

THE HOUSE STANDING COMMITTEE INTO  
AGRICULTURE AND WATER RESOURCES

# Superannuation Fund Investment in Agriculture

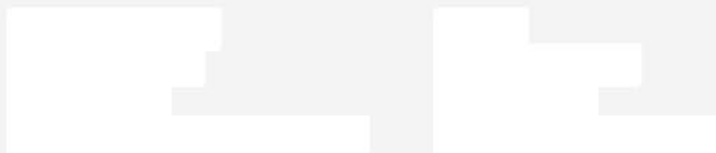
ISA SUBMISSION

Issue date 22 June 2018



## ABOUT INDUSTRY SUPER AUSTRALIA

Industry Super Australia is a research and advocacy body for Industry SuperFunds. ISA manages collective projects on behalf of a number of industry super funds with the objective of maximising the retirement savings of over five million industry super members. Please direct questions and comments to:



# SUPERANNUATION FUND INVESTMENT IN AGRICULTURE

## Contents

<b>1. Introduction</b>	<b>2</b>
1.1 Existing agricultural investment holdings by industry superannuation funds	3
<b>2. Advantages of the agriculture sector</b>	<b>4</b>
2.1 Scale and fertility of arable land	4
2.2 Proximity to Asia	5
2.3 Potential for network externalities	5
2.4 Potential to form strategic alliances with growers, processors and distributors	6
<b>3. Key challenges in agriculture</b>	<b>7</b>
3.1 The absence of strategic national policy	7
3.2 The absence of private operators building global businesses	7
3.3 The presence of successful global investors	8
3.4 The past failures of local investment funds	8
<b>4. Allowing agriculture to compete</b>	<b>10</b>
4.1 Technology	10
4.2 Densification	10
4.3 Coordination	10
4.4 Aggregation	11
4.5 Technical training	12
References	13

## Figures

<b>Figure 1 – Growth of the Middle Class (2009 versus 2030 forecast)</b>	<b>5</b>
<b>Figure 2 – Australia's Food and Agribusiness Sea and Land Freight Network</b>	<b>6</b>

## Tables

<b>Table 1 – Industry superannuation funds agricultural investment holdings – June 2017</b>	<b>3</b>
<b>Table 2 – Major foreign operators in Australian agriculture</b>	<b>7</b>
<b>Table 3 - Valuable lessons to guide fund investment in Australian agriculture</b>	<b>9</b>

## KEY POINTS

- ISA welcomes the House Standing Committee into Agriculture and Water Resources Inquiry into Super Fund Investment in Agriculture. It provides an opportunity to review past performance by all stakeholders, including barriers to performance, but also opportunities which exist within the sector if only we work together to take advantage of them.
- Industry superannuation funds have been closely examining the sector and have invested approximately \$1.6 billion in agriculture related assets (early 2017), to improve portfolio diversification and contribute positively towards the rural economy. Whilst the proportion of these assets is low compared with the total funds under management (FUM), this is expected to increase in the future. Typically, for-profit superannuation funds do not invest in Australian agriculture.
- The current relatively modest agriculture holdings by Australian superannuation funds can be attributed to several factors including:
  - The absence of proper strategic national policy that encourages the formation of globally competitive agriculture entities;
  - A string of past failures or poor performers by agricultural fund managers has deterred many new investors;
  - Trustees lack familiarity with agricultural assets, the fact that they are usually privately owned and family operated, therefore not publicly listed; and
  - Compatibility issues between agricultural asset on offer and the existing portfolio allocation of funds in terms of risk-return characteristics.
- ISA argues that past reform efforts in deregulating the agriculture sector have undermined the ability of domestic producers to achieve global scale and instead encouraged the expansion of foreign interests in Australian agriculture.
- To make Australian agriculture investments relatively more attractive, ISA suggests we need to reorient national policy to:
  - Facilitate funds and producers working together to build supply chains that distribute product into high growth markets;
  - Encourage aggregation and the building of globally competitive agriculture companies whilst still allowing for a myriad of successful medium sized and smaller producers, many of which 'network' with these national champions;
  - High level policy coordination in assisting producers to generate scale and elevate product value to attract premia, product differentiation and marketing structures;
  - Support for farm businesses to undertake intensification processes via employing more technology, capital, better modes of operation and improvements in technical training.
- Australian superannuation funds need to consider investment returns from agriculture relative to other unlisted asset classes such as property and infrastructure and assess whether the returns are competitive.

