

TARANAKI DAILY NEWS

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Let's hope it's a cunning plan

By John Cooper*

FARM VIEW

At a recent farmer meeting at Kakaramea in South Taranaki, Fonterra chairman Henry van der Heyden gave us his annual spiel about what a great company we were going to have in five or 10 years' time. Unfortunately, it was the same old rhetoric we have heard for the past five years.

What concerned me most, however, was Henry's body language that said "I control this company with my band of men and none of them are from Taranaki".

The dissent by our northern neighbours is still very much alive, I'm afraid to say. We need a hasty return to area representation. I foolishly thought that when we acquired the services of Andrew Ferrier (from the sugar industry) who replaced Craig Norgate (from the dairy industry) that maybe we had a hatchet man to rid ourselves of the incompetence and extravagances within our industry. Unfortunately, we got a "candy floss man" who gave staff everything they asked for and told shareholders that a return to \$5 payouts was not going to happen. Well, he was right about that!

The reason it hasn't happened is because we have far too many incompetent people at the top of our industry making foolhardy decisions. These people, directors and senior management, have become power crazed and seem almost incapable of making any rational decisions. We have invested in excess of one billion dollars in Australia already and we are told that it is not yet payout positive. I shudder to think what would have happened had we been unlucky enough to have been successful in acquiring National Foods.

Our directors need to focus on the fact that our industry in this country is in pain and instead of building up they should be strengthening its foundations. Their lack of thought for shareholders not only affects us but also those other poor unfortunates like farm staff who aspire to be lower order, who aspire to be 50/50, who dream of one day owning their own farm.

Prior to our recent director elections I told anyone who would listen to vote out the incumbents and send a clear message to those in decision-making roles that we are not happy. Not many listened. There is an old saying that goes like this: "If you always do what you've always done, you'll always get what you've always got."

So if you want to stay on a \$4 payout and be at the mercy of the US dollar, vote for the incumbents next time as well. Just don't be fooled by the Candidate Assessment

Panel. It is heavily weighted in favour of the incumbents because they are the only ones with the experience but not necessarily the knowledge.

With regard to this year's payout, the dollar is at the same dizzy heights that it was at this time last year, commodity prices have reached or exceeded levels never seen before and the boffins want to return less to the shareholders. So either there is a cunning plan under way or they are totally incompetent.

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