



# Our Agricultural Journey and some thoughts on the future.

Neil and Ian Delroy



## Background and Early Years

- Raised on broadacre cropping and grazing operation at Esperance
- Neil attended Lincoln College and Oregon State University completing a bachelor's degree in Agricultural Science.
- Ian attended Curtin University completing a Bachelor of Business.
- Neil worked for six years with the Department of Agriculture as a Research Officer
- Ian worked for five years in the Banking Sector

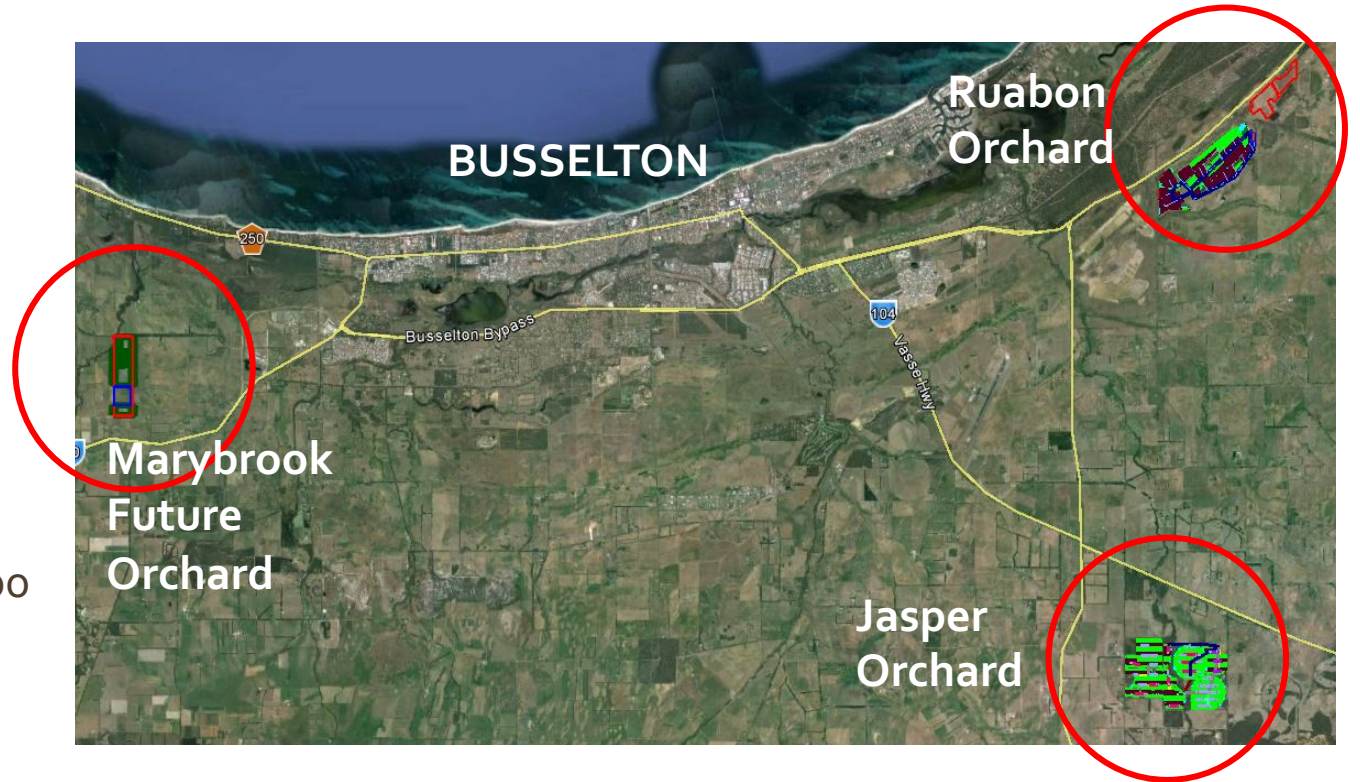


# Getting traction in the private sector

- Consulting / management of horticulture and viticulture businesses
- Contract establishment of vineyards
- First significant financial break was a wine grape nursery
- As capital accumulated then moved to equity is businesses

# Getting traction in the private sector

- Business Peaked in 2010
  - 12 vineyards WA/Vic – 1500ha
  - Winegrape Nursery
  - Avocados – 221 hectares
- Focus on Jasper Farms
  - 2018 – Jasper had grown to 400 ha with 136,000 trees and three sites







