GRDC In Conversation - Matthew Durack

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**SPEAKERS**

Oli Le Lievre, Matthew Durack

**Oli Le Lievre** 00:00

Well, Matthew, welcome to the GRDC In Conversation podcast I'm looking forward to. I know we've had a little bit of a chat off air and I'm looking forward to continuing now with you so welcome.

**Matthew Durack** 00:10

Cool Thanks, Oli.

**Oli Le Lievre** 00:11

mate. I'm interested, we're back in your hometown.

**Matthew Durack** 00:14

Yep.

**Oli Le Lievre** 00:15

Toowoomba How long have you been back living here for?

**Matthew Durack** 00:19

ttattabout 10 years, I guess now.

**Oli Le Lievre** 00:21

Yeah. And quite a big road in between.

**Matthew Durack** 00:25

Time wise, not geography was not not all that. I did the obligatory disappear overseas after finishing uni, but then down to Moree, and Warwick and then through back down to Moree, and then back back up to here. So yeah, not not Not, not a massive geography geographical spread.

**Oli Le Lievre** 00:50

All within the same area. Where did you head overseas?

**Matthew Durack** 00:55

Just to England. Yeah. So '82 when I finished vet studies, the the vet market was there wasn't there wasn't a job to be had in the in the country. So I think probably about 80% of my year disappeared overseas within within six months and did locums and that sort of thing in the in the UK. I headed up to the north of Scotland and had a fantastic, fantastic time up there for for nearly a year and then back home.

**Oli Le Lievre** 01:28

Isn't it 40 years is worlds away from where the vet industry was to where it is now?

01:32

Absolutely, yeah, the shortage. The shortage of there's a shortage of small animal vets but the shortage of production animal veterinarians appears to be pretty critical.

**Oli Le Lievre** 01:44

Absolutely.

**Matthew Durack** 01:45

And I've got some views on how that could and should be solved, solved, I think and but it's part of part of that overall problem of attracting people into the sector.

**Oli Le Lievre** 01:56

We'll have to bring that back to episode two. Because I think today what I'd be really interested to draw out from you is your perspectives around Yeah, I guess especially the grains industry but that road for you and the involvement in in the sector but starting off the involvement in, in farming and agriculture, growing up in and around Toowoomba, like I'm presume it was always on your radar as a vet, but why did you leave the vet profession to pursue farming? Why was it such an I guess an interesting pursuit for you? What Why'd you jump at it?

02:22

Yeah, my dad was a suburban architect in Toowoomba. So Toowoomba was a country town back in those days and arguably still is. So you're surrounded by ag but in our family? No, we were not not a farming family. But for some reason. It always my holidays, were always on mates farms. For some reason, it was always what I wanted to do. And I did vet science with the idea that that might lead lead me there. And maybe it maybe it did, but the first opportunity was Dean Starman who has lived in Toowoomba. I used to treat his wife's dogs and one day he said to me, how would you like to come down and manage a farm? And I said Yep, absolutely. And and when I went down to Moree, that would have been about 1987

03:27

It's just growing things creating things from the soil and sun. Is is I don't know why it why it is but it's endlessly intriguing and endlessly satisfying. And derived from young youngster I guess I always it was that intrigued and fascinated me growing vegetables, all those sort of things I just thought it was I just thought it was amazing. And the opportunity to do it and get paid for it. Man that that sounded pretty cool.

**Oli Le Lievre** 03:56

What kind of property did he get you then managing?

03:59

It was a pecan farm. Well, pecan farm. I remember at the time saying to him then. Why do you want me to do this? I don't know if I don't know much about farming. I know I want to do it. But I don't know much about it. I don't know anything about agronomy. I don't know anything about engineering. I don't know anything about agricultural finance. I don't know anything about I don't know all the other big list of things I didn't know anything about and he said he said yeah I know I know So that's good. So you'll worry about it all. And I think that that actually has been good advice for me and that when you do employ someone who is good at something, they have a tendency to want to do that at the exclusion of of other things. So if you're hopeless at everything, you might actually become better at all of it.

**Oli Le Lievre** 04:46

How did you find that not completely overwhelming going into the proper deep end?

