



Huon Valley Meat Co.

# HUON VALLEY MEAT CO.

Is there a future beyond the business as usual boom and bust  
of commodity markets?

James Lord – Managing Director





Huon Valley Meat Co.

# INTRODUCTION



# COMMODITY | QUALITY

- Two types of markets – commodity and quality
- Tasmania doesn't have much choice but to operate at the quality end
- Long way from markets
- Good at producing quality
- We are all doing the right thing already



# COMMODITY MARKETS VS QUALITY MARKETS

## COMMODITY MARKETS

- Sell at any time, and there will always be a buyer
- Operate on a spot basis
- Don't require relationships
- Price is the main attribute

## QUALITY MARKETS

- Operate under different values
- Value consistency of supply, quality, intrinsic values
- Usually long-term arrangements
- Require good relationships
- Price is important but only part of the conversation

# MANUFACTURING



- Manufacturing vs Agriculture
- Volume of work and margin
- Volume of work in quality markets is harder to find than in the commodity space
- Margin:
  - cost of production
  - managing price risk
- Price stability

# RECAP

- Tasmania – Too small and too far away to compete in commodity markets
- Tasmania – good at growing and making quality produce
- Quality Markets – operate differently from commodity markets (it's a different culture)
- Quality Markets – hard to find, but are long term and seek price stability
- Manufacturing – key to success is enough work at a guaranteed price



# THE FUTURE – HOW TO ACHIEVE THIS

- **Long term relationships** where both parties benefit
- **Collaboration** rather than the traditional adversarial scenario of commodity markets
- Recognising that there is **more than just price** point on the table



# THE FUTURE – TASMANIAN AGRICULTURE

Tasmania produces:

- 3 % of Australia's beef
- 3 % of Australia's lamb
- 1 % of Australia's wine

(MLA and Wine Australia)





THANK YOU

James Lord

[james@huonvalleymeatco.com.au](mailto:james@huonvalleymeatco.com.au)

0439 911 490

