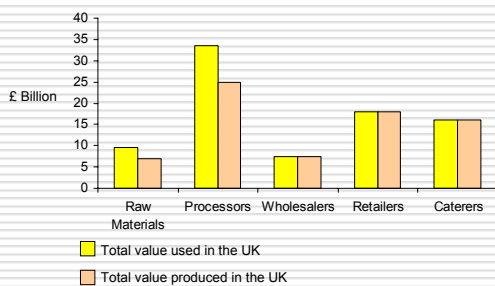
Australian  
price / litre

Retail \$1.40

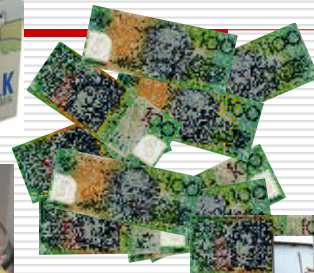


Farmer \$0.31

## Contribution of farming to consumer food supplies in the UK



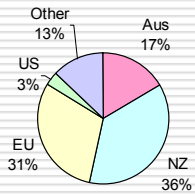
Source: Australian Farm Institute



u t o p i a

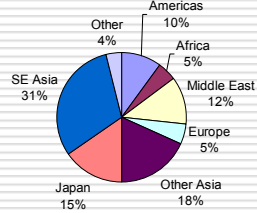


## Exporters of Dairy Products

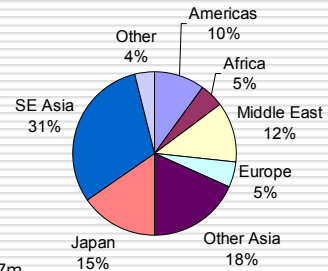


Source: Dairy Australia

## Export Destinations



## Export Destinations



Total \$2,487m

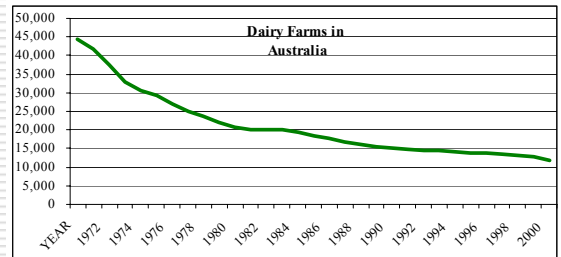
2002 / 2003

Source: Dairy Australia

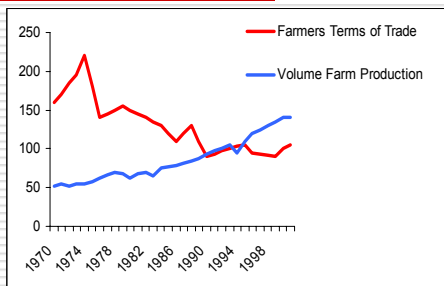
## The Farmer's Puzzle

- ❑ The market
- ❑ Access the value chain
- ❑ Lower cost or higher value
- ❑ Co-operatives or companies
- ❑ Government interventions

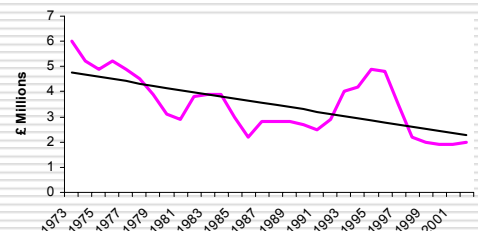
## Farm Numbers in Australia



## Farming in Australia



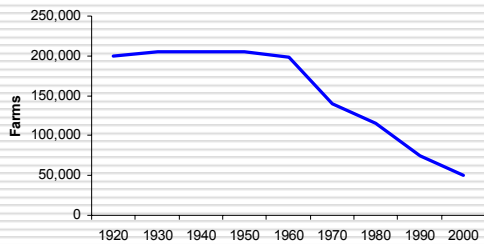
## Income from Farming in the UK



Source: Australian Farm Institute

## No. of Farms in Denmark

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Source: Australian Farm Institute

## The Australian Farmer

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- ☐ No Government subsidy
- ☐ Production surplus to domestic needs
- ☐ High compliance costs
- ☐ High quality demands

## Australian Farmer's Markets

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- ☐ Developed Markets
  - Quality
  - Convenience
  - Healthy
  - Functional
  - Ethical
- ☐ Developing
  - Growing income
  - Increased consumption
  - Animal proteins
  - Sophisticated supply chain

## Down on the Farm

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- ☐ Competition for resources
- ☐ Financial sustainability
- ☐ Environmental sustainability
- ☐ Management practices
- ☐ Weak seller

## Into the Factory

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- ☐ Price signals to farmers
- ☐ Quality
- ☐ Efficiency
- ☐ Integrated supply chain

## Off to Market

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- ☐ Consumer demand
- ☐ Service
- ☐ Branding
- ☐ Innovation
- ☐ Differentiation
- ☐ Growth

## Assessing value for the Farmer

- ☐ Company or co-operative?
- ☐ Premium supply
- ☐ Investment
- ☐ Scrutiny
- ☐ Performance
- ☐ Rationalisation

## The Farmer's Responsibility

- ☐ Assess supply fit
- ☐ Assess market performance
- ☐ Assess market strategy
- ☐ Consider cultural drivers
- ☐ Invest

## There's Something About Dairy

- ☐ Competition for land
- ☐ Subsidised agriculture
- ☐ High compliance costs
- ☐ Low compliance costs
- ☐ Labour costs
- ☐ Right to farm
- ☐ Right to profit

## Farmer's Leverage

- ☐ Embrace position in the supply chain
- ☐ Understand the market
- ☐ Embrace changing environments

## Farmer's Leverage

- ☐ Invest in efficiency
- ☐ Invest in quality
- ☐ Invest in people
- ☐ Invest in companies that invest
- ☐ Invest in growth and development
- ☐ Invest judiciously and with strategy
- ☐ Just Do It