**Matthew Durack** 04:51

Not sure the crew down there were all hands. Just kept asking asking a lot of a lot of questions. Mmm. And the advantage of the pecan industry is that it didn't have in Australia at least it didn't have a tradition of how you did things. So we could, we could start from scratch and then Starman himself who owned that property at that time, was was always open to a new idea. And, you know, he, his constant refrain was, whatever you do will be wrong. So act at once, you know, move forward and find a better way every day. And we, you know, I think we did. We did find, find better ways. We, we managed to get that orchard up to being the top performing pecan orchard in the world for nearly 10 years. Well. And I remember going cross to the states to give a talk at some US thing, and I said that then then we don't want to tell these buggers over there, how to how to do it. And he said, don't worry about you. They won't believe you. He was perfectly right. So yeah, the advantage was that I wasn't trying to repeat the past I was we were trying to build that build the future. And that's, that's how you should approach any form of pretty much anything. The past is useful, but not not that not. Not that. Not that not that good a guide as to what you should do tomorrow.

**Oli Le Lievre** 06:26

How long into that, like tenure, do you think it took you to start to get comfortable and confident in the roll?

06:32

I don't think I ever know don't

**Oli Le Lievre** 06:34

Always on edge?

06:35

Yeah, no, I don't think that. Yeah. That didn't that didn't happen.

**Oli Le Lievre** 06:41

Tell me about that relationship that you had between the owner and yourself. Because it sounds like it was a pretty special relationship?

06:47

It was so Dean at that time would have been about over 60 I guess and looking to retire which we used to argue incessantly I guess. But he was open. But you know, we had to win an argument was quite a quite a serious, quite a serious endeavour. So I got my, did my homework before I went and had a crack at things. But yeah, we we continued to be very good, good friends. I worked there for 10 years. At which point in time, I was keen to to expand that that business. And then well, at that point, what you know, wasn't he was he was happy to sit on it. So and I it's one thing I have learned about business is if you if you flatline, it is very difficult to retain good talent. And that's a, that's a challenge for agricultural and particularly a challenge for the family farm. That that flatlining is, is there's probably no sort of financial reason not to flatline but there's a talent won't won't stay, not that I was great talent, but yeah, good people don't stay around a flatlining business. And so yeah, I I moved on at that point, but continued to have pretty much not nightly but at least two or three times a week an hours conversation with him.

**Oli Le Lievre** 08:19

Really, you were that invested in the business.

08:21

Yeah, I want to get we were just discuss and argue about about how, and I tell him what a stupid idea what the stupid things he was doing. And he, you know,

**Oli Le Lievre** 08:32

easier to throw rocks on the outside.

**Matthew Durack** 08:34

No.

**Oli Le Lievre** 08:37

What did you move on to?

08:39

At that point, I actually bought my wife, Jenny and myself bought a small irrigation block out towards Warwick. And I thought, you know, I was a farmer now I'd done it for 10 years, I could do this. And we bought the block pretty quickly realised that, that you need a second job if you're going to survive off a 1000 acres of dirt. And so I managed to secure the role of director of the National Centre for engineering and agriculture, which might sound like a bit of a strange gig for a veterinarian, which was based at USQ. And I spent 10 years there, principally focused on irrigation management research. And we established the CRC for irrigation futures, again, was about and it was during that period of water policy reform and a very rapid expansion or improvement in irrigation efficiency. So it was it was a pretty exciting time to be involved in in that area. And yeah, I did, did begin to learn a fair bit about that this idea of doubling water use efficiency was not not very difficult at all. In fact, quadrupling it would be a better would be would be a better We've doubled it across the industry pretty much in the last 20 years, we better get ready to do the next doubling.

**Oli Le Lievre** 10:07

Can you explain that to me a little bit more when you say doubling water use efficiency is that in particular crops or just across the-

10:14

Pretty much across the board. Efficiency is the output divided by the input towards bales of cotton per megalitre of of water used to be one, it's now two two or more. And you can do that. And if it's tomatoes, you can do it with tomatoes. Yeah, so that's the basic driver is to increase the efficiency. It's not to say it's mega litres per hectare. That's not an efficiency, that's an application rate that doesn't really make any difference how many mega litres you put on, it's what you get off. And I think we can continue to look at that the thought of things that the easy wins that we've had over the last 10, 15 years or 20 years have been associated with the losses that occur and in irrigated systems, so losses below the root zone, the drainage evaporative losses, water logging, those types of things, I think maybe we've, we've, we've got most of those easy engineering or hydraulic fixes. Now it's probably continuing to look at the agronomy side of things and, and genetics to try and get the next stage up. But yeah, I'm sure I'm sure we will continue to drive down the track.

