



24th June 2020

OBA Consulting features in Angus Beef Bulletin USA



ANGUS BEEF BULLETIN EXTRA

June 22, 2020 | Vol. 13 : No. 6



Brett O'Brien, Managing Director, OBA Consulting



Performance By Design

www.obaconsulting.com.au



Drought Insurance Down Under

In January, the Australian wildfires were making big news in American media. Drought is certainly a big deal in Australia. It's not called the sunburnt country for nothing, and the current Murray-Darling Basin drought is officially the worst on record. However, livestock drought insurance is not available to Australian ranchers. Fourth-generation farmer Brett O'Brien of OBA Consulting is on a mission to change that.

Having been involved in farming for more than 35 years and insurance for more than 20, the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) Fellow is working to introduce livestock drought insurance to the island continent.


A gap in the market

Born in rural Victoria, O'Brien was a registered Angus Society breeder who came into the insurance industry in the late 1990s after two years managing hotels and bars in Europe. He worked on several projects for the Thailand Insurance Institute. Later he was the national insurance manager for the Australian Red Cross.




"Introducing insurance against drought for farmers who lose livestock as a result of drought would improve the livelihood of farmers and the farming landscape for the current generation and those to follow," says Brett O'Brien.

our identity and national landscape, why can farmers not insure this huge interruption to their business?"




DON'T SWEAT IT!


FEATURED THEME ARTICLES




Shade Makes a Difference
Address heat stress challenges before they begin.



Know the Difference
In forage management, there's a difference between overstocking and overgrazing.



By Design
Summer shade to beat the heat.



Drought Insurance Down Under
Risk management option trying to come to fruition.

Toward the end of 2018, O'Brien started to look closely at livestock drought insurance and found it was essentially unavailable in Australia.

"I realized the current drought is Australia's worst since 1903, and it's front-page news," he says. "I found it unacceptable that farmers could not readily insure their livestock for drought. They could for flood and fire — why not drought?"

Australian farmers were being badly let down by government policy and the insurance sector, O'Brien says. "The majority of businesses in Australia can insure for business interruption — in a country such as Australia where agriculture forms such a large part of



Performance By Design

www.obaconsulting.com.au



EXTRA

ANGUS BEEF BULLETIN EXTRA

June 22, 2020 | Vol. 13 | No. 6

Drought Insurance Down Under
Risk management option trying to come to fruition.

In January, the Australian wildfires were making big news in American media. Drought is certainly a big deal in Australia. It's not called the sunbelt country for nothing, and the current Murray-Darling Basin drought is officially the worst on record. However, livestock drought insurance is not available to Australian ranchers. Fourth-generation farmer Brett O'Brien of OBA Consulting is on a mission to change that.

Having been involved in farming for more than 35 years and insurance for more than 20, the Australian and New Zealand Institute of Insurance and Finance (ANZIIIF) Fellow is working to introduce livestock drought insurance to the island continent.

A gap in the market
Born in rural Victoria, O'Brien was a registered Angus Society breeder who came into the insurance industry in the late 1990s after two years managing hotels and bars in Europe. He worked on several projects for the Thailand Insurance Institute. Later he was the national insurance manager for the Australian Red Cross.

"Introducing insurance against drought for farmers who lose livestock as a result of drought would improve the livelihood of farmers and the farming landscape for the current generation and those to follow," says Brett O'Brien.

"I realized the current drought is Australia's worst since 1903, and it's front-page news," he says. "I found it unacceptable that farmers could not readily insure their livestock for drought. They could for flood and fire — why not drought?"

Australian farmers were being badly let down by government policy and the insurance sector, O'Brien says. "The majority of businesses in Australia can insure for business interruption — in a country such as Australia where agriculture forms such a large part of our identity and national landscape, why can farmers not insure this huge interruption to their business?"

Toward the end of 2018, O'Brien started to look closely at livestock drought insurance and found it was essentially unavailable in Australia.

However, O'Brien is undeterred. He believes responsibility should not rest with the government to "cyclically, reactively hand out taxpayer-funded bailout packages."

"Nor should the government rely on taxpayer-funded bailout packages to secure re-election," he says.

As one option, O'Brien highlights index-based style cover like those operating in Kenya and Mexico, with the support of those governments.

He has also suggested setting up a discretionary mutual similar to the Australian Reinsurance Pool Corporation (ARPC), which focuses on terrorism risk and recovery.

"I was an insurance broker when the government established the ARPC in 2002," O'Brien says. "It has a lot of merit."

The work continues but hopefully the support to Australian ranchers will come to fruition in the near future. Risk management is a must in the livestock industry, regardless of country.

Editor's note: This article was adapted from an ANZIIIF release. More information about OBA Consulting is available at <https://www.obaconsulting.com.au> or by emailing admin@obaconsulting.com.au.

DON'T SWEAT IT!

FEATURED THEME ARTICLES

Shade Makes a Difference
Address heat stress challenges before they begin.

Know the Difference
In forage management, there's a difference between overstocking and overgrazing.

By Design
Summer shade to beat the heat.

Drought Insurance Down Under
Risk management option trying to come to fruition.

ANGUS BEEF BULLETIN

Considered one of the industry's strongest advertising platforms for Angus producers who seek to make headway into the commercial market, the Angus Beef Bulletin reaches nearly **65,000** cattlemen nationwide.

This continues OBA's association with the USA as referenced in this OBA [update](#)

In other related news further to OBA paper of 26th May 2020 titled:

‘Worldwide Agriculture insurance premiums and government support’:



A thank you to [Hamish Wyatt](#) at The World Bank with respect to collation of the above



Performance By Design

www.obaconsulting.com.au



More countries such as Hungary and Thailand continue to support Agriculture Insurance via their respective Governments with articles from the 11th and 19th of May 2020 respectively below:

Hungary: The Hungarian Government Stands Up for Agriculture Under the COVID-19 Crisis

May 11, 2020 | [Attaché Reports \(GAIN\)](#)

[The government](#) is introducing an agricultural crisis insurance scheme to address recent market difficulties in the sector and challenges in the near future, including the current market and economic conditions caused by the coronavirus epidemic. The bill on this was submitted to the Parliament by Minister of Agriculture.

Domestic agricultural risk management currently addresses the weather challenges of crop production with three overlapping elements. With the introduction of the new fourth pillar, producers will also be able to cover their losses due to market disturbances, falling prices or animal and plant diseases, the ministry says.



Thailand - Govt approves US\$10m maize insurance project

The Thai Cabinet has approved a maize insurance project estimated to cost THB 313.98 million (\$9.8 million) that would cover a target area of 3 million rai (480,000 ha), to mitigate the effects of natural disasters. The Cabinet has assigned the Office of Insurance Commission (OIC) to oversee the maize insurance policy in accordance with its resolution.

Seventeen insurance companies are participating in the project which will run from 12-31 May 2020 and from 1 Oct 2020 to 15 January 2021. The maize insurance project follows a rice insurance scheme for the 2020 season approved earlier this year by the National Rice Policy Committee that is worth THB 2.91 billion and aiming to cover 44.7 million rai of farmland.

Full article [here](#)



From Thailand, yet a familiar sight to Australians, only with a little more H2O above



Performance By Design

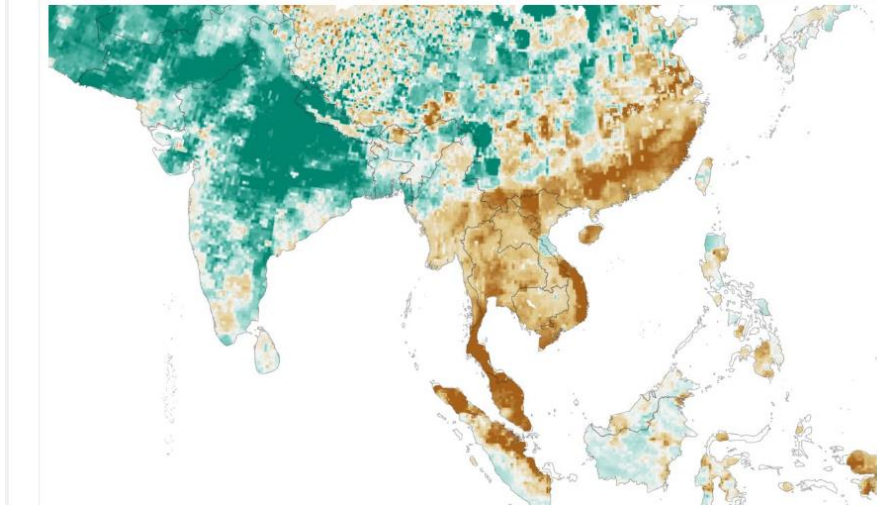
www.obaconsulting.com.au



Further from Thailand the below article from June 2nd 2020 is news of Thailand's Drought being good news for Australian Barley:

Drought in Thailand good news for Australian barley growers

Grain Brokers Australia, June 2, 2020



Full article [here](#)

The above being very much in line with [OBA's ethos](#) expressed in full op-ed below of 19th May 2020:



Less reliance, more resilience

*In terms of Australian agriculture exports to China namely beef and barley, Australia needs to methodically correct the imbalance between **reliance** and **resilience**, in doing so **maintaining supply chains into Asia** and not decimating income to our farmers.*

Full op-ed online [here](#)



Performance By Design

www.obaconsulting.com.au



It will be interesting to watch what the Thailand Government does to further support their farmers.

Below from 2016 visiting the [Thailand Insurance Institute](#) with President Tadthep Sujitjorn:



UK US CA AU NZ Asia
Insurance
BUSINESS



Thailand Insurance Institute to help firms expand abroad

by Gabriel Olanio 24 Oct 2018

SHARE [f](#) [t](#) [in](#) [e](#)

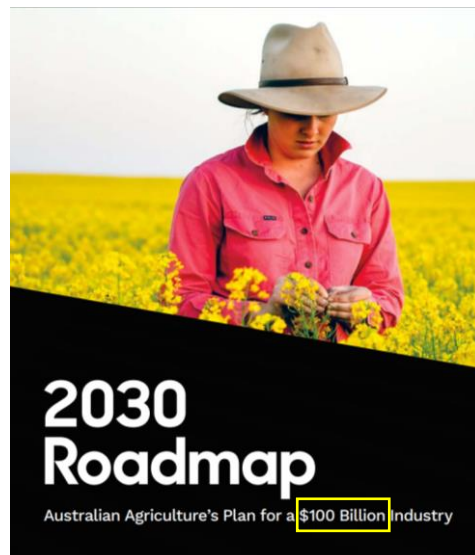


The Thailand Insurance Institute (TII) plans to extend assistance to help the country's insurance companies capitalise on business opportunities and expand into neighbouring markets.

According to TII director **Tadthep Sujitjorn**, despite Thailand having the second largest general insurance market in ASEAN next to Singapore, Thai firms' role on the regional insurance scene is quite minimal.

[here](#)

Multi Peril Crop Insurance



[NFF](#)

You can make a strong case that Multi-Peril Crop Insurance or a variant thereof is the most important policy a grower can take out yet from the below chart produced by



Performance By Design

www.obaconsulting.com.au



[Grain Growers Australia](#) referenced in OBA [update](#) of 7th September 2019 the number of issuers offering this cover to existing and **new** customers (farmers) in Australia is **alarmingly low**:

2018 products				Where to check for 2019 products	
Product Name	Product Type	Provider	Underwritten by	Will the product be offered in 2019. If so, what are the key conditions?	Who can growers contact for more information?
Insurance Facilitators, Cropsure	MPCI	Insurance Facilitators	Inter Hannover	No Named peril policies (e.g. fire, hail) will be offered.	☎ (08) 8372 4020 ✉ proposals@if.net.au
CGU/WFI, Crop Income Protection	MPCI	CGU / WFI	Insurance Australia Limited	No MPCI products will not be offered. Weather derivative products, as well as named peril policies (e.g. fire and hail), will be offered.	☎ 132 481 🌐 www.cgu.com.au
Latevo, Certainty	MPCI	Latevo	Lloyds of London	No Latevo have indicated that they