



## Seven principles of a successful agribusiness

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**Managing a 445-hectare, family-run farm in Queensland is a highly challenging and rewarding occupation. We grow a range of crops, from sugar cane, soybeans, mungbeans, peanuts, to fibre-crops such as industrial hemp, kenaf and sunn hemp. We work long hours doing all kinds of activities essential to the health and productivity of the crop, like nutrition, weed management, irrigation, planting and harvesting.**

Most small business owners wouldn't automatically relate to the business of farming. But over the years of building a successful agribusiness I've come to believe the business of farming is no different to any other small business. Here are my seven principles of a successful agribusiness.

### 1. Hard graft

It sounds obvious but the first and most important factor in running a successful business of any kind is putting in the hours. Set the bar high, commit to achieving your goals and go for it. Without effort you are unlikely to reap rewards.

### 2. Stay across international best practice

As a Nuffield Farming Scholar, I have been lucky enough to study farming practices all over the world. By looking at what's worked historically and what kind of technology and systems are being implemented successfully in other parts of the globe, we have been able to incorporate these best practices into our farming system, which has helped us improve productivity and efficiency across all aspects of our farm.

### 3. Mitigate risk

Managing risk is imperative to success and farming is no different. Climate change is a big one. It can cause floods, drought and other threats to the crop over which we have no control. We can't fight climate change but we can put measures in place to protect the crop. For example drainage systems, water storage, scheduling equipment for irrigation programs. My advice to any small business owner would be understand what the risks are to the business and put measure in place to mitigate that risk as far as possible. But

### Right:

Joe Muscat in the São Martinho's sugar growing region, Brazil. Joe plans on establishing the first Amuza trial in Australia on his Oakenden farm in the Mackay region.



don't lose sleep over the factors you can't control.

## 5. Peer-to-peer learning

While at times, as a business owner it may seem like it's you against the world, one of the most important things I have learned during my years as a farmer is collaborating with others can help to achieve your goals.

A good example of this is an initiative I'm involved in with other Queensland cane growers. Project Catalyst seeks to help farmers implement innovative farming practices to reduce soil degradation and improve the water quality running off the cane farms and damaging the Great Barrier Reef. Individually farmers were not able to solve this problem. But together, with the support from organisations like Reef Catchments, WWF and The Coca-Cola Foundation, the lines of communication are now open and a whole range of strategies have been implemented as a result, from better irrigation methods, better nutrition programs and more. It's a winning formula.

## 5. Innovate

Having an understanding of what others are doing successfully in your area will give you direction. But unless you can be creative and at times summon the bravery to try something completely different you'll fail when it comes to setting yourself apart from the crowd. It takes bravery to step outside your comfort zone. Be informed by what others are doing but don't be afraid to lead when it counts.

## 6. Consider vertical integration

Something I have seen done brilliantly by some peers in the farming sector, but can also be applied to other industries, is the vertical integration of a business; essentially adapting your business model to take ownership of your own supply chain.

### Right:

Joe is a generational farmer, whose family have been growing sugarcane for almost 50 years in the Mackay region. He currently produces sugarcane and rotational crops, which include soybeans, mung beans, peanuts, maize and fibre crops such as industrial hemp, kenaf and sunn hemp on his 325 hectare property in the Oakenden area within the Sandy Creek catchment, South-West of Mackay.

As part of his Nuffield Agricultural Scholarship, Joe is investigating the topic: Can Fibre crops such as Kenaf, Sunn Hemp and Industrial Hemp add value to the Australian sugar industry?

There is a wonderful example of a cattle producer I know who did this in Canada. Fifteen years ago he had a graze-fed system, a small fed lot and the business was struggling. After taking a step back and analysing the business model they started processing and retailing their own meat.

Today they are producers of grain cattle and feed lot cattle. They've got a processing system in a retail outlet which not only sells their meat, but other feed lot's meat too. Also, they've introduced pork, chicken and cured meats through their retail outlets. They've added value to every area of the business and avoid the fees and supply chain hold ups that we so costly in the past.

## 7. Love what you do

Running any business can be entirely consuming at times. You've got to be 100 per cent passionate about what you do come through the challenging times. Otherwise you may as well just hang up your hat.

**Joe Muscat and his son Stephen own a 445-hectare sugar-cane farm in Oakenden, Mackay region, Queensland.**

**Project Catalyst is a pioneering partnership aimed at reducing the environmental impacts of sugar production on the Great Barrier Reef through innovative farming practices. As a result of the initiative, 78 farmers are working to improve soil, nutrient, pesticide, irrigation and storm water management on over 24,000 hectares of farmland. Project Catalyst is made possible by natural resource management groups Reef Catchments, Catchment Solutions, NQ Dry Tropics and Terrain Natural Resource Management and support from the Australian Government, WWF and The Coca-Cola Foundation, which has contributed \$3.25 million to the Project over the past six years.**