**Oli Le Lievre** 11:34

You mentioned cotton, there as I guess the the key measure of metric, what grains true focus in that irrigation as well?

11:42

No they they weren't because I guess we were I was mainly based in the with the summer rainfall zone and irrigated grain cropping is not not as significant cotton was the was the is the primary user of water in the in the northern basin. So grains didn't. Yeah, the focus wasn't associated with irrigated grains production, of course in southern in the southern part of the system, Grain, Oh, yeah, we did do quite a lot of work on on rice, of course they've they've achieved extraordinary improvements in their efficiency. But the same opportunities exist in grain, if you're going to irrigate issue is can you make enough money out of grain to bother applying the water to it in the first place? That's that's the challenge.

**Oli Le Lievre** 12:33

How did you get going from also like the growing pecan business back into that research development landscape?

12:43

Within the pecan game, we were fairly we were a fairly intensely r&d focused business. So we, we had done a I had done a lot of research within that within that business around firstly around pest management. We managed to I remember the first year I was there, I put 14 Aerial sprays across the farm to control a borer and green vegetable bug. I think about 10 of them are a product called Hallmark, which is one of the synthetic pyrethroids are horrendous thing to think that I could have done that. But we and it didn't work. And I remember saying to Dean, we're not winning here Dean, he said, Well, what are your options? And so I said, Oh, well, we can stop and find a better way. Or we'll try and try and hit them harder next year. And he said, which one do you want to have a go at. And I said, I think we might have a crack at stopping and that we then did a pretty big research programme with CSIRO over a five or 10 year period and managed to go cold turkey on insecticide inputs into that farm from that date on there's never been a pesticide applied to that farm since. So that was a big research programme, same deal on irrigation. An argument that I didn't win with Dean, which was that we could convert the whole farm across to drip as opposed to flood. He couldn't quite get his head around that given the fact that the whole US industry knew for certain that pecans died, if you tried to irrigate them with drip, irrigation, not exactly sure why they died. But they knew that for certain. So we, we didn't make that change at that time. But we'd done the research to prove it, that they didn't actually die. But he wasn't a great believer

**Oli Le Lievre** 14:38

In Research

**Matthew Durack** 14:39

Well he was a believer in research. He just wasn't a great believer in that. And that shift.

**Oli Le Lievre** 14:44

Well, you know, one thing I've learned on this trip through chatting with all sorts of different people and I'll say I think this is the complexity of agriculture when it comes under the umbrella but like, yeah, I just thought across the board, crops were getting sprayed with insecticides, pesticides, whatever it might be. But the advancement in the use of chemistry and science in the paddock has actually blown my mind over the last couple of weeks.

15:11

It is. there's there's a lot of things that that should be blowing your mind.

**Oli Le Lievre** 15:15

Yeah.

**Matthew Durack** 15:16

But, but pest management certainly is one that that's if that to be able to go cold turkey and pecans is is a bit of a unique opportunity, orchards in general. They're not monocultures, they're, you know, their actual full blown ecosystems they've got an understory that you're growing all sorts of weird and wonderful things but mostly weeds. But they've got pollen and with pollen becomes the ability to feed beneficials and have this this bio diverse environment. So orchards are intrinsically easy things to achieve a bio control environment in that cotton, monocultural cotton crop is difficult. One of the things that we bred up to control this borer was trichogramma, wasps, which I was going to make the millions out of maintaining heliothis for heliothis control. But unfortunately, for me, the Bt cotton gene came out at the same time, which is a much better way to solve problems solve the problem, but they they again, went from, you know, weekly spray routines to I don't know that they often get to zero, but they certainly have very, very low insecticide inputs.

**Oli Le Lievre** 16:28

Yeah. Well, someone had mentioned to me that they've used one in three years, which is, as you said, had gone from 10 to 14 a year, depending on what was happening.

**Matthew Durack** 16:38

Yeah, yeah. It was extraordinary.

**Oli Le Lievre** 16:40

Coming back to the pecan farm. So you, you ended up going back to it? Is that right?

16:46

Yeah, I was out for 10 years. Dean was, was getting old.

**Oli Le Lievre** 16:52

Yep.