# SUPERANNUATION FUND INVESTMENT IN AGRICULTURE

## 1. Introduction

ISA welcomes the House Standing Committee into Agriculture and Water Resources Inquiry into Super Fund Investment in Agriculture. It provides an opportunity to review past performances by all stakeholders, including barriers to performance, but also opportunities which exist within the sector that could improve long-term outcomes for the community.

Industry superannuation funds have in the past decade, closely examined the case for greater investment in Australian agriculture and associated supply chains with the aim to enhance portfolio diversification. The Australian agriculture sector offers a variety of investment opportunities with products that are highly valued by domestic and global consumers.

The business case for large scale Australian farming as part of a diversified global production is compelling. The appeal of this sector stems from the unique natural and geographical advantages of our big continent. This includes a variety of climatic zones enabling the production of a diverse mix of agriculture commodities at a scale not available elsewhere. Also our proximity to Asia offers logistical advantages in terms of access to its burgeoning middle-class.

However, past reforms in deregulating the agricultural market has undermined domestic producers' ability to achieve scale. That opened doors to allow foreign players to dominate vital supply chain infrastructure and capturing the maximum value-add. This is why giant north American players are so heavily invested here. The lack of strategic foresight has resulted in lost opportunities for Australian producers and fund managers, and urgent reform is needed to shift away from ideologically driven policies that have constrained the sector from reaching its full potential.

The other major challenge is the history of poor performance and some significant agriculture fund failures, which has skewed perceptions amongst current superannuation fund trustees and fund advisers.

Despite these challenges, industry superannuation funds have made numerous direct and in-direct investments in agriculture and agri-business (see Table 1). These investments enhance portfolio diversification, and contribute positively towards sustainability and the betterment of rural communities. Whereas for-profit superannuation funds do little or no investments in agriculture.

ISA believe the sector offers compelling opportunities for fund managers with the right acumen and mindset. However, Australia's comparative advantages can only be unlocked if farm businesses are able to undergo a process of intensification by employing more capital, technology and better modes of operation. Additionally, building trust and cooperation amongst all agents in the agriculture value-add chain should ultimately lead to better outcomes for producers and better returns for investors.

ISA has taken extensive analysis of Australia's agriculture sector in our publication – *Driving Fund Investment in Agriculture (June 2017)*, which is attached with this submission.

## 1.1 Existing agricultural investment holdings by industry superannuation funds

Industry superannuation funds have made sizeable investments directly or indirectly into agriculture and agri-business estimated to be worth \$1.56 billion dollars (or approximately 0.2 per cent of funds under management) as of the beginning of 2017, see Table 1. This is a conservative estimate and we expect this value to grow in 2018.

Table 1 – Industry superannuation funds agricultural investment holdings – June 2017

Fund List	Asset Size (\$B)	10 Year Average Return	Agriculture investment			Property & infrastructure investment	Alternative investments in high-tech sectors	Comments
			Direct/Unlisted	Listed	Agribusiness			
AustralianSuper	103.7	5.5%	✓	✗	✓	✓	✓	Direct investments in WA meat and dairy operations. Recently acquired a stake in Agrimin. Holdings in Sustainable Agriculture Fund (SAF).
First State Super	57.1	4.9%	✓	✗	✗	✓	✗	Direct investment in large scale domestic almond grower based in Victoria, South Australia and New South Wales.
UniSuper	56.6	6.5%	✓	✓	✗	✓	✓	Investments in timber assets in excess of \$600m. Small exposure to listed agri-related equity.
Retail Employees Superannuation Trust	41.5	5.9%	✓	✗	✗	✓	✗	Investments in agriculture through Warakirri Agricultural Dairy and Crop with a combined value approximately \$300m.
Vic Super	16.6	4.8%	✓	✗	✗	✓	✗	Direct investments in VicSuper Future Farming Landscapes Trust worth approximately less than \$200m. It also holds significant farmland, forestry and water interests in north-western Victoria.
CareSuper	14.3	5.9%	✗	✓	✓	✓	✗	Invested in a variety of domestic and internationally listed agriculture/food manufacturing companies worth more than \$100m.
Mine Wealth and Wellbeing Superannuation Fund	10.0	5.2%	✓	✗	✗	✓	✗	Exposure to unlisted agriculture businesses (King Island and Moree) as part of its holding in Sustainable Agricultural Fund.
MyLifeMySuper (formerly Catholic Super)	9.3	6.1%	✓	✗	✗	✓	✓	Holds stake in Macquarie Pastoral Fund which owns Paraway Pastoral.



