

## Time out of the country

Right now I'm immersed in a Spanish lifestyle – temporarily resident in bustling and beautiful Madrid at the end of a European “quick tour” undertaken for personal and professional goals. The last month has been a stimulating break from usual routines. More importantly it has fuelled learning and lateral thinking.

I've long been an advocate of time out to recharge and renew perspectives. A holiday at home is great. But travel that combines personal and business growth is a valuable resource.

Everything from understanding new cultures and values to the challenges of navigation, language and coping with vastly greater populations makes travel a challenge – if not very hard work! The great payoff is separation from the detail back home and an opportunity for a global view.

So what are my impressions from this trip? They include the contrasting fortunes of European and Asian economies, the impact of demographic changes and lifestyle choices on health and nutrition and our unique position to offer solutions.

A brief stopover in an Asian city is hardly enough to form a comprehensive view. However it was enough to highlight the emerging nature of these economies and their struggles to achieve comparable wealth. Impressions are of hard working people taking individual responsibility to improve their lot. The contrast between the lifestyle of the majority and the western “luxuries” displayed in vast shopping malls underlines the numbers of people whose tastes are likely to swing towards the products Australasia produces. There is real opportunity here.

In contrast, Europe seems to be struggling after years of opulence. Population replacement rates are flat to negative. There is heavy reliance on an aging population and immigrants to meet many labour demands. The consequent blend of cultures demands new ways attracting and managing people as well as understanding societies. Language and lifestyle challenges are the new reality for managers of labour intensive businesses – especially in agriculture.

This aging population is also relatively wealthy. Their lifestyles are resulting in a real effort by health authorities to promote improved diet or risk unmanageable demands on an already struggling health system. Cash incentives for new mums to spend on vegetables and constant advertising to increase awareness of diet related health risk are evidence of this focus.

The wealth of these societies also throws the importance of prudent investment under the spotlight. The recent “run” on British bank Northern Rock was fascinating to observe. The response of the Bank of England was perhaps even more intriguing.

This event raises important questions. They include the impact of the looming “credit crunch”, the integrity of banks that lend investors funds to borrowers well outside industry recognised lending criteria and just who is responsible for carrying investment risk – the individual or their country's reserve bank?

The panic response of Northern Rock investors was understandable. The folly of those who had invested their life savings in one institution thinking it was “safe as a bank”

was less so. There is an important message here those with cash to protect. It's a reminder that the first rule of successful investment is not to lose any capital! It's a real reminder about diversification.

My lasting impression is of a buoyant short term and uncertain long term outlook in the west offset by growing demand from the east. Given a backdrop of trade reforms, reduced food subsidies, growing focus on biofuels, reduced local food production and talk of food commodity shortages – one can't help but feel optimistic for New Zealand and Australia's primary sector.

The current prospects for Dairy are confirmation of this. They also highlight the importance of each industry getting their international strategy right. In my view this must be farmer driven and controlled. Relying on corporates to deliver in the farmer's interests is likely to mean a longer wait!

My recommendation remains to get out of the country. Book a flight, start understanding the big stuff and stop sweating the small stuff - most of all recharge the batteries to fast track your future!

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