**Matthew Durack** 16:53

And I remember saying to my, and I'd done my 10 10 odd years in public sector research, fascinating time, but I wasn't getting any great stories out of it to come home to the kids, you know, what do you what did you do today Dad, oh had a meeting, I was getting a little bit bored with it and, and the farm out at work was we were starting to kick some goals there. Getting developed an up and running and doing pretty well. So I was just about ready for a change. And I said to my wife, Jen, I think I'll give, I'll give, I'll give Dean a year, we'll spend a year on the place getting it ready for sale, because that's what that's what needed to happen. And she said okay just so long as you don't do anything stupid. And Jeff Dodd, who was another ex employee and myself came back to try to get it heading on upwards and onwards because it slowed down a bit. And within six months, we put in an offer, and within 12 months, we'd we'd managed to secure the finance to purchase. Luckily, just prior to the October 97. financial crash.

**Oli Le Lievre** 18:13

Yeah wow.

**Matthew Durack** 18:13

Because otherwise we wouldn't have at the finance

**Oli Le Lievre** 18:16

Did that crash it impact you and the business?

18:18

I remember saying to our banker at the time, he was Rabo. We were three months in and and things had started to turn rather rather bad. The the and I said to him, he said how are you tracking? And I said, Well, I think we might be right, just need a few things to go away. Firstly, I need the dollar to drop from $1 Because it did got parity. And we're an export focused at that time predominantly export focused, I said I need the dollar to drop to 65 I need the price of fuel to go from $1.40 back down to 80. I need interest rates to go from 12 to six and I need the price pecans to go from $1.75 to $3. But I said if all of those three happened within the next six months, we'll be sweet.

**Oli Le Lievre** 19:08

Not asking much.

**Matthew Durack** 19:09

No and he was rather rather stressed by that all of those did come to pass effectively.

**Oli Le Lievre** 19:16

Wow. So it wasn't a flippant comment by youn.

19:19

It wasn't at all no, no, it was it was we had it was a reasonably tight sort of position that we got into but there were way we there were ways that we could have managed predominantly through the first change was to was to double it if we invested in drip straightaway and managed to get half the water effectively available for sale. So we could have sold a lot of permanent security water into the into the wider system. And we're in fact required to buy that by the bank. But luckily I managed to convince them not to force that on us and because all these magic things happened and that then allowed us to use that water to expand from 700 to 1400 hectares in that in the Guada, which it's now sitting at, I think slightly more than that.

**Oli Le Lievre** 20:12

So you ended up going through and and selling that business, but the point of sale, you develop the 20 year vision for what it could be.

20:21

Yeah we, it wasn't my business. And it's a different. It was Dean's business. And I was really looking after it for him. And so it wasn't something that I saw as a destiny for the for didn't have the family dynasty or any other and I don't have that viewer on anything, really. I mean, when I'm gone, I'm happy for my footprints to be erased in the sands of time very, very quickly. But we were building it to take it to to sale at some point, whether it was it five years, 10 years, or 20 years, it was, it was heading down that track. So and a very important part of that is to have a vision and have a vision that's much, much larger than your than your, than your current situation. So we had, we had a 20 year plan that that saw us with 1400 hectares, or 1000 hectares of macadamias, an almond operation and a walnut operation all under the one roof. We had the marketing, and we had this marketing pipeline system doing things we had the management team capable of doing a lot more than they were doing is very quickly you start once you get good people their capacity to expand their, their touch their their influence is significant. And if you don't keep growing, then they they run out of enthusiasm. So we had this plan. And that's I think, as much as anything when we came to actually put it on the market. That was the assets that we held. But it was this vision of where where we could go that PSP public sector pension fund from Canada, they signed on and in fact, part of my brief of sale was there's three things you got to you got to sign up to if you buy this business. One is you got to pay the right amount of money, which they didn't argue about. Secondly, you've got to sign up to the vision. And thirdly, you've got to sign up to the crew that I've got on board. And they signed up to all to all three. And now they've achieved that leaps. They did the 20 year plan in about four years. If you pour money in the top end, that rapid growth comes with challenges. But Ross Burling who who is running that business now was up to up to those I couldn't have. I couldn't have run the business that he he has ended up running an extraordinary and he started at that farm. He lived on the farm next door and he started as a 15 year old plant mechanic apprentice plant mechanic down at Trewilga. And he's now running one of the largest horticultural businesses in Australia.

**Oli Le Lievre** 22:59

Wow.

**Matthew Durack** 22:59

Yeah, that's pretty exciting.

**Oli Le Lievre** 23:01

Tell me what retirement was like,?