Australian Catholic Superannuation and Retirement Fund	7.4	4.0%	✓	✗	✓	✓	✓	Invested in Sustainable Agriculture Fund covering grain, livestock and dairy. A variety of indirect holdings of regional infrastructure and energy assets including Flinders Ports, gas pipelines and wind farms.
NGS Super	7.3	5.2%	✗	✓	✗	✓	✓	Direct holdings in domestic listed agribusinesses .
Labour Union Co-Operative Retirement Fund	5.2	4.3%	✗	✗	✓	✓	✗	Indirect investments in agribusiness through Palisade fund management.
BUSSQ	3.8	6.0%	✓	✗	✗	✓	✗	Significant stake in Paraway Pastoral Fund.
Tasplan Superannuation Fund	3.6	4.9%	✗	✓	✗	✓	✗	Investments in a variety of listed agriculture companies with export capabilities and based in Tasmania. Direct stake in Hobart Airport along with investment in unlisted infrastructure via IFM.
Christian Super	1.2	3.9%	✓	✗	✗	✓	✗	Investments in Sustainable Agricultural Fund (SAF).
IFM Investors	-	-	✓	✗	✓	✓	✓	Direct investments in dairy operations in WA, and R.M. Williams.
<b>Total agricultural investments</b>								<b>\$1,556 million</b>

Source: APRA Annual Fund Level Statistics 2016. Survey of major industry fund and public information on funds' websites.

Note: IFM Investors is an infrastructure focused fund manager owned by 28 major Australian industry superannuation funds. There is strong interest in agricultural and rural investments among industry super funds. Investments are made typically via managed agricultural funds or direct holding in shares of agricultural companies. Of those industry funds that have exposure to this sector, most of these are direct investments under \$30 million. All superannuation funds listed are exposed to infrastructure investments via either direct holdings or managed on-their-behalf by fund managers such as IFM Investors and/or Industry Super Property Trust (ISPT).

## 2. Advantages of the agriculture sector

Australia's agriculture sector has numerous natural advantages that underpins its ability to produce a diverse mix of products. Our region benefits from the scale and fertility of available arable land and variety of soil types across climatic zones. Diversification across commodity types and regions is possible on a scale of operation that far exceeds competitors in Western Europe and North America by hectares, if not by capital intensity. Our location in the Asia-Pacific region also allows our producers take advantage of the growing demand for high-quality food products by its sizeable middle-class.

### 2.1 Scale and fertility of arable land

Australia has a natural comparative advantage across a diversified mix of farm commodities due to the scale and fertility of available arable land and variety of soil types across climatic zones – particularly in the temperate and subtropical regions. Diversification across commodity types and regions is possible on a

