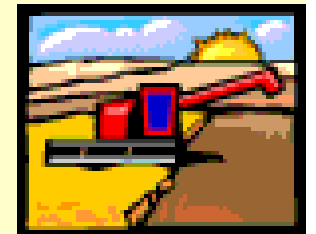


# **OPPORTUNITIES FROM GLOBAL CHANGES IN AGRICULTURE**

**ROB NAPIER - NAPIER AGRIFUTURES**  
**Orange, New South Wales, Australia**

**Presented at the**  
**Canadian Farm Business Management Council**  
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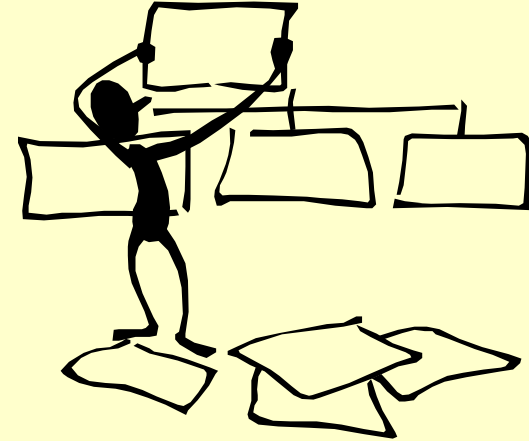
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# INTRODUCTION

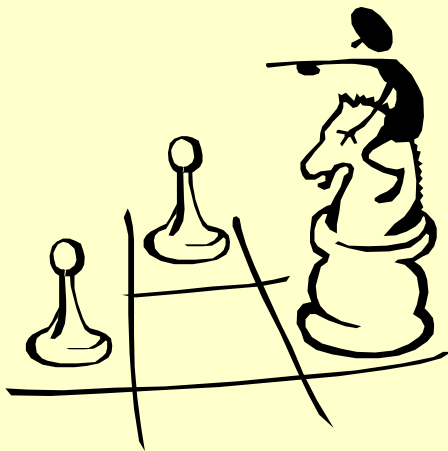
## Change

- (1) Redefining the role of a farm manager
- (2) The power in this room



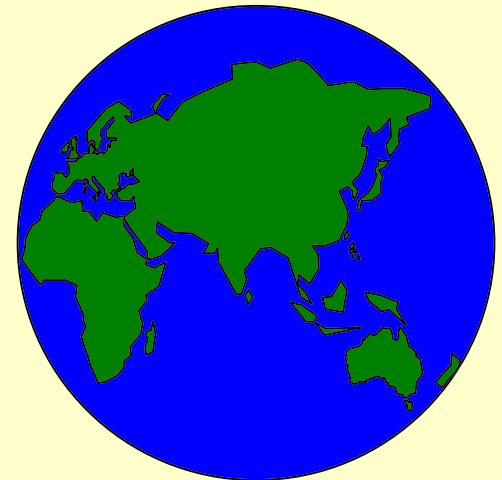
## Outline of Presentation

- (1) Global trends
- (2) Today's strategies for farm management success
- (3) A check list for action



# THE DRIVERS OF CHANGE

- (1) Market driven not production driven**
- (2) Globalisation, trans-nationals & the effects of September 11, 2001**
- (3) Consolidation in input supply, processing & retailing**
- (4) A wave of new technologies**
- (5) Government regulation/deregulation/policy change**
- (6) Evolving consumer demands**