23:03

Ah, well, retired, I don't I don't really use that term. But certainly after the sale, there was a period of maybe not doing too many things. But I did have a few unfinished things of business. One was I I had been in the macadamia industry for a very long time, and I wanted to grow macadamias Secondly, I'd always been exasperated by the grains industries failure to find a vertical vertical integration that that within within StarMan farms as the pecan operation, we were fully vertically integrated we grew them, we pack them, we pack them, we stack them, we pack them into 100 gramme packs, and we sold them to supermarkets and we had mail order. And we were direct to consumer and direct to supermarket, right through the full chain. So there wasn't not too many. I mean, we clicked the ticket as many times as we possibly could on whatever we did, and tried to stay out of the commodity trading environment. And in the grains industry, I'd always you know, I'd always had some engagement with the farmer at Warwick and with others. But when I met up with Surrey time in Moree, and saw what at the time was Buhler farms, the relationship that he had with the maltster in in Brisbane BBM. That time was part of the grain code, Corp, Stable. He was the first time I'd seen this, this vertical integration that someone in the grains industry who was actually dealing with a customer, as, as opposed to the market. And I think if if there's anything, yeah, industries that operate within a market to stay away from

**Oli Le Lievre** 25:02

Yeah.

**Matthew Durack** 25:03

It's very very difficult though in the grains industry is exceedingly difficult. But Stewy, had had really mad made the first step to achieving that.

**Oli Le Lievre** 25:13

And I want to ask you, and it's a simple question but like so in the grains industry, why is it difficult for them to stay away?

25:21

Because grain is such a relatively low value product and you and and and customers don't care all that much is one is one thing and customers are in this sense is are manufacturers or first stage manufacture .so in with milling wheat and I don't know that industry particularly well, but it's not clear to me that Miller's care all that much about the grain they receive, certainly, they have some technical requirements, but they have managed to technically resolve a lot of the of the of the you know, special wheat requirements that they used to have. So, they can, they can solve for lower protein they can solve for poor quality issues, by putting adjuvants and various things in that in the in the milling process to achieve a loaf of bread in Coles and Woollies that none of us will, will know,

**Oli Le Lievre** 26:22

Was any different.

26:23

Was any different. So you don't really have customers that care is that is the first is the main main issue. Whereas when people are buying nuts, they're buying health food. And so I think they like to some extent do care a little bit more about where it comes from. Beef is, of course, another example of an industry, which is commodified pretty much entirely. And, and that's another industry that I'm involved in that. And it really stresses me that we've managed to take something that really is quite an extraordinary product and turn it into protein. And we have an industry that holds protein conferences. Need to nearly swear in that instance, or just it just to me, protein for pap sake. Wow. What are we doing selling protein beef is the lobster of red meat, and we're selling it as protein. It's the most difficult protein to create in the world. If you want protein eat soybeans, for God's sake, don't eat beef. So yeah, finding customers that care and the malt industry. They don't care all that much. But they do care a bit. They have they have particular reasons for caring and particularly around germination and other specific requirements and varietal requirements. You know, you don't hear Miller's talking about varietally impact on on a loaf of bread. I'm sure that there are there are impacts but that you don't hear them saying I won't take that variety and put into them. No, they just, they're just after Prime hard wheat. And they're not even necessarily after prime hard. But the mollsters, you know, do have specific requirements there. They're getting smarter and try and figuring out ways of being less dependent upon the supply chain, delivering them exactly what they need. They can't get away from the requirement for germination though, that that's that's a that's a dead set. But as an industry if we start growing with them, finally, since easier to talk to us to solve your problems than to go to a chemist and get the get the problem solved. And your cust your ultimate consumer, I think will be more interested in the problem being solved in the paddock than being solved in a chemistry lab. .

**Oli Le Lievre** 28:54

Absolutely. So I think probably the listeners might be thinking, Well, why are we why are we talking about macadamia nut industries and things at the beginning, but I think it's such an important context to understand where you've come from. So, so coming across Stu, who we sat down with him and Lyndell the other day, and when he talked about understanding who your customers customer is, and then working my way back so you can solve their problems. Given your background what we what have you been able to bring to the grains industry with that customer focus?