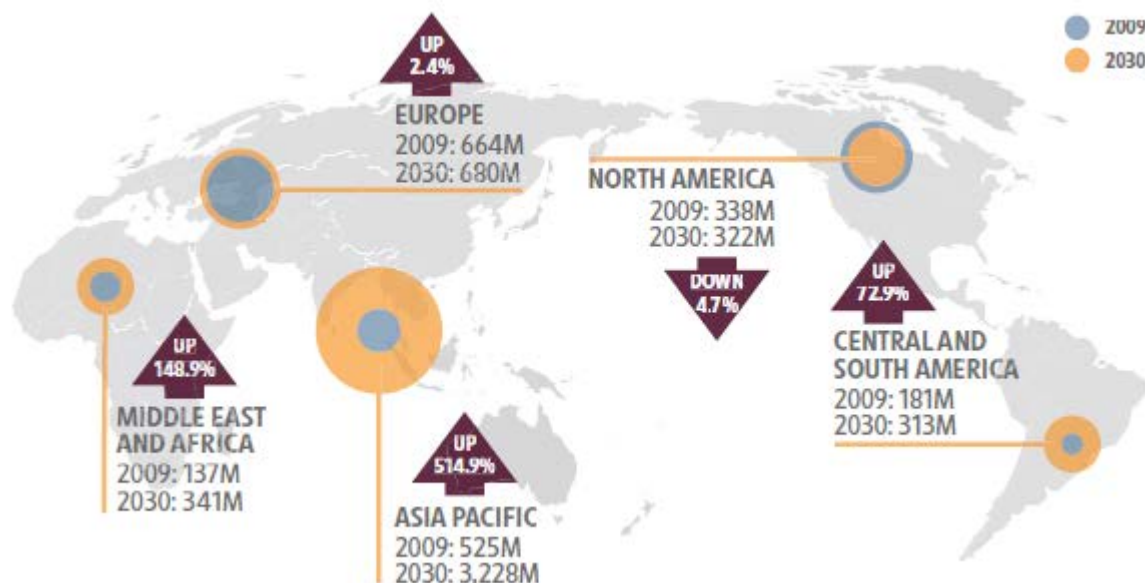
scale of operation that far exceeds competitors in Western Europe and North America by hectares, if not by capital intensity. The supply of agricultural land is becoming scarcer and climate change is potentially exacerbating this.

## 2.2 Proximity to Asia

Another element of Australia's comparative advantage is our proximity to Asia. Our region is and will be the centre of global population growth and increases in food consumption (inelastic demand and low price sensitivity) over the balance of the 21st Century. OECD research has estimated annual growth in the size of the middle class in Asia at more than 9 per cent, per annum up to 2030 (Figure 1).

Historically as incomes rise, people consume more protein, something that increases the demand for farm land through multiple channels. Asian economies cannot be fully self-sufficient due to geography and pollution. At the same time the global supply of arable land is declining at least on a per capita basis, if not overall, due to the pressure from competing uses in growing regions of the world. This may be exacerbated by climate change in coming years. Over the long term these two inexorable trends – either directly or indirectly through rising commodity prices will drive productivity improvements, which in turn will increase the value of farmland.

Figure 1 – Growth of the Middle Class (2009 versus 2030 forecast)



Source: Kharas, H. 2010, Working Paper No 285: 'The emerging middle class in developing countries', OECD Development Centre.

## 2.3 Potential for network externalities

Australia's major food and agribusiness sea and land freight networks into the high growth Asian markets are presented in Figure 2.

From an investment perspective it probably makes sense to link distribution, transport, processing and agricultural asset holdings. There are large economic gains to be captured from holding an interconnected and diversified portfolio of farm assets both within and between regions which share borders. These gains accrue so-called network effects (also called network externalities or demand-side economies of scale).



They increase usage of assets and/or enable the production of increasingly valuable complementary goods, and this results in an increase in the value of the original 'network' of asset holdings.