# Fundamental Principles - Culture

- Building a team of likeminded people
- Continuous improvement
  - Putting science into practice
  - Measured Performance
  - Incremental gains
- Focused strategic approach - F.A.D.E

# Building a team of likeminded people

- 60 page manual
- Vision & Values
- Leadership
- Operational Management
- Efficiency & Effectiveness
- Customer Service
- Stress Management

## Managing an Efficient Operation

6th Edition - General  
June 2016

### CONTENTS

VISION AND VALUES .....	- 1 -
Vision.....	- 1 -
Values.....	- 1 -
PRAGMATIC LEADERSHIP .....	- 3 -
OPERATIONAL MANAGEMENT.....	- 5 -
Planning .....	- 5 -
Planning Work Programs .....	- 6 -
Review of Work Program.....	- 6 -
Executing the Plan .....	- 7 -
Systems & Processes Drive Business .....	- 10 -
Organising & Leading .....	- 10 -
Employing People .....	- 10 -
Communication .....	- 14 -
People Management – Keep Your Distance .....	- 20 -
People Management / Team work .....	- 20 -
Authority.....	- 25 -
Controlling AND Monitoring .....	- 27 -
Performance Measurement .....	- 27 -
OTHER EFFICIENCY & EFFECTIVENESS CONSIDERATIONS ..	- 33 -
Capital Utilisation Efficiency.....	- 33 -
Capital Utilisation Task Efficiency .....	- 33 -
Equipment Performance Efficiency.....	- 34 -
Timing of Operations .....	- 34 -
Smart Strategies .....	- 34 -
Improvement Through Learning & Innovation .....	- 34 -
CUSTOMER SERVICE .....	- 36 -
STRESS MANAGEMENT.....	- 37 -
Effective Action .....	- 37 -
REFERENCES.....	- 39 -
APPENDICES .....	- 40 -

# Focused Strategic Approach.

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	<u>PHASES</u>	<u>OUTPUTS</u>
<u>F</u> ocus:	Focus on the task or problem. What has to be done and the issues.	A written statement of the task or problem.
<u>A</u> nalys	Learn from data and information.	A list of the most influential factors on ways to carry out the tasks.
	Look at alternatives that optimise outcomes, efficiency & effectiveness.	
	Consult with people with the necessary expertise.	A list of the most cost effective options.
<u>D</u> velop:	Develop a solution and a plan in writing.	A solution and a plan for implementing it.
<u>E</u> xecute:	Implement the plan, monitor results, adjust as needed.	Organisational commitment. An executed plan. A record of impact. (i.e. culture of measured performance).

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# Measured Performance

- Example – daily email during harvest showing productivity measures.



JASPER ORCHARD																			
Showing last 15 Days Picking Data																			

Summary										
	A	B	C	D	E	F	G	Gnd	EWP	Total
Bins	287	1,881	2,148	1,145	129	784	478	2,014	4,838	6,852
Tonnes	123	800	920	493	55	339	206	861	2,074	2,936

Avg Bin Weight
428 kg

Man Hrs/Bin		
Gnd	EWP	Super
4.05	1.55	0.20

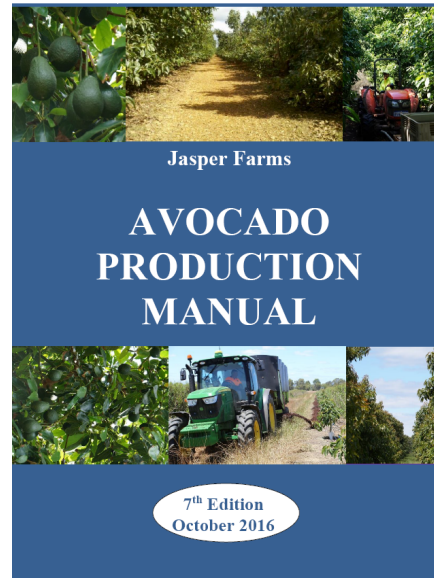
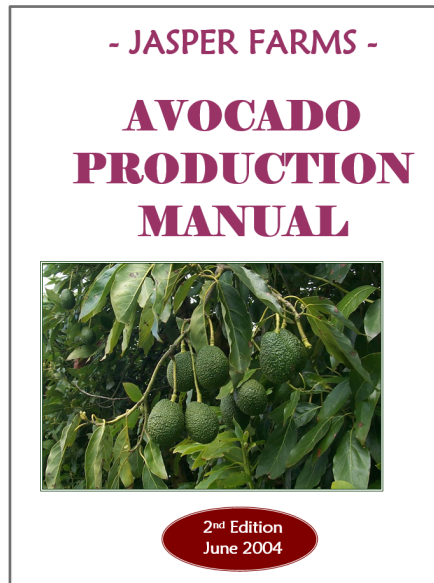