**Matthew Durack** 29:28

I don't know. Maybe, maybe, maybe not all that much. Firstly, I think that's to give Stuart and Lyndell confidence that there's at least one other person that thought they were on the right track. You know, that the focus of agriculture. Speaking earlier, the day is so much on doing more better and faster, just being bigger and better at what you currently do. That's that's really and So actually starting to head off to one side and and not not not necessarily becoming bigger but but more intensive or more more more specific around what you do is not not not how it's not where the role models of success in agriculture exist. And that then is one of the one of the big things that I make a differentiation in ag is around asset holders of asset farm owners and farm operators. And I think we we really miss that or mix that up. The real wealth in agriculture has, you're running two businesses, a real estate business and a farm operating business, well the wealth has been generated up until this point, and arguably, it seems probably likely to continue from the real estate business. I find that the most dull and boring thing to be, you know, I didn't ask, yeah, I didn't enter ag to be in real estate. So the operating business is where the excitement and the excitement is, and but investing in how to do that better. And not just buying the neighbour and buying the neighbour and buying the biggest spray rig So you can farm the neighbour that is a different path to go down. And then the sort of standard one and yeah I think if if anything that might have been just to give Stu and Lyndell some confidence that there was a there was a path to track down there. It's not the path that's well trodden. So it's not not all that easy to get down, but and you've got to do the other one. You've got to do the expansion too, in order to stay relevant to your customers. Because you know, once you've got one customer, you need to find the next one. You can't tell say yeah yeah, we're doing Yeah, but we haven't got enough for what you've, you've got you've got to be able to say yes. And continue expand.

**Oli Le Lievre** 29:41

Yeah. How important so, And I find that really interesting. So obviously going alright, we're going to vertically integrate our grains business, we're going to work with the the Millers or whoever it might be, but then going, well, actually, how do we make sure we're not overexposed to customer X? And that that's where the scale comes in?

32:18

Yeah, well, you you've always got the fall back of the market.

**Oli Le Lievre** 32:23

Yeah, true.

**Matthew Durack** 32:24

You've always got the fallback of the market, which is kind of the bottom, the bottom rung and the rung that everybody else is on. So your exposure, so long as you and in grains, in particular, you will always have that the fallback to the market position. So yeah, have being exposed significantly to one customer is a dangerous thing. Absolutely. But you do have some protection in the grains industry. So you you can take a risk.

**Oli Le Lievre** 32:56

Where do you see it heading in the in the short to medium term?

33:01

We had made an assumption that, that that, that much of this stronger connection between the grower and the end user of the processor would be driven by a consumer demand for this relationship to be stronger. Right at the moment, that's not that's not happening. You know, we talk about the conscious consumer and the fact that they are interested in in where their food comes from, and where the beer comes from, and all that sort of stuff. But, and that's that is true at a at a theoretical level. But practically in today's economic environment, with inflation being where it is, and the cost of repression, the average consumer just just might want to be conscious, but can't afford to be too conscious. So that the the consumer demand for more transparent supply chains is is not there. But at a corporate level, corporates, their investors and where they where they're getting their cash from their investment from be it loan funds or equity. Increasingly, those investors they are interested in in better understanding the supply chains and seeing that transparency in that direct connection. And not primarily, I guess, on the ESG side of things, the ecological social governance stuff, you know, the investors don't like to be embarrassed by the behaviour of the companies they invest in. But I think generically, investors want to see transparent supply chains and and start to see these businesses that are only operating at a commodity trade, that their supply chain is simply buying out of the trade. They're seeing those as unstable supply chains and COVID certainly sort of made that clear. So I think that's the bigger driver over the next 10 years, not maybe not the consumer, unfortunately because there's a lot more story we can tell to a consumer than we can tell to an investor, but.

**Oli Le Lievre** 35:06

It's um, it's fascinating point you make there because I think in some of the conversations I've heard or been privy to say around carbon and people saying, well, actually, it's not, it's not the consumer that's demanding this, it's actually as you say, it's, it's the investor by going well, actually, if I'm putting money here, I want to make sure that I'm not exposing myself to risk and therefore, putting pressure on businesses to start reporting.

35:35

And you sort of think, Oh, that's not very exciting. But the pressure is, is real. And it's an it's building quite rapidly. And it's, it's consistent across all all of the investment portfolios. I think these sorts of really high, high spruiking green investment funds, I'm not sure that they're going to be quite as hot in the marketplace, as as they might have looked like they were going to be for a while, but it just the average. You know, the Heinekens, and then the Asahi's. And I would think ultimately, the large milling companies and feedlot operators, all these guys are going to want transparency in their supply chain. And that that underpins and understanding that, that they're not going to be embarrassed by the ESG position that that their supply chains in.

