

Freedom To Disagree

By DAVID LEYONHJELM

Next month it will be 20 years since I started writing this column on a regular basis. I had done a couple of articles prior to that but with no expectation of becoming a regular part of the magazine. The guilty mind, as they say in the law, began in September.

That being the case, this month and the next one or two I will look at some of the changes that have occurred over that period and consider how many times the mistakes of the past are being repeated.

A browse through the September 1988 edition of Rural Business shows both how little and how much things have changed.

On the front cover there is a photo of Mike Craft, who was head of Syntex Animal Health at the time. Twenty years later Mike retains his boyish grin with not a single grey hair or even a hair out of place. Syntex, on the other hand, no longer exists.

Elsewhere in the magazine were items mentioning Dalgety, Primac, Boral Cyclone, Ciba-Geigy, Rhone-Poulenc, Hoechst, Smith Kline & French, IAMA, Roche, Shell Agriculture, National Independent Agents Association, Wright Stephenson, Rural Traders Co-op, Victorian Producers Co-op and Ford New Holland. All are also gone or substantially transformed.

Another article referred to CRT's turnover growing to \$142 million (equivalent to \$259 million in current dollars). CRT's Managing Director, Graham Foster, was quoted saying, "Our philosophy is based on doing just one thing, selling farm merchandise to our customers the right way every time we deal with them."

The heading of my column was "Rural retailing has a price fixation" and I discussed how many retailers felt obliged to match competitor prices at the expense of profitability, due to their inability to differentiate themselves.

The rising price of fertilisers was causing concern, especially in WA where a group of

farmers was proposing to import fertiliser themselves. SBS Rural was contemplating importing fertiliser as well.

Soon after the September edition the Senate established a Select Committee inquiry into agricultural and veterinary chemicals and the Australian Wheat Board successfully prosecuted two Victorian grain buyers for buying wheat from farmers for stockfeed without a permit.

About the same time the Agricultural and Veterinary Chemicals Bill passed through federal parliament. Four years later this would be replaced by the Act that established the National Registration Authority, now known as the APVMA.

And just to put things into context, 1988 was the year the Australian Wool Corporation increased the wool floor price to 877 cents a kilogram, a decision that led to a stockpile of 4,750,000 bales that took until 2001 to be sold.

In late 1988 a new Chief Executive, Bruce Dickinson, was settling in at Dalgety. Mr Dickinson was to have a significant impact on my column 18 months later.

In early 1990 he sent a letter to suppliers advising them of mandatory settlement discounts. Armed with a copy of his letter, I wrote a column entitled "A non-negotiable position of weakness" in which I pointed out that Dalgety was in no position to dictate terms to suppliers and might find itself with nothing to sell unless it paid on time. "Marketing of rural chemicals," I wrote, "is a partnership in which negotiation and mutual benefits are needed to succeed."

That column prompted a remarkable degree of chortling among suppliers, many of whom told me they would love to have said what I did but couldn't afford the inevitable retaliation. It also led to the permanent dislike of a particular Dalgety merchandise manager, who referred to me as 'that peanut'.

Both reactions were formative in the evolution of the column. From then on, numerous

suppliers fed me information about distributors that found its way into articles. They relished the fact that someone was able to put their side of the relationship without exposing them to retribution.

With very few exceptions, Mal Roach at IHD, Paul Barber at Elders and Grant McShane at NRI being the main ones, most distributors maintained a frosty distance.

Some went a bit further than that. There were a few abusive calls as well as regular attempts to harm my business, including one recently by a veterinary wholesaler. One of the best known was IAMA's campaign to organise a boycott by suppliers.

It is a matter of considerable satisfaction to me that, apart from seeking an assurance of confidentiality, the flow of information never ceased and no client was ever intimidated. Disagreement can be healthy, but the right to disagree is even healthier.

It is important to maintain a sense of proportion though. Rural Business is not the centre of the publishing world and this column is not central to the magazine. If it has deflated a few bubbles here and there and challenged a few false gods of rural merchandise, that is a lot more than was anticipated 20 years ago.

Next month I will look more closely at a few of those bubbles and gods.

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