DATE	Bins											# Staff			Hrs Worked			Man Hrs/Bin			Comments - e.g. Wet Weather
	A	B	C	D	E	F	G	TOTAL			Tonnes	Gnd	EWP	Super	Gnd	EWP	Super	Gnd	EWP	Super	
								Gnd	EWP	All											
17-Oct-18	-	-	112	32	-	-	39	40	143	183	79.3	20	24	3	175.00	211.50	27.00	4.38	1.48	0.15	
18-Oct-18	-	-	78	41	-	-	35	35	119	154	66.6	21	26	3	147.00	199.50	25.50	4.20	1.68	0.17	
19-Oct-18	-	-	85	68	-	-	51	51	153	204	88.3	22	25	3	176.00	206.00	27.00	3.45	1.35	0.13	
20-Oct-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21-Oct-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22-Oct-18	-	-	88	70	-	-	52	51	159	210	90.9	21	27	3	178.50	233.50	28.50	3.50	1.47	0.14	
23-Oct-18	-	-	81	53	-	38	40	56	156	212	91.7	24	27	3	179.50	226.00	28.50	3.21	1.45	0.13	
24-Oct-18	-	-	76	37	-	69	22	53	151	204	88.0	21	26	3	170.50	210.50	27.00	3.22	1.39	0.13	
25-Oct-18	-	-	72	23	-	90	16	57	144	201	87.5	22	25	3	196.50	214.50	27.00	3.45	1.49	0.13	
26-Oct-18	-	-	46	25	-	83	5	44	115	159	69.0	22	24	3	141.00	159.50	22.50	3.20	1.39	0.14	

- Often using simple systems – Microsoft Excel

# Continuous Improvement

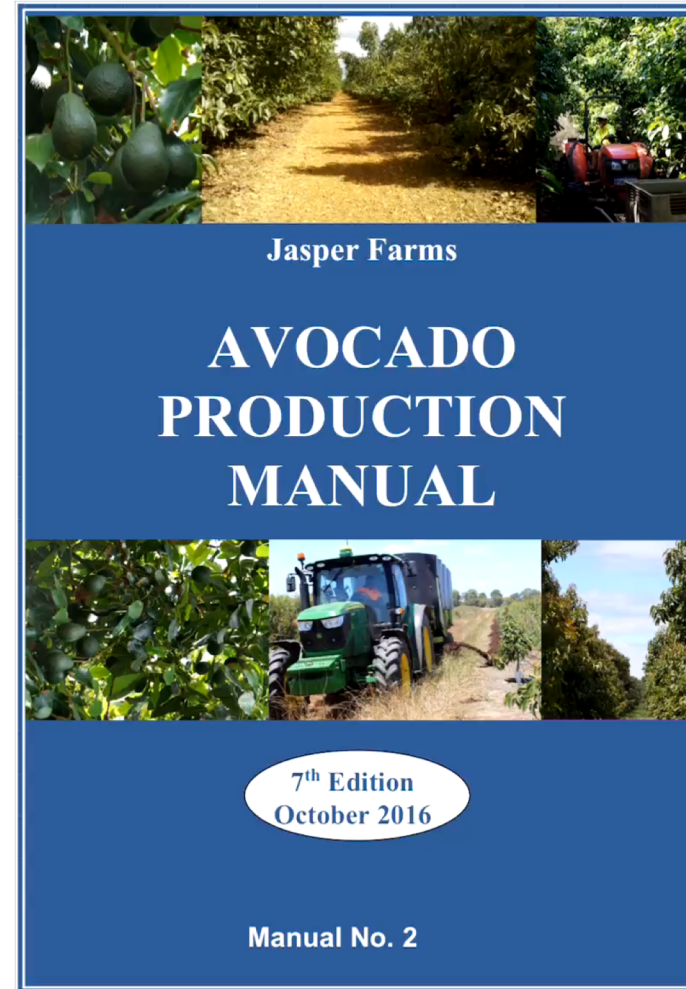
## Continuous Improvement



- Avocado Production Manual
  - 2004 – 115 pages
  - 2016 – 221 pages
- The science behind what we do
  - maximise yields and quality
  - minimise costs