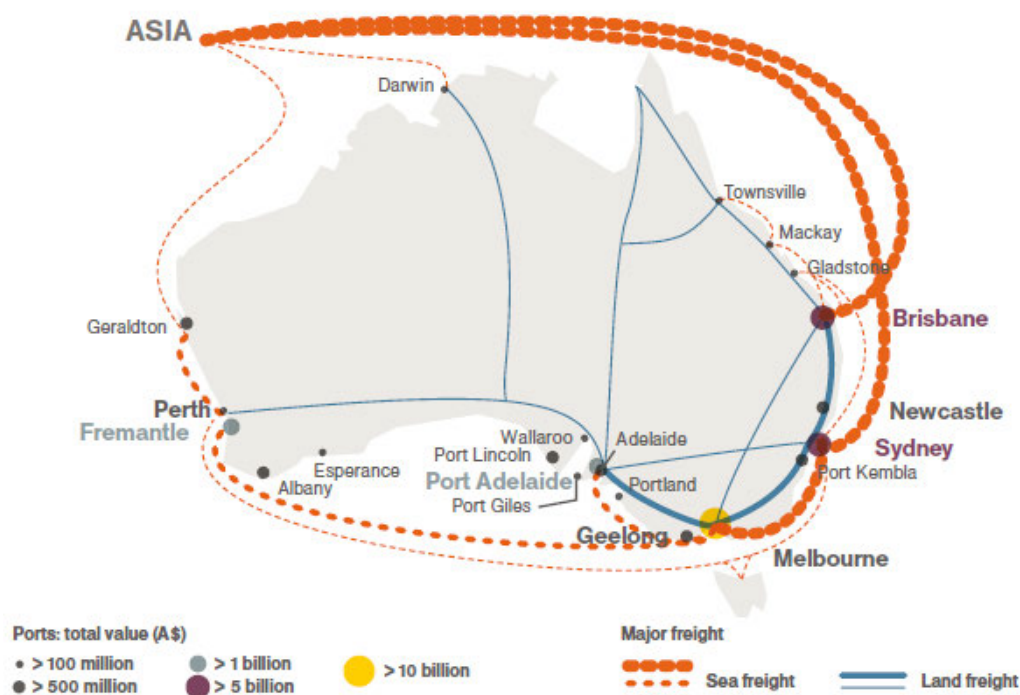
Industry super funds have already made significant investments in freight assets within and outside metropolitan areas. Over time these may be further expanded and complemented with farm and distribution assets to generate further significant network spillover benefits.

## 2.4 Potential to form strategic alliances with growers, processors and distributors

Industry funds also have a history of investment through collective vehicles. These vehicles provide scope to undertake strategic partnerships and alliances with growers, processors, distributors and even public corporations with a view to extracting the last dollar of value from supply chains.

The prize for producers and the overall living standards of Australians for bringing superannuation and agriculture together are enormous. Perhaps more than any other nation on earth, Australia is well placed to capture the benefits stemming from agricultural investment. On the demand side, an emerging Asian middle class is - according to the OECD, likely to grow by around 9 per cent each year. The 2015 China-Australia Free Trade Agreement (ChAFTA), builds on this opportunity for agribusinesses. On the supply side, only a handful of producers such as Africa, Brazil, Russia and Ukraine offer similar potential for efficient broad acre farm sizes as Australia. The supply of agricultural land is becoming scarcer and climate change is potentially exacerbating this.

Figure 2 – Australia's Food and Agribusiness Sea and Land Freight Network



Source: Australian Trade Commission, Australian Government, 'Investment opportunities in Australian agribusiness and food', October 2016. Top 25 agribusiness and food companies in Australia table.

### 3. Key challenges in agriculture

The perception that agricultural assets often lack attractiveness to investors reflects to an extent, the long-running shortcomings amongst its participants at all levels – government bodies, corporations and institutional investors.

Casual observers often wonder why Australians don't do more value adding to our own farm production. Perhaps the explanation is that parts of our processors are foreign owned. Presumably this is why Italian processors can now buy most of Australia's superfine wool clip and Durham wheat crop and process the product themselves in Milan or Palermo. Foreign owned processors secure high quality Australian raw inputs for their global supply chains. These suppliers achieve their margin from the wholesaling, further processing, or even retailing of Australian agriculture product rather than from farming. Given that farm gate products may sell for less than 10 per cent of the final consumer prices, it is worth domestic agricultural producers rethinking their approach to value added production.

#### 3.1 The absence of strategic national policy

Historically, rural producers faced 'more or less' competitive wholesale markets - or benefitted from pragmatic domestic and international marketing arrangements. No doubt many of these markets could have benefitted from more efficient regulatory regimes which provided better deals for consumers, for these arrangements were intended to benefit producers.