**Oli Le Lievre** 36:32

So where do you see? And I guess it comes down to maybe a mindset question, but like the mindset of the ag community, especially grain farmers in this, what say the next 10 years looks like as you're kind of saying that pressure coming from investors around transparency in it. What what do you think we'll see at the farm level? And what are maybe some of those first indicators of a movement towards?

36:57

Are we up for it?

**Oli Le Lievre** 36:58

Yeah.

**Matthew Durack** 36:58

As an industry people the people wise? Are we up for the change of of attitude? I think I would say I think we we probably are in the grains industry? Certainly the discussions we've had within our supply chain network around, you know, would you be interested in being part of a carbon reporting scheme? Yeah, sure. Absolutely. It's gonna cost you a bit to get in. And yeah, no, no, it's it's the happening thing. It's, it's what I don't understand it don't know where the money is. Don't understand . But we got to be in it. We got to be part of this. We're part of the problem, we better be part of the solution. In general, that does seem to me to be. So I've actually been somewhat surprised. Now the grains industry, I haven't been in it for my in depth in my entire life, I guess I've looked at it doesn't have the energy and dynamism of some other industries. I guess looking specifically at cotton, it doesn't appear to have that same. But I think in respect, in this respect it, it does you know I think we are we are up for it. Give a grower a chance to interact with an end user. And they are very excited because they've never seen one. And in the same way that an end user has never seen a farmer that complete disconnect that we've managed to create through the through these large, consolidated trading entities that have put this barrier between the grower and the end user that's created generations of disconnection when you break it when you when you when you actually get a wormhole through the there's great excitement when you get those two parties together. So yeah, I think I think there's a I think people wise we're up for it, and obviously the younger generation I'm sure is definitely up for it, but I don't think that us oldies are gonna hold things back too much.

**Oli Le Lievre** 38:56

No, certainly the some of the people I've seen and I think what what I found really interesting about this southern Queensland, northern New South Wales region is I don't want to say it doesn't happen down south because it does, but it certainly seems like there's a mindset here and in some of the businesses I know Doolan, agriculture at Northstar, working quite closely with with Baker's and making sure they're bringing them on farm, as you say, Stuart and Lyndell with Maltsters and whatnot, and I know it's happening, but it certainly seems like there's a hunger up in this region to be driving that and I'll say in control and pulling levers as opposed to being the puppet.

39:39

There's yeah the difference between southern Australian and agriculture and northern I think it'd be it I don't fully understand but we are younger up here as an industry you know, it's southern Australia's Got 50 to 100 years on us kind of thing in terms of tradition and all of those things Queensland we're brash and and a bit a a bit younger, not very well dressed and don't have don't have brick houses. So there, there probably is a little bit. That being said, there's we're not very good at working with each other, which I think in southern southern agricultural belt, people are a lot better at working together. And that's, that's the, you know, if you want to be relevant to a global brand, you ain't going to do it on your own, you're going to do it through through through working collectively. We need to we need to get better at that

**Oli Le Lievre** 40:32

with that customer centric agricultural farming. And I guess it's a provenance question. Do you see it coming down to individual farmers? Do you see it coming down to regions? Or is it? Yeah, Brand Australia, like, Well, what do you see in the conversations and things that you're privy to?

**Matthew Durack** 40:50

I think we're gonna be customer specific, but we have the technology now to make it paddock, paddock, you know we, there's there's not a pretty much not a load of grain that we couldn't couldn't say which paddock it came out of, you know, at all. So then you ask your customer, what, what do they want to know, in general, they won't want to know the paddock, they might want to know the farm, they definitely want to know the region. And it's pretty important, you don't tell them what they don't pay for as well. So yeah just because you now have no reason to tell them

**Oli Le Lievre** 41:28

Tell me more about that.