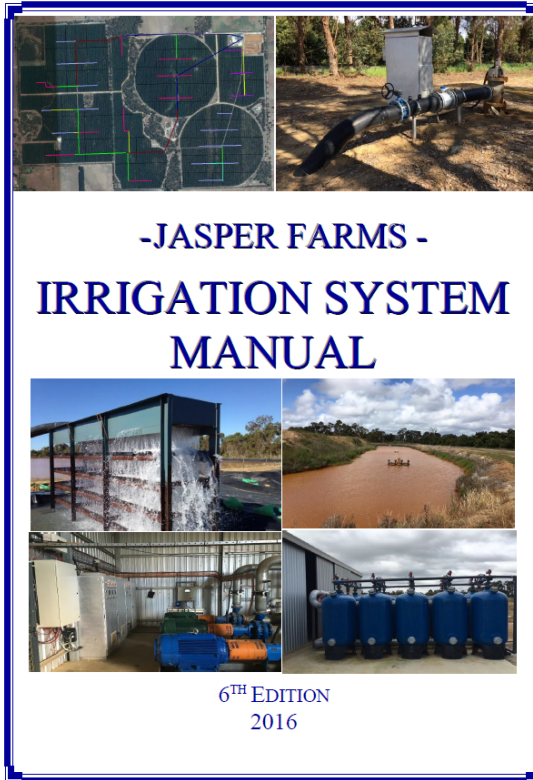
# Avocado Production Manual

- KPI and Financial Focus
- Varieties/Rootstocks and Planting
- Setting and Retaining a Crop
- Nutrition, Irrigation
- Pest, Diseases, Weed Control
- Harvesting
- Supply Chain Management

