

## Operator profile



# It's all about that country heritage: Entrepreneur continues family's success through diversification

By MADELINE COOPER

**F**ACED WITH THE PROPOSITION of managing and operating a stock feed mill without any customers, workers, suppliers or experience, most 20-year-olds would run a mile. Not Katrina Hobbs. The now-CEO of certified organic stockfeed business Country Heritage Feeds (CHF) barely hesitated when presented with the offer over the family dinner table 12 years ago.

Since then Katrina – who is now also a mother of four – has successfully expanded Country Heritage Feeds (CHF) into part of a fully integrated organic operation which grows, mills, processes, markets and sells high-quality animal feeds, supplements and concentrates to all regions of Australia.

“We started out with nothing; Dad went out to buy feed for his stock and came home the owner of a mill,” Katrina says of the family's acquisition in 1997. “Dad needed

someone to run and manage the mill and with a love for rural agribusiness on my side I agreed to do it, and I haven't looked back since.”

Based on a property in Highfields (10 minutes from Toowoomba, Queensland), CHF began producing conventional feed, but it wasn't long before the young and forward-thinking Katrina recognised the need to diversify into a niche market in order to create a successful and competitive mill. Within 12 months the mill became the

first certified organic stock feed mill in Australia.

“There was a real need in the market for a high-quality feed that performed well. Organic seemed to be the thing that really got us off the ground – it was an effective marketing tool first and foremost.”

Establishing a new business which supports a developing industry is a risky decision – one which Katrina puts down to the entrepreneurial nature of her family.

“Dad was always at the cutting edge of his business and not afraid to innovate and experiment with new and alternative concepts when other farmers were sticking with traditional methods.

“I guess this rubbed off on me; I’m strong-willed and I was not afraid to take risks,” Katrina says. “It also helped that no-one ever told me I couldn’t do it. I had a supportive family around me that were privy to new ideas.”

Diversification has well and truly paid off for CHF, with the company having significantly expanded its operations in the past 10 years and with further expansion planned.

CHF is now one part of a diverse family group of farming operations (both conventional and organic) under the umbrella of the Eden Farms Group, established by Katrina’s father Andrew Youngberry in 1983. In addition to CHF the group includes Moolan Downs (25,500 acres of certified and In Conversion organic land producing grain and cattle) and Eden Farms (a hydroponic vegetable operation).

Katrina says the relationship between CHF and Moolan Downs can be described as somewhat vertically integrated. CHF purchases all of the raw materials Moolan Downs can produce. To fulfil demand, CHF also buy a large amount of grain from other producers – and is always looking for new suppliers of grain and raw materials.

“We will never be able to produce enough grain on our own farms to meet the needs of the organic stockfeed mill,” Katrina says.

While the integrated relationship between the two family companies plays an important role in the operational success of both, Katrina says the move was not

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strategic and simply “just happened”.

“While being vertically integrated in this way can ensure efficiencies, control and availability of raw material, it is important to us to support the growth of organic grain producers out there,” Katrina says. “This ensures not only our growth but the growth and sustainability of the entire industry and the constant supply and subsequent demand of high-quality product.”

“For us, building a network of loyal suppliers along the supply chain is essential to our business and the wider industry.”

Katrina is passionate about industry growth and sustainability and says the industry is entering its most challenging period in history, forcing many businesses to reassess management practices.

“With demand for organic growing at a faster rate than ever before, we are faced with the situation where more new players will be entering the market,” Katrina says. “To remain in the game, everyone is going to be required to be more competitive, which means looking at reducing costs by achieving greater efficiencies and reanalysing what is sustainable.”

Katrina explains that it comes down to an issue of critical mass.

“Getting a little extra going through the supply chain – and, therefore, making it more accessible and affordable to people – will allow industry members to really ride the next growth stage.”

Katrina says the current and future market will require all members of the organic supply chain to develop new, innovative business models.

“Although many growers and processors would like to remain small and niche in order to gain high margins, this is simply unsustainable and inefficient in the long term.

“A bit of pressure from the market can be seen as a negative, but if it forces all of us to do it better and more effectively this is the key to the industry’s future success.”

She says producing best-quality feed using best practice has been the reason behind CHF’s success.

“If a chook farmer is achieving more eggs per kilogram of feed, that is going straight to the bottom line – which feeds straight into the price at the checkout. Our top-level conversion rates directly benefit the farmers because the animals perform better and consume less.”

Nevertheless, the company has not been immune to the challenges faced by industry in recent years. Drought caused a shortage of grain and pushed up the price of raw

materials to unsustainable levels, forcing many businesses (including CHF) to delay planned expansion.

“It affected the entire industry,” Katrina says. “Our inability to source affordable raw materials had effects right down the line.”

But Katrina says good times are ahead and expects expansion to begin in the near future.

CHF has recently acquired a new mass grain storage site at Pittsworth, 30 minutes from Toowoomba.

“The new facility will allow us to store certified organic grain on site – both stock feed and grain for human consumption,” Katrina says. “Storage issues are something the organic industry has really been held back by and caused price rises during tough times.”

Katrina says the new storage facility will allow the company to overcome some of the issues it has faced in the past in terms of sourcing and storing raw materials.

“Storage will help us manage the seasonal supply of raw materials and better administer grain availability from harvest to harvest.” 🌱

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