

TARANAKI DAILY NEWS

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'Farmers' rumble of discontent becoming a roar'

WHENUAKURA FARMER Marty Cooper hit a chord with others in Taranaki -- in town as well as on the farm -- with her comments in the Thursday Farmer section of this newspaper this week. There is growing concern in the region about the seeming inability of the board and executives of Fonterra to understand how much many people in the dairy sheds are hurting financially and want to see their co-operative pay them the same kind of attention it is giving to activities offshore, including in China where Fonterra announced this week it would be setting up a 3000-cow demonstration farm. Mrs Cooper rightly observed that when farmers take a major financial step forward it is followed by a period of consolidation, but argued this has not occurred with Fonterra. The company has engaged in one overseas investment after another without shareholders reaping the benefit of returns. In an area like Taranaki, she noted, few farmers had a choice of where they could send their milk so the company had them over the proverbial barrel.

Fonterra's chairman, Henry van der Heyden, who appears to have become the caretaker Taranaki representative on the board since the departure of Harry Bayliss left the region unrepresented, has been shuttling backwards and forwards trying to dampen down the heat being generated by Mrs Cooper and others. But because some see him being part of the problem rather than the solution, after he and chief executive Andrew Ferrier took substantial pay rises, his efforts have not achieved any great measure of success. Fuelled by increasingly tight margins caused by what has so far been an ordinary season and with little prospect, while the dollar remains high, of the payout forecast improving, the rumble of discontent is turning into a roar. Telling New Zealand dairy farmers they have lost the edge of being the lowest-cost milk producers in the world does not help matters either, when the Fonterra annual report shows the number of employees pulling in salaries of more than \$100,000 growing at more than 10% a year.

The fact that, at its meeting this week, the Fonterra board did not reduce the 2006-07 payout forecast from its \$4.05 a kilogram of milksolids level will have been received with relief by the rank and file of farmers, and brought some breathing space for Mr van der Heyden and his cohorts. But the message delivered by Mrs Cooper and others like her is that those who supply the co-operative want to see the contribution they make properly recognised and rewarded. In a region where dairying is the pre-eminent industry, it is a sentiment that will be widely endorsed. There is a saying that "in Taranaki when farmers sneeze those in town catch cold" and many businesses have been noticing a downturn in spending by the rural sector. A lift to the payout figure was probably too much to expect, but the fact it has held steady might produce a better run-up to Christmas than some retailers were predicting. Perhaps they would like to send a Christmas card to Santa van der Heyden?

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