From the mid-1980s, Australian policymakers moved to reform agricultural markets via deregulation. Unfortunately, policymakers did not see that the likely consequence of the approach taken was substituting one set of controls over the relevant market with another, thereby having little if any impact on competition. In the commodity areas these changes decreased competition and worse, resulted in (foreign) market participants (see Table 2) locking up supply chain infrastructure enabling these participants to carefully control future development of this valuable infrastructure, while extracting maximum value-add in the process. In other areas policy makers enhanced the capability of the two player local grocery monopsony to dictate prices either directly or through (foreign) owned distributors and buying aggregators.

Table 2 – Major foreign operators in Australian agriculture

Product sectors	Major operators
Meat processing	JBS (Brazil), Teys (United States)
Dairy	Fonterra (New Zealand), Parmalat (Belgian), Saputo (Canada), Lion/Kirin (Japan)
Grain wholesale	Cargill (United States), Archer Daniels Midland (United States), Cofco International (China), Sumitomo Corporation (Japan), Louis Dreyfus (France), Glencore (Switzerland)

Source: ISA Analysis

#### 3.2 The absence of private operators building global businesses

There are some examples of Australian producers that have managed to construct a large vertically integrated supply chain even though there are few in number and tend not to threaten the global players. While Australia has no conglomerate agribusiness corporation, there are some major Australian-owned agribusiness processing assets including ASX listed dairy producer, Bega Cheese and Perth based grain-handling co-operative CBH. But these are now relatively small players or regionally limited and represent

easy prey to global operators that enjoy the efficiencies of global scale and reach, e.g. the recent sale of the Murray Goulburn Dairy Cooperative sale to Saputo.<sup>1</sup>

### 3.3 The presence of successful global investors

There has been significant interest in Australian agriculture assets from offshore pension funds. Significant investments have been made on quality assets. These investments include: TIAA Westchester's \$1 billion land holdings, Canadian Public Sector Pension Investment Board's \$90 million holding of cattle stations, Danish pension fund Pensionskassernes Administration (PKA)'s \$60 million purchase of Queensland cattle stations through the Sustainable Land Management Partners and Macquarie's Dutch (APG pension fund) backed Paraway Pastoral. In addition, QIC's acquisition of an 80 per cent stake in The Northern Australian Pastoral Company (NAPCo) was done in partnership with the UK Pension Protection Fund.<sup>2</sup>

Global pension funds are now allocating more than 1 per cent of total assets to agriculture, in their home country and internationally. This is one of the drivers of rapid global investor accumulation of strategic stakes in Australian agricultural assets. Their liquidity pool far surpasses that available locally and accordingly they have so many more dollars they need to allocate each year to these types of opportunities. The fact that global investors with big reputations think they can make a go of farming in Australia is encouraging, as is the fact they are prepared to invest significant amounts for the long haul. The big upside for the Australian economy and producers is ready access to foreign capital and knowhow which expands capacity exponentially. The downside risk is that the agricultural supply chain is being 'cherry picked' with quality assets falling into the hands of long term institutional or 'state' investors.

### 3.4 The past failures of local investment funds

Historically, institutional players have not fared well from investments in Australian agriculture. In superannuation, significant past failures still haunt fund trustees and executives, including those of industry funds. The episodes include Stanbroke, the Prudential Agricultural Fund, National Mutual, DIRT & Warakirri Asset Management, Warakirri Dairy, Macquarie Agriculture and the Sustainable Agricultural Fund. Yet the purchasers of these same assets have enjoyed stellar returns. The Stanbroke story is a valuable lesson for all institutional investors.

Then there are the broader financial failures such as Managed Investment Schemes synonymous with Howard era tax policy.

The previous episodes listed above came with some valuable lessons to guide future decision making by fund managers (Table 3).

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<sup>1</sup> There have also been major M&A activities in the global agricultural chemicals sector with the takeover of Swiss pesticides and seeds group Syngenta in early 2017 by ChemChina and the approved acquisition of American agrochemical and biotech conglomerate Monsanto by German pharmaceutical giant Bayer in June 2018 for US\$66 billion (Bayer will drop the Monsanto name).

