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HD **Time for Team Australia: Forrest**

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ANDREW Forrest calls it the "the greatest revolution in food consumption in world history".

"It is taking place on our doorstep but we are missing out on it," he says.

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He is, of course, talking about the booming demand for food in **China** and South East Asia and he wants Australian farmers to benefit from it.

Mr Forrest, who has made a fortune from selling iron ore to **China**, has already put his money where his mouth is, buying WA's biggest beef processor Harvey Beef for more than \$40 **million**.

Earlier this year, he also bought Nanutarra and Uaroo stations which lie adjacent to his Minderoo station, for \$4.5m.

But Mr Forrest has sounded a warning to politicians, industry groups and farmers, saying if Australia does not act quickly and decisively, we will be left behind in the race to feed Asia.

He has called for a united approach and wants to form "Team Australia" to tap into the opportunities facing agriculture.

"We have to realise we are being outperformed overseas, we need to outperform everyone else, we do it in the resource sector, we do it everywhere," he said.

"But the rhetoric Asian Food Bowl is just not being matched by reality and only hard work will fix that."

Mr Forrest said he wasn't driven into buying Harvey Beef to increase personal wealth.

"I had an increasing concern for the declining standard of living for Australian farmers," he said.

"You can see the power of Asia and if they become confident in your ability to supply what they need, they can grow your industry, not necessarily by investing in it but by just taking the product."

Mr Forrest said he will continue to look at opportunities to invest in agriculture.

"I think people respect you if you put capital behind your argument and we will continue to do that," he said.

"We will continue to look for opportunities to really grow Australia's reputation overseas and (buying) Harvey Beef with its ability to export direct to **China** was a fantastic start."

The agricultural climate in the last few years was also impetus for him to act, Mr Forrest said.

"Australian farmers are not doing so great," he said.

"If they had the livelihood they used to have, yeah sure great, let's pat ourselves on the back.

"But we haven't and meanwhile the greatest revolution in food consumption in world history is taking place on our doorstep."

Mr Forrest is also calling on his experience in the resources sector, which has established great relationships in **China**, to support his large foray into the agricultural sector.

"I have seen the resources sector, quite justly, benefit enormously from very considerable investment, because people like ourselves and those investors supporting us were able to take a longer term view on what we produced being in demand for decades and decades," he said.

"I was not seeing that translated into the Australian agriculture sector.

"So I started really inquiring about where Australian produce was being **sold**, going to supermarkets myself and checking it out and not finding an Australian section.

"I would see the European food section, the North American food section, Brazil, Chile, even Uruguay have huge food sections in **Chinese** supermarkets.

"All these countries have completely stolen the march on us and we need our industry and our politicians, and our bureaucracies to take responsibility for really lifting Australian agriculture and Australian farming produce in the markets that need it.

"We are only just starting to see the demand for Australian farm produce if we get these settings right and if we don't correct our settings we are going to continue to be left behind and you will not see the well deserved increase in the standard of living of every farmer because we just missed the market."

When asked what the settings were that need to be corrected and what action needs to be taken, Mr Forrest said Australia doesn't need to "choose favourites".

We don't need to choose one country over another," he said.

"We should be like Canada, like New Zealand, like other big food producing nations, who are everyone's great friend.

"Dabbling in North American policy is someone else's **business**. We are here for Australia, so that is the top end.

"At a political level, I am asking our politicians to really lead us, draw together Australia as a whole, not States competing with each other.

"That goes down really badly in Asia, when New South Wales pops up and says 'we can do it better than WA' or Queensland says 'we do it better than Tasmania' I have watched their eyes glaze over when that is said."

Mr Forrest has already taken steps to bring trade partners together, establishing the Australian Sino 100-year Agricultural Partnership or ASHAP as he refers to it.

"ASHAP is directly building on the great success of the Senior **Business** Leaders Forum, where you have got about a dozen of the most influential businesspeople in Australia relevant to **China** and a similar number of the most influential and senior **business** people on their side coming together," he said.

"And you have to understand these are quite big meetings, the logistics around them are serious.

"I thought getting this **group** together once a year would be pretty ambitious, but since starting the Forum a couple of years ago, we haven't been able to get away with anything less than every six months.