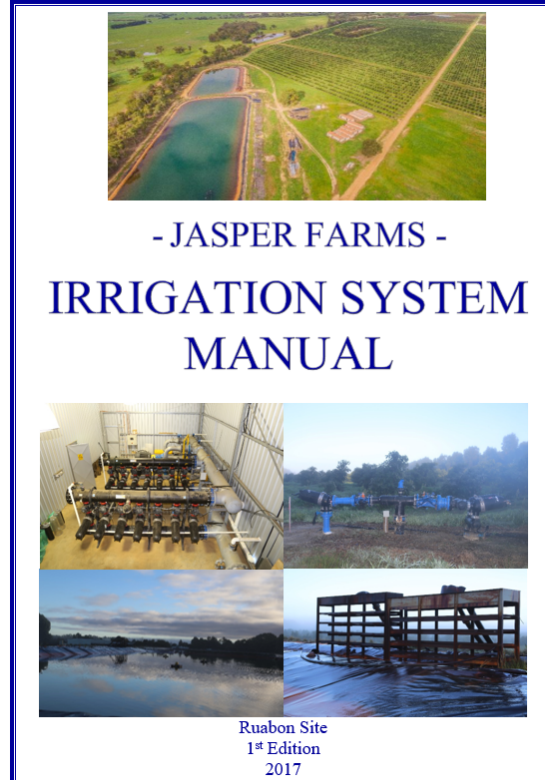




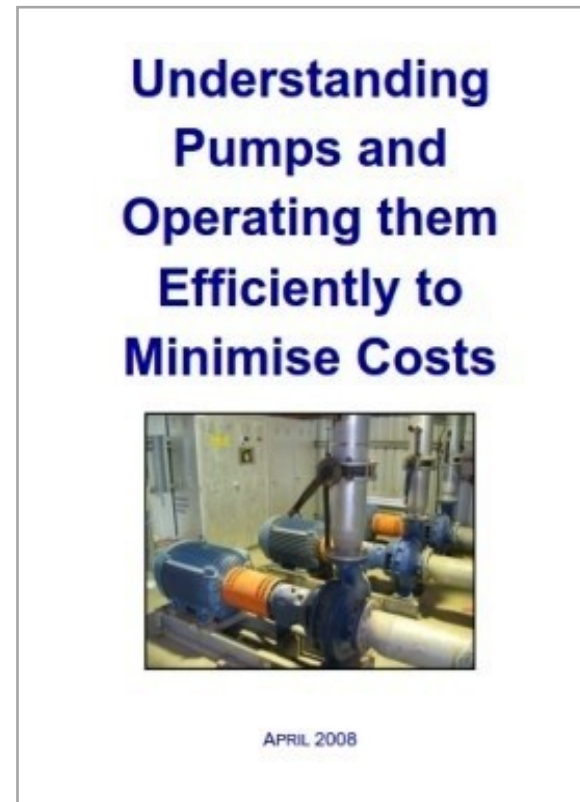
# System Manuals



Jasper Orchard – 342  
pages



Ruabon Orchard – 221  
pages

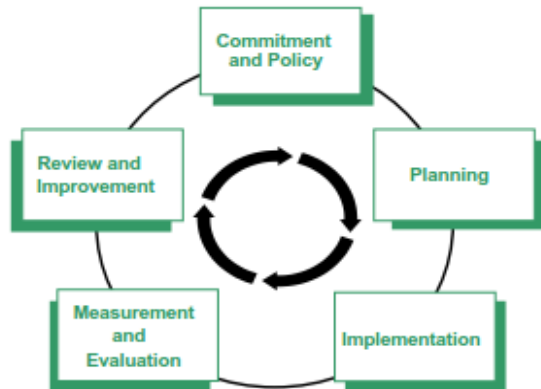


# Fundamental Principles – Financial

- Operational / Orchard Level
  - Driven using Lead Indicators (e.g. benchmarking, piece rates)
  - A budget is LAG indicator so it is not used by operational staff.
- Corporate Level
  - Budgets based on benchmarking data e.g. man hours for a task not based on \$ spent in the prior year
  - “no fat” in budget line items. A single “contingency” line is added
  - No “black boxes”. All budget items comprise drivers of that cost e.g. Fuel budget is drive from Tractor hours and fuel consumption for that task.
  - A focus on the key financial drivers - yield , quality and price
    - e.g. a focus on vertical integration/participation of the supply chain has delivered 5-20% better returns.
  - Cost generally a secondary consideration.

# Occupational health and safety (OH&S)

## Health, Safety and Environmental Management System



## Safety Induction Manual & Policy



July 2015

## Health, Safety and Environment Safe Working Practices

## Contractor Requirements & Site Induction

This booklet remains the property of the "Company" at all times. This booklet may not be copied without the written permission of the "Company" and must be returned to the "Company" if so requested.



# Occupational health and safety (OH&S)

## Standard Operating Procedure

Water Truck (ARM130.43)	
Authorisation: Managing Director	Page: 1 of 2
Version: 1	Date: Feb 2017

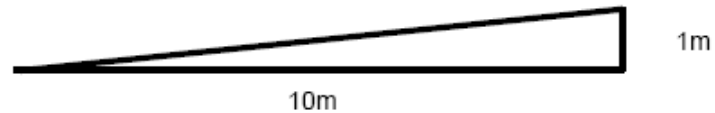
**Purpose:** To detail the safe and effective method of operating the Water Truck.

**Authorities and Responsibilities:** Refer Safety Induction Booklet, Refer Machinery Check SOP 110.01

**Cautions:** Do not use Water Truck on side slopes of more than 1m in 10m gradient.  
Check for hazards in operating area.  
Make sure no other personnel are within 10 m of the operating machine when watering.  
Never direct water spray at other workers.

Only operate at slow speeds and smooth ground on any side slopes.