**Matthew Durack** 41:30

Was I've got these these things that upset me, but a ticket to play this assumption that traceability in particular, or environmental compliance, or any of these things are tickets to play that as farmers, we simply have to, you know, bone up and get with the programme and, and once you've done it, then you can then you can join, you can join in, in the market and participate. I remember, back when I was at Stanford, we got a, we were the second food processing company in Australia to be ISO 9002 accredited. The first was another macadamia business. And we were, we were about four hours, difference in timing between when he was accredited, and when, when I was credited bugger, he just happened to he happened to be closer to the order to them. Anyway, that's a big deal. And when I was very soon after this with a piece of paper and my ticket, I went across to Japan and I thought, Man, this is going to be it this is this is the door, this is going to open the door for everything and I slapped it on the table and, and they had a look at and said are very good now Mr. Durack the price. And I thought, Well, I haven't, I haven't I haven't used this at all, I haven't created any advantage for myself at all. I've used it simply as a ticket to play, I had to have it. But I hadn't got a premium out of it. So I think as we track down this, this process of traceability and transparency and accreditation and whatever else, we we need to make sure that the customer actually does want, what what we're doing. And the best way to figure out whether somebody wants something is that they pay for it. So try not to get into a situation where you're giving something away for free. If it's if they get it for free, they won't respect it, they won't use it, they won't, they won't value out on it. You know, that's just whenever I hear that term ticket to play, I get very stressed and think that's it's not going to end well for both sides. Because, you know, we're not getting paid sufficiently to do it properly, and it'll become a compliance based tick. That's a meaningless. There are a whole lot of those accreditations in all of our industries that really don't mean a lot. But they don't cost a lot. People say I've been yeah no worries. Well, why be in it if it wasn't hard to do, then it wasn't worth doing.

**Oli Le Lievre** 44:03

I like that. So what's the focus for you? Over the next few years in the different things, I know you've got the beef side , but also from from a Grains perspective, what a through pure grain and others like what are you looking to focus on? And where are you looking to have your impact in the near term?

**Matthew Durack** 44:23

Not too much. I must admit that when you get I'm not I've never really believed that our people had great had a what's a name in some name of wisdom or some experience is not a great teacher. It doesn't. It doesn't help all that much that you've been around for a long time. I don't I don't think and so I think we as our members of the game need to be careful that we're not trying to lay out the path forward so I've got no bloody idea what the path forward is. You've got a much better idea of what of Where agricultural will be in future than I do, I've got, you know, much, much better, all I've got is 40 years of baggage. That's, that's, that's obscuring my view of what the future looks like, you've got less years of baggage that's obscuring your view. So I don't think it's strategic direction or anything like that too much, but people trying to encourage and empower people to, to go for it. And try and to try and to get, you know, better people into our into our industries. I think we we kind of the agricultural club's, not an easy club to join, I joined it from the outside. And I know, it's, it's it's not a club that you welcomed into very easily. It's it's not a club that looks very welcoming, or shouldn't say that, for sure that that's not entirely true, certainly these days. But yeah, my I think more my focus would be on trying to make sure that, that we get smart people in retain smart people, and we get the smart people we've got confidence to do what it is they can do. As for where we should be tracking, I'm less certain that I know where that is. And as for what technology is going to change the world and all that again, I don't even know what they are, let alone where they were. I mean, I still love technology. I still, I still love tracking it. But as for the ones that are going to make a difference, I'm not too sure. But I do think that as older members, we need to step back from the driving range and and sit back more to encourage, empower those that are upfront on that on the seat.

**Oli Le Lievre** 44:41

Yeah. Well, Matthew, thank you so much for coming in joining us and having a chat that some it's fascinating. And I love that kind of thinking. At the end there. Yeah, I'd say it's a refreshing, refreshing view, but also one that is so empowering, and I think provides optimism for where the future of Ag's going with that mindset.

**Matthew Durack** 47:10

She certainly, well it has been an awfully fun ride for me and it's gonna continue to be a fun ride for whoever wants to join the bus.

**Oli Le Lievre** 47:17

One question left, then, if you're walking into the agriculture industry, as a fresh face, young 20 whatever year old What do you reckon would be an area that you'd be looking to pursue today?

**Matthew Durack** 47:30

I'd pick an industry or a sector where you found people that that you really found people that you enjoyed being around.

**Oli Le Lievre** 47:38

Yep

**Matthew Durack** 47:38

That's the number number one. And some of our industries are a bit a bit too gung, a bit too boys club uses or whatever else. And if that's not if that's you saying join up, go for it. If it's not your scene don't. Yeah. But find, find an industry that's got people in it that you enjoy being around and go for it. But any form of ag is going to be exciting.

**Oli Le Lievre** 47:53

Yep Fantastic. Well, thank you so much, Matthew.

**Matthew Durack** 48:08

Cheers.