# STRATEGIES FOR FARM MANAGEMENT SUCCESS

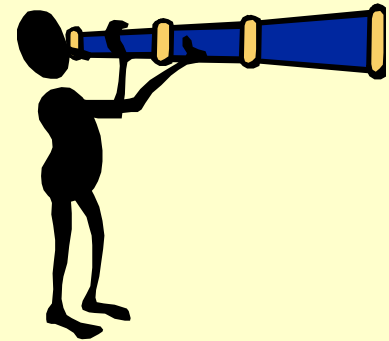
## Strategic direction

**(1) Situation analysis**

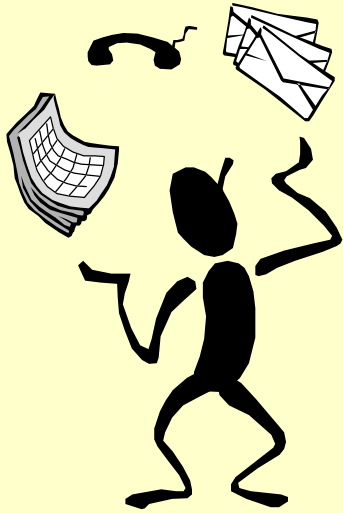
**(2) Anticipating change**

**(3) Redefining roles**

**(4) 'Change - the freeway of business'**



# Selecting and Managing New Technologies



**(1) Working with researchers**

**(2) On-farm experimentation**

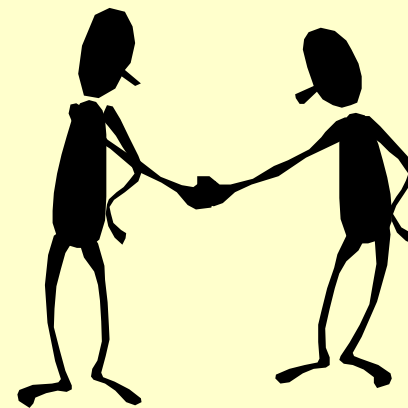
**(3) Learning**

**(4) Positioning**

**(5) Cooperation**

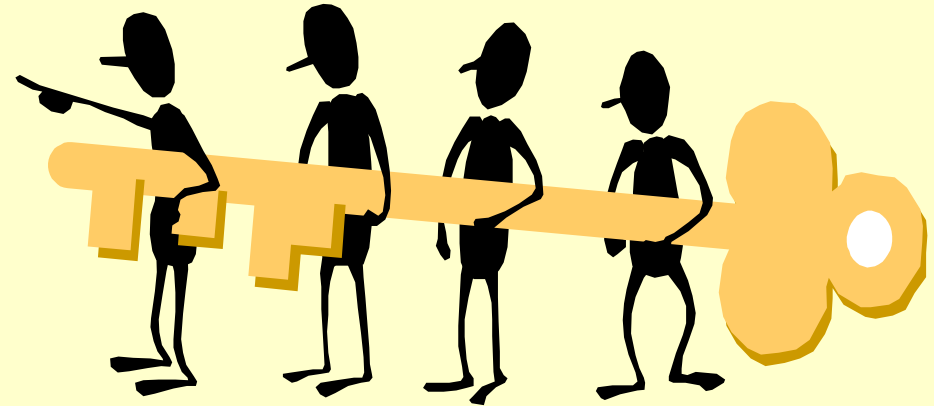
**(a) horizontal**

**(b) vertical**



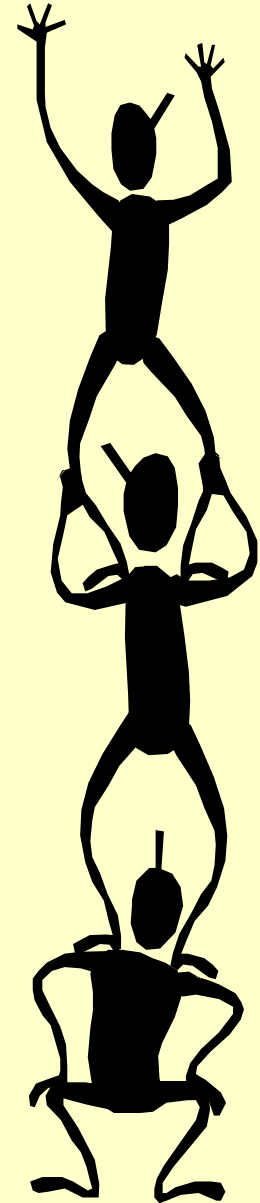
# Horizontal Alliances

- (1) Purchasing power**
- (2) Information power**
- (3) Marketing power**
- (4) Economies of size**
- (5) Risk management**
- (6) Global supply chains - groups of groups**
- (7) 'Building a vertically integrated beef marketing system was the easy part, the hard part is to get my fellow farmers to cooperate'**



# Vertical Alliances

- (1) Industrialisation**  
-a control system of agriculture
- (2) Supply chain management**
- (3) Quality assurance systems**
- (4) Special attribute products**
- (5) Consolidation of processing & retailing**  
-gaining market access
- (6) 'None of us is as good as all of us'**



