



AGRICULTURAL FINANCE CO-OPERATIVE LIMITED

ABN 23 048 434 035

Rural Australia Needs Your Help

Let's change the living standards of regional Australia (and lift rural people beyond the poverty trap) so as we don't continue to try and survive as price takers for the benefit of others in our community. To begin this process we need regional unity which has eluded us since federation whilst our rural representative bodies do their best to address the everyday issues pertaining to the business of their members. These voices become fragmented due to numbers of organisations in every state and territory, National Farmers Federation for all their efforts have not been able to achieve the unity required to gain real political and commercial influence. The value of rural assets has probably risen since 2006 and may stand between \$150-200 billion, ie. as a united industry (primary and service industries) we represent many times the value of all Australian banks put together and favourably compete with any other industry, we directly or indirectly employ much of the workforce and feed the entire population of this country and make a very significant contribution to feeding other countries and yet with all this investment, effort and food production we still can't achieve a return on investment of consequence and certainly not commensurate with most other investments. Our level of taxpayer support for infrastructure development or during bad times is dismal to say the least. I, like everyone else have heard the cry that services are provided where the people are, as that is where government tax revenue is derived; however, that tax revenue would quickly diminish if regional Australia stopped providing food and fibre because it has become unviable to carry on and our young people don't continue farming and our transport systems too archaic and expensive.

It is not just undeveloped (poor) countries that run out of food. Many developed countries have experienced food shortages especially during and immediately after the Second World War. These countries now provide support for agricultural production to ensure this doesn't happen again. Older Australians have largely forgotten and many others were not born or were too young at the end of the war when food rationing actually existed in Australia and coupons were needed to be able to purchase basic necessities like meat, butter, tea, sugar and petrol. Australia also had a 15 year meat agreement with Britain that saw all our meat production go to Britain until 1966 to feed the poms.

On the other hand Australia now produces a huge surplus of basic food needs such as meat, grain, dairy products and more which protects us from hunger but also takes political focus away from the hardship faced by producers.

There has been a lot of press comment of recent times about the world running out of food as population increases, whilst not getting into the wisdom of increasing populations, following the events of the past 18 months where basic food prices increased to probably where they should be and then dramatically decreased. Two things became very apparent, firstly it is extremely unlikely the world will run short of food because as shown when farmers are decently paid to produce they will and there is still as much good undeveloped land in the world as is developed for food production. Secondly, it doesn't matter what farmers are paid, the escalating price of inputs will continue to pass profits to others! Not to farmers.

So if we (regional and rural) Australians are going to continue producing and feeding this incredible country, producing export income and providing jobs both directly and indirectly, ie. maintaining and improving our living standards, then we need to be profitable! and supported!

“How can we achieve what we have not been able to for the last 200 years?” In a word – unity. How do we achieve this? Through the development of a banking and associated co-operative structure designed to support regional Australia, pass profits back to regional Australia thereby assisting rural stability and unity required to achieve real political influence both independently and through support of our existing representatives.

Political leaders around the world are looking for ways of reducing or containing food costs – these are our returns they are talking about! So to reduce or contain food prices we have to be further screwed, become even more efficient, or supported by taxpayers, and/or take control of our destiny by uniting and funding ourselves and in the process establish a strong political and commercial voice that cannot be ignored.

AFCL was registered in New South Wales in January 2006 to work toward achieving this. It is now registered in all eastern states other than South Australia and this will follow. The financial support being sought from regional Australians to develop this organisation is minimal and the rewards enormous. Let’s start helping ourselves to a better existence/way of life whilst at the same time stabilising and improving regional townships. We cannot continue to compete with world food subsidisation without a complete structural change.

Most if not all rural businesses need more staff which they currently can’t afford. If these businesses were more profitable, extra staff would be employed and unemployment in Australia would dramatically reduce. Wouldn’t it be better to have people employed and paying taxes rather than on the taxpayers dole queue.

There is a limit to what people will endure. We see this in our communities now where the majority of farmers are elderly and not really in a position to change and their children don’t want to takeover as they have seen the stress and long hours their parents have had to endure to survive, not prosper, just survive and they see a much easier and relaxed way to live.

So over the next ten or so years as farmers die or become incapacitated, who is going to produce our food? Some say corporations will take over. This is unlikely as corporations have to be able to pay a dividend to survive! If farmers that work such long hours now to just survive, how will corporate bodies with their considerable overheads survive let alone be able to pay a dividend. Unless by getting more and more control of the food chain, they achieve a volume that enables them to be price makers rather than takers, ie. dramatically increase the price of food, this is extremely unlikely at least in the foreseeable future.

I have penned this to Agmates following a trip to the Wilsons Promontory in Victoria where I spoke about AFCL at a Victorian Farmers Federation branch meeting at Leongatha. This is a dairying area and like most of us they are not receiving the cost of production.

My hope is this starts a thinking process amongst all that have the opportunity to read it and that it gets passed on to all residents of regional Australia and generates lateral thinking and support by starting today to build a unified nationwide rural financial support network – AFCL – please visit www.afcl.biz or contact me directly on 1800 722 325. Let’s build unity through a banking structure that support us, our families, our livelihood and a better lifestyle in rural and regional Australia.