<sup>2</sup> Cranston, M., 'QIC's NAPCo delivers \$72m profit as super funds miss the farm boom', The Australian Financial Review, May 2017



Table 3 - Valuable lessons to guide fund investment in Australian agriculture

1.	General farming conditions in Australia are tougher and less predictable, relative to North America and some other global locales, and so farm businesses are riskier. Land fertility is more variable in Australia when compared to the United States, driven in large part by climatic conditions (frost, drought, flooding and cyclones) but also the prevalence of pests, disease, fires etc. United States producers can also access deep government subsidies and farm income insurance. <sup>3</sup>
2.	Funds trustees and their asset advisers have little understanding of the sector at all. Historically funds have adopted a very hands-on, direct approach to farm investing. This has inherent agency and execution risks. It is also very difficult for institutional investors to time property purchases so they can achieve the necessary scale (by commodity and across regions) required by diversification models. As such it may be better for superannuation funds to partner with experienced family or corporate operators with established track records running successful operations.
3.	Funds need to apply an investment time horizon in excess of a decade to invest in this asset class. This is because it takes time to deploy invested capital to purchase farms and to fit-out holdings to make best use of prevailing capital and technology. The goal is to raising farm productivity and returns via scale of operation, innovation and/or the deployment of further capital, along with securing water rights where possible.
4.	Fund trustees have historically insourced technical capacity around a new investment class by establishing a collective vehicle, following the model of Infrastructure Funds Management (IFM) Investors and Industry Funds Property Trust (ISPT).
5.	The structure of farm industries is typically fragmented, with the vast majority of farm businesses held in either small 'family sized' blocks or locked away in private hands. Typical family holdings are small or debt laden and so cannot achieve significant expansion without the assistance of patient equity partners. The average age of these small farm proprietors in Australia today is between 61 to 65 who are looking for an effective way to transition off the land / but also a way to allow siblings to take over the farm business.
6.	Agriculture is not a sector well suited to massive off-farm overheads – direct ownership is a good model providing a solid alignment of interests. Collective investment vehicles must be miserly.

Source: ISA Analysis

<sup>3</sup> However, in a global market economy, these differences should be reflected in lower Australian land values relative to the United States which should help equate risk adjusted returns.

## 4. Allowing agriculture to compete

Australia's indisputable comparative advantage in agriculture can only be unlocked if farm businesses are able to undergo a process of intensification (by employing more technology, capital and better modes of operation). The process would require action in a number of fields including technology, capital deepening, coordination, asset transfer and improved technical training. And all this process requires significant and patient financial backing.

### 4.1 Technology

Information systems raise the possibility of maximizing farm production across commodities and regions and open the possibility of collaborating with a network of other growers, sharing information and infrastructure to produce and distribute product to its highest valued use.

Translating the business of farming to Australian conditions is problematic. Lifting farm productivity and returns in most of Australia (except the North West) cannot be achieved via adding new acreage (as high value arable farmland competes with alternate uses). Technological change is required to expand output from existing inputs. For example the application of plant genetics, drones, mechanised fixed and mobile plant and equipment, big data analytics, and livestock wearables all help deliver better yield and productivity.

### 4.2 Densification

Expanding farm production requires densification of farm equipment and infrastructure (logistics, processing, distribution) via the deployment of additional capital, along with securing water rights where possible. The deepening of a collective infrastructure including providing efficient water use and energy diversification, processing and transport to regional centres, allows a network of growers to fully exploit assets they own or manage.

At the microeconomic level, the reality for farm businesses in Australia today is that to achieve significant productivity gains, they must engage in a process of intensification requiring provision of significant long-term equity or debt capital, or both, like that which can be provided by superannuation funds.