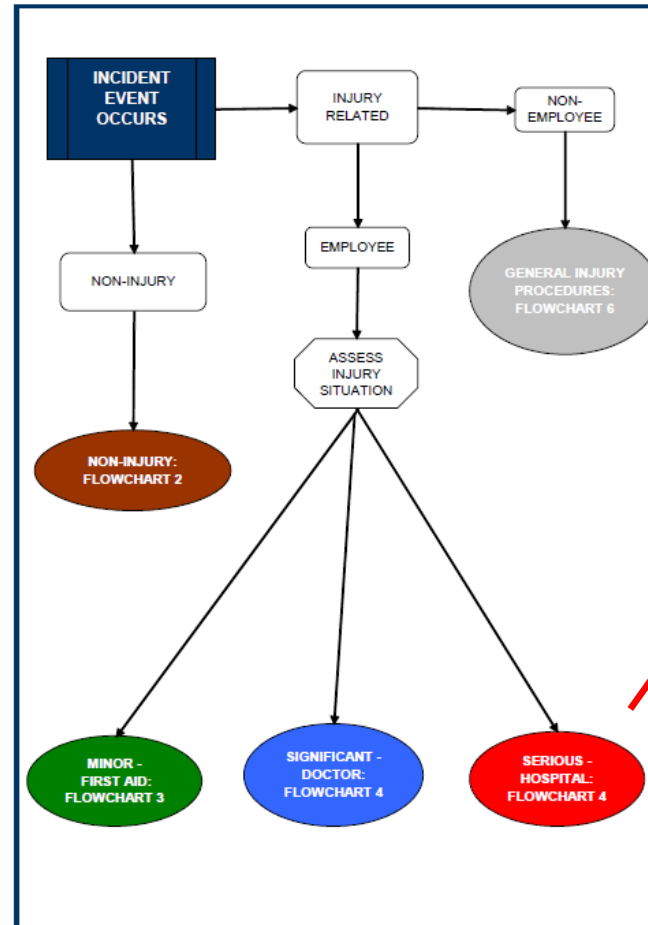
### Maximum Operating Gradient



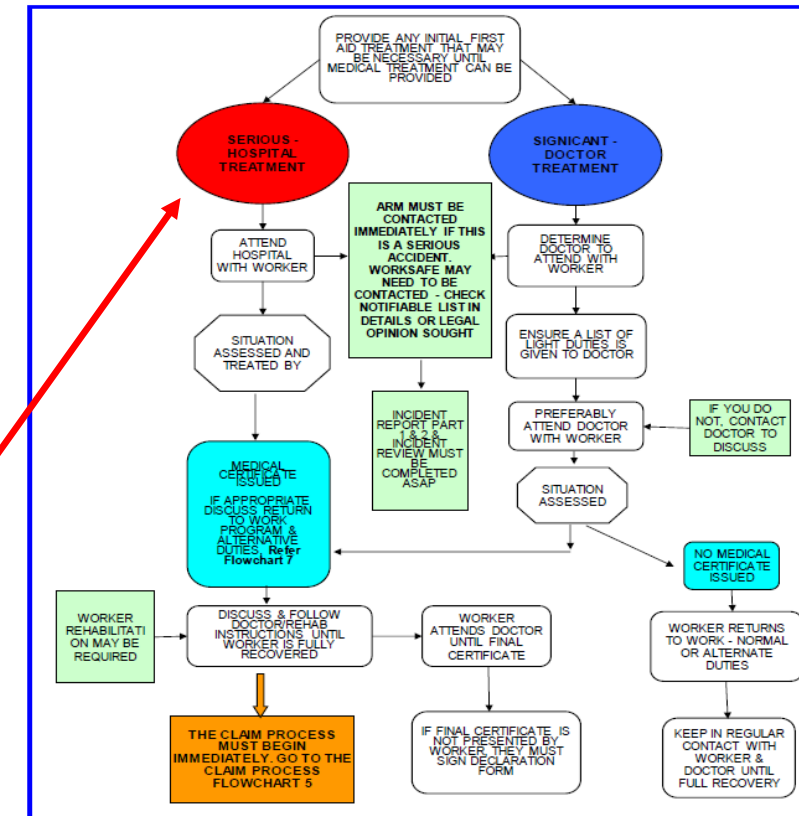
e.g. DO NOT drive sideways on the dam wall batter. At North Ruabon the batter is 1 in 4.

# Occupational health and safety (OH&S)

INITIAL INCIDENT: FLOWCHART 1



SIGNIFICANT/SERIOUS ACCIDENT: FLOWCHART 4



## Incident & Injury Management Manual



5<sup>th</sup> EDITION  
June 2015



IF YOU'RE  
NOT SURE  
HOW TO DO IT  
DON'T DO IT...  
**ASK!**

# Outcomes - Avocados

- Yields double national average
- Good retailer access due to quality through supply chain management
- Costs 40% of national benchmarking study average
- Vertical integration of supply chain = higher returns
- Costs run at 13-30% of revenue

# Outcomes – Bottom Line – for us!

- Sold Jasper business to OTPP
- Exited all agricultural assets

# The Future - Agriculture

- Corporate farming will grow
- Technology overcoming barriers to Corporate Agriculture
- Vertical integration
- Year Round Supply
- Proprietary IP will become more common

# Research and Development

- RDC's not the future for many -particularly corporates and domestic supply businesses
- Current RDC system
  - Monopolies - lack competitive tension
  - need to focus on leaders, innovators and implementors NOT followers and laggards
- IP ownership becoming more important



































# C Block Tensiometers

Graph Options View Growth Phases Data Comments Depth Graph Status:

06:33 Thu  
01/11/18

2 days  
22h 56m

