

# Where Landcorp goes, votes often follow

Talking to two farmer politicians about the state of the meat industry and the way forward was interesting, especially considering the Meat and Wool AGM next week.

Both Gerry Eckhoff and David Carter have differing views on where we should be going. Eckhoff wants transparency in the marketplace while Carter feels we should be getting behind the mega-merger. Both agree that the influence Landcorp has on voting patterns needs to be far more transparent than it currently is.

What Eckhoff wants for the meat industry is far more transparency in the marketplace and he has put forward a remit to that effect.

Simply he wants marketplace performance monitored and broadcast.

"I make the point that everything we do on the farm is performance recorded from IRD returns to buying and selling bulls," Eckhoff said. "The problem I have is that the most fundamental decision I have to make, where to sell my meat, has no performance indicators. No performance in the market is recorded. It's a crazy situation.

"We have hundreds of thousands of tonnes of meat exported by 22 exporters and we have no idea who is doing the best job.



An  
Alternative  
View  
by Alan Emerson

"It's the last throw of the dice and we must get control of our industry.

"I think the problem is that Meat and Wool are too close to the Meat Industry Association," Eckhoff said.

National's Carter had problems with the Eckhoff remit.

"I'm worried about the practicalities of Gerry's proposal," he said. "I think monitoring would be really difficult.

"The most important development is the proposed mega-merger which farmers I've spoken to are pursuing with enthusiasm. They've seen the performance of Fonterra and want to put meat in a similar category.

"Meat and Wool need to show some leadership. Farmers are hugely frustrated and really stressed at the moment," he said.

They both have a point.

For the record I would be confident that Meat and Wool through their various offices round the world would have the information Gerry Eckhoff wanted now but, for whatever reason, they are unwilling to share it.

The merger issue is interesting but much needs to be done. I wrote in *New Zealand Farmers Weekly* back on October 1 that a mega-merger was the only real option and I'll watch developments with

interest.

What fascinated me more is the attitude of the two farmer politicians towards State-owned farmer, Landcorp and its position in the political milieu.

"I want to know whatever the remit, where the Landcorp vote is," Eckhoff said.

"There's a lot of disquiet about the role Landcorp play in the governance of the industry so let's be transparent about it. If Landcorp has nothing to hide then they should make their involvement in farmer politics absolutely transparent," he said.

Carter had a similar view.

"Landcorp certainly has the ability to sway votes," he said. "I want to know the way they voted. I'd even be happy with that information after the fact but we do need to know where they're coming from.

"The present system just isn't on."

For the record I'd agree and we have an additional problem in that what is good for a corporate farmer may well be poison for the person on the family farm and, as taxpayers, being owners of Landcorp we need to know where they're coming from.

The issue is that now they are totally unaccountable. For example, on January 28 Landcorp director Steve Wyn-Harris wrote in *Farmers Weekly*: "What is often

unappreciated is that the company, (Landcorp), informs and frequently puts the sector's views in front of government on various issues and is given a good hearing, often resulting in good outcomes for all of us. In this way it is often more successful at influencing strategy than more high profile lobbyists."

Now come on. No doubt the high profile lobbyists are the Feds, Meat and Wool themselves or perhaps even Business NZ. They are democratic organisations where members or levy payers can have their say. What Landcorp is talking about, to whom and for what result suggests the back-room deals I thought had finished during the Muldoon era. I was obviously wrong.

For the record I don't want Landcorp deciding my farming future and "putting the sector's views" to anyone.

Mind you, in the same article the entire Landcorp governance issue comes into question with Wyn-Harris saying: "I joined the board with my own doubts about the benefits of there being a state-owned enterprise being involved in farming" and went on to say how his views had been changed.

Having been on boards and involved in appointing people to them I would not contemplate anyone who wasn't passionate about the enterprise. Appointing someone to

the board of Landcorp who "had his doubts about an SOE being involved with farming" is bizarre.

The issue is, as Eckhoff and Carter pointed out, Landcorp is powerful but I believe they are understating the issue.

For example at last year's Meat and Wool AGM 300 farmers actually voted representing 2.4 million animals. If you averaged the farmers at 5000 animals, which I think is realistic; their vote is worth 1.5 million.

According to last year's annual report Landcorp has almost 943,000 animals so their ability to sway votes is huge and we haven't a clue as to what deals they are doing.

In the recent dairy industry good vote only 19.8% of farmers voted. Landcorp has 45,749 dairy cattle.

Mind you when I last had the temerity to criticise Landcorp I was accused by a director of the organisation of "having the sun get to me", being "emotive" and "ranting". As that famous German philosopher, Arthur Schopenhauer said: "If you are losing an argument the best attack is personal abuse."

Carter's solution to the whole issue is simple.

"As Minister of Agriculture I would sell Landcorp. I don't see taxpayer money best invested in farms. The money should be used to give a better return to the taxpayer."