# Growing The Business

**(1) ‘ I didn’t know it would be so easy’**

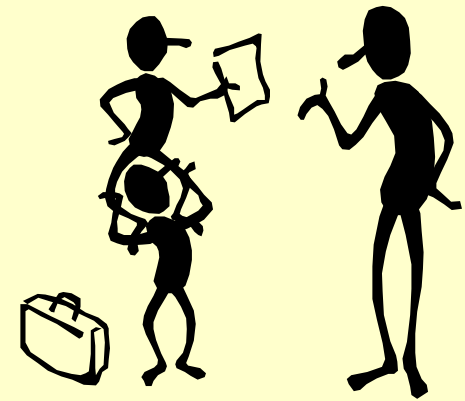
**(2) Leveraging capital**

**(a) leasing**

**(b) franchising**

**(c) networks/alliances**

**(d) contracting out production**



**(3) Records and cost control**

**(4) ‘With each expansion per unit costs come down’**



# Risk Management

- (1) More volatility**  
-short peaks, long troughs
- (2) Production risk**
- (3) Market risk**
- (4) Relationship risk**
- (5) Environmental risk**
- (6) Policy risk**

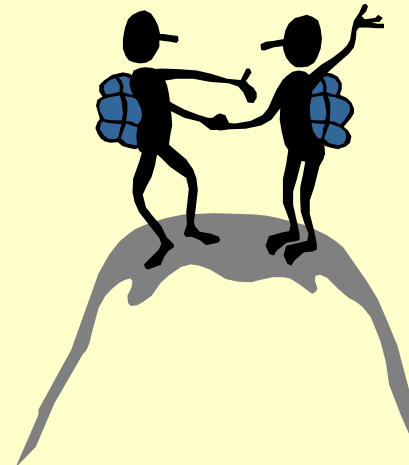


# Adding Businesses To The Farm Business

**(1) Making money**  
- services versus production



**(2) Human capabilities are the key**  
-competition

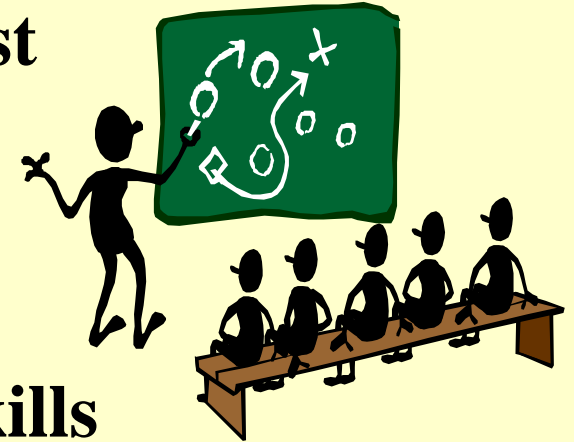


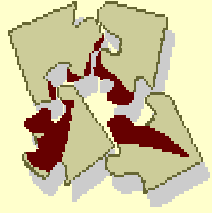
**(3) Isolation is an attitude**

**(4) Opportunities**

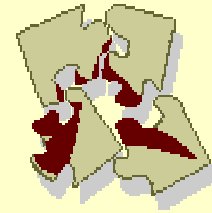
# Human Resource Development and Succession Planning

- (1) People as an investment not a cost**
- (2) Developing strategic capabilities**
  - the best insurance policy
- (3) Generic skills versus specialist skills**
- (4) Succession planning & family**
  - teamwork-often the greatest challenges
- (5) Goals, motivation & leadership**
- (6) 'We grow as our people grow'**





# CONCLUSIONS: A Checklist For Action



- (1) Situation analysis - external & internal**
- (2) Business, individual & family goals in SMART format (Specific, Measurable, Agreed, Realistic, Time constrained)**
- (3) Actively seek & evaluate new technologies**
- (4) In bed with consumers**
  - transparent information flow**
- (5) Achieve 'critical mass' for consistent, reliable product supply**



# CONCLUSIONS: A Checklist For Action



- (6) Participate in vertical alliances  
-quality assurance, identity preservation,  
value, market access**
- (7) Grow the business - be a low cost  
supplier with excellent cost control**
- (8) Employ effective risk management  
strategies**
- (9) Look for opportunities to add businesses**
- (10) Achieve excellence in people development,  
management & succession planning**



# CONCLUSIONS:

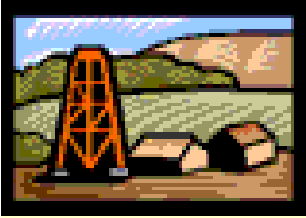


- (1) New Agriculture ?**
- (2) New Opportunities In Farm Management ?**
- (3) What Actions Are YOU Going To Take ?**
- (4) Balance - let's not lose the plot!!**



?





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