"People want to get together and as soon as you start realising the potential of the Australia-**China** relationship and where it is falling down and where it can be fixed and what the opportunities are for both countries, you want to see more of each other.

"And that builds the social platform between countries, which politicians can then build on, because without that there is no point in the politics.

"So taking that model of success we can say this will work for the agriculture sector specifically."

Mr Forrest said State agricultural ministers had already been invited to join ASHAP.

"WA's Agriculture and Food Minister Ken Baston has already put his hand up and said 'if it takes me to be the first, well I will be the first to join'," Mr Forrest said.

"We have Meat and Livestock Australia and Citrus Australia and **wine** producers and Goulburn Valley fruit growers and all these fantastic organisations, let's get them together with the State ministers and the Federal Agriculture Minister and we become Team Australia."

Mr Forrest said big changes would also be needed to be made at a bureaucratic level.

"If you want to form a food protocol from New Zealand to **China** it will happen at lightning speed," he said.

"And if I had to pick a country that has the same quarantine laws, the same adherence to quality and food reliability and a similar great reputation to Australia, well there are not many in the world but New Zealand is one.

"It can go blow-to-blow with Australia. They are a fraction of our size, yet they have stolen the march on **dairy** because their bureaucracies were quick to move, quick to support their growers and the New Zealand economy is now kicking along.

"It is becoming a much stronger export economy because the bureaucracies and the ministers were able to persuade **China** and persuade themselves that this would be great for New Zealand.

"So instead of doing it tomorrow or next week, New Zealand will do it now or this afternoon, not when it suits us because we are Australia and we are so good.

"We will get around to it when it suits us because the market is not going anywhere well the market is gone!

"It has got up and left!

"But we can recover because the major part of Asia's growth is in front of us."

Mr Forrest also responded to claims that Australia should be a niche provider to a higher value end of the market.

"That is exactly what people thought about the iron ore industry," he said.

"...in the late 1990s and the early 2000s, we viciously competed against each other and had really strong union interference, which were able to stop the ships sailing.

"If you have got a steel industry with many multiples of capital investment, and you have got some mug complaining about the colour of the ice-cream able to stop it you are going to say well we are going to grow the Brazilian iron ore industry.

"Australia had at least 250m tonnes of iron ore taken from its future market share, which is \$25 or \$30 **billion** in exports, and **billions** of revenue and taxes very year.

"That would have changed Australia.

"Today you would have had roads, schools, hospitals, been built across the nation, if we hadn't lost that market share and I don't want to see that repeated."

Can Australia meet the market value that **China** will be willing to pay, given the high cost of farming today?

"Agriculture is a bulk commodity and we are always three times closer geographically than many of our competitors and we are reliable," Mr Forrest said.

"Customers are very unconfident about paying up for food produce or any produce if they are not certain of the market.

"They are unconfident that they are paying fair value, so they protect themselves by going to the lowest possible value.

"As soon as a market is established, **China** is happy to pay \$50, \$100 or \$150 a tonne of iron ore as long as that is what everyone else is paying.

"As soon as **China** becomes comfortable that a value has been fairly set in the market, they are happy to join the market and the same thing will happen with food produce if we get in and increase our supply.

"I think Australia has a really great future, I am not out there saying prices are going to rise dramatically, but I am saying if we play our policy settings correctly, if our governments have a sense of urgency about Australia's position, if our representative bodies, being State and Federal and industry come together and market Australia as a country then that is welcomed overseas and that should give Australian farmers confidence to on-farm invest once again.

"I am asking all Australian farmers to join Team Australia to demand that we market our country as one, and that is why I started ASHAP."

If this is done, Mr Forrest said the potential for growth is there.

"It will not take much increase in sustained demand to really turn around profitability of Australian farmers and as they begin to invest again their costs of production will go down, their reliability will go up and their demand will go up and they may even see appreciating prices as they increase volume," he said.

"That is what exactly what happened in the resources sector. As we increased volume, Australia became more, not less attractive to **Chinese** consumption.

"They said hang on these people are serious, we want more of their product.

"You have this beautiful illogic, as supply grows, price confidence grows."

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