At the macroeconomic level, significant investments will be required across a range of export commodities to meet burgeoning global demands. The size of investments needed to dramatically improve irrigation and production systems, for example, is significant and unlikely to come from smaller businesses and certainly not from debt constrained operators or governments. Eventually large scale institutional investors like superannuation funds will be required to 'fill' the funding deficit. They also have the wherewithal to fundamentally and simultaneously improve both financial and environmental outcomes through time. For example, investing in water conservation can help drive up crop yields whilst reducing water usage.

### 4.3 Coordination

Coordination is essential across farms and regions to find the best crop mix given market and environmental considerations.

The structure of farm industries is typically fragmented, with the vast majority of farm businesses held in either small 'family sized' blocks or locked away in private hands. Typical family holdings are small or debt laden and so cannot achieve significant expansion without the assistance of patient equity partners. Raising farm productivity and returns demands aggregation, innovation and/or the deployment of further capital, along with securing water rights where possible.



Unlike their North American (and to a lesser extent European) counterparts Australian farms separately own and operate significant items of infrastructure resulting in unnecessary replication of facilities that can be shared or operated at a regional level. The release of vast amounts of capital would enable producers to become more competitive provided, of course, the shared facilities were operated equitably as open access infrastructure.

Land fertility is highly variable, driven in large part by climatic conditions and also the prevalence of pests, disease etc. Also, there are times when agricultural commodities, including water, experience strong prices or significant volumes and so are particularly abundant, and times when the reverse is true.

It would be helpful if there was some sort of coordinating mechanism available to Australian farmers to help them manage the long list of idiosyncratic 'risks' they face including:

- Scale and diversification – picking an appropriate size of operation, commodity mix (permanent and annual crops, livestock and products) and operating regions.
- Timing of purchase – the timing of entry and exit into farm property (an illiquid asset class) where it is vital to avoid paying too much for properties up front and so forcing low returns onto projects.
- Oversight of climatic variability, water availability, pests, etc. re monitoring and guiding planting and breeding patterns.
- Global market conditions, currency risks and government policy changes, especially around trade agreements and ESG risks.

All these aspects call for aggregating of data flows which could benefit a network of participants.

## 4.4 Aggregation

There are many ways for institutional investors to tilt into farming and aggregate rural property.

- Buying farmland and leasing to third party top tier operators at a base (attractive) rate - and generating out performance by structuring returns that are aligned with prices and productivity growth - this best suits highly capital intensive farming (land, equipment).
- Financing (including partnering) top tier producers or up-and-comers which allows for equity or debt injections for succession, modernisation, and aggregation of smaller family operated farms.
- Buying and selling agricultural commodity futures.
- Investment in water entitlements portfolio.
- Investment in energy diversification.
- Investing in agribusiness (public stocks or private companies).

History suggests that from a fund manager's perspective the success or failure of agricultural investments turns on choices of business strategy and farm management model. In making these decisions institutional investors need to be cognizant of their own limitations to adequately operate or oversight agricultural investments, including lessons learned from previous failures. Part of the equation is to manage inherent agency issues associated with farm assets and to buy into the asset at the right price.

A successful business strategy must consider and account for various factors around farm ownership and workforce:

- i. The ageing demographic of farmers, with organisations such as the Productivity Commission (see [here](#)) and the Australian Bureau of Statistics (see [here](#)) both highlighting that farming is an ageing workforce, with the average age of both males and females working in agriculture has increased considerably, with the average now exceeding 61 years.

- ii. The consolidation of farm businesses (existing farmers buying their neighbour's property rather than it being purchased by a new, younger industry entrant).
- iii. The replacement of farm labour with machinery which means less young people being employed as jackeroos and station hands.
- iv. The tendency of retirees and tree-changers to buy a small farm and become farmers later in life, and for farmers to retire later than other workers in the community.
- v. The difficulty faced by youngsters who may want to buy a stake in a property through their parents, or via other means but just cannot raise the stake necessary.

## 4.5 Technical training

Recognised technical training programs operating through farm schools and on the job training would be vital to attract younger workers and migrants into the industry. Given the average age of Australian farmers, this need is felt greatest of all.

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Consider a funds PDS and your objectives, financial situation and needs, which are not accounted for in this information before making an investment decision.