



PYLINES

Botanical Resources
AUSTRALIA

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Botanical Resources Australia new owner of pyrethrum industry

Botanical Resources Australia is the new owner of one of Australia's most innovative agricultural industries - the pyrethrum industry.

A syndicate, led by the former management of CIG Pyrethrum took over the company on May 1 this year for an undisclosed sum.

Managing director of Botanical Resources (and previous general manager of CIG Pyrethrum), Mr Ian Folder, said the takeover was facilitated by an extraordinary amount of support from the customers.

The past owner of CIG Pyrethrum, the British Oxygen Company, placed its pyrethrum arm on the market earlier this year as part of its world wide decision to rationalise its non-core businesses and concentrate, instead, on meeting the increasing demand for its gas products in the rapidly developing economies of Asia and third world countries.

Since its foray into pyrethrum in 1987, BOC has invested over \$30 million in the pyrethrum industry in Tasmania.

"This is a significant investment which has underpinned the high risk development phase of the business and has built an extraordinarily strong

• Botanical Resources Australia board members: former Premier of Tasmania, Mr Robin Gray and the managing director of Botanical Resources, Mr Ian Folder.

• Board member Mr Rowan Kennedy, senior partner in the national legal firm Mallesons Stephen Jacques



foundation for the business to grow," Mr Folder said.

The controlling interest of the company has been retained in Tasmania by the management, ensuring a far more responsive industry.

The purchase has been strongly supported by the customers and the National Australia Bank.

The board of the company currently includes the former Tasmanian Premier, Mr Robin Gray; Managing director Mr Ian Folder and a senior partner in national legal firm Mallesons Stephen Jacques, Mr Rowan Kennedy.

A further two board members are to be appointed to add experience in international trading

and marketing.

Mr Folder said the major short-term plans for Botanical Resources are to increase the company's market share of the world pyrethrum market from 10-15% to between 20 and 25%; to reduce the cost of production by 35%; and to establish a refinery in Tasmania.

The increase in production will occur through increased sowings of 800ha over the next two years.

Yield improvements anticipated as a result of implementation of research into direct seeding are expected to lead to significant reductions in the cost of production.

Major expansion underway

New and past pyrethrum growers have already signed up to grow more than 220 hectares of direct seeded pyrethrum with Botanical Resources Australia.

This increase in area later this year will allow the replacement of less productive sites with higher yielding sites, with a continued hectare replacement program expected to lead to a doubling of production by the year 2000.

While the aim for the season was up to 600 ha, Field manager Mr Matthew Greenhill is confident the shortfall will be made up for next year.

"In general there has been a really good reception from growers - prospective and existing," he said.

Matthew said recently he approached a prospective grower who showed little interest in growing until he saw the returns which were possible.

"The economics aren't a problem - there is enough in it for people to be interested. The package we have is good over the longer term but there are a few short term problems with cash flow as the first harvest is not until 15 months after sowing," he said.

To assist farmers, the company will be implementing an internal financing package. Details of this are available from field officers.

There were other reasons why growers were cautious about committing to the direct seeded contracts.

Many already had plans for their ground for the coming year.

"There has been a fair bit of uncertainty about the ownership of the industry as well - a lot of people want to sit on the fence and see how it goes before they sign up," Matthew said.

"Direct seeding is a new technology and farmers want to see how their neighbours go before they commit ground for it."

"This year we approached more than 60 prospective farmers who had never grown before. A lot of them had not thought about pyrethrum much in the past and now we have lodged the seed



in their minds. When we approach them next autumn, I am confident they will be keen to be part of the industry."

• This direct drilled pyrethrum crop at Laurie Connor's property, Lower Barrington was sown in September 1995 and photographed last summer.

New logo symbolises change

The development of the new logo for Botanical Resources Australia symbolises the changes which are occurring in the pyrethrum industry.

The logo, which represents both the 'B' and the 'r' from Botanical Resources, has been designed to suggest growing plants through the use of shapes and colours characterising leaves and blooms.

The colours also provide a freshness, again symbolising change.

While the policy of the new management is to further build on the structure and relationships developed under the British Oxygen Company, this edition highlights the challenges of continuous improvement through the adoption of innovations and the continuous focus on research.

Change will be the key to the industry's success and for all those involved, there are exciting days ahead.

Amabel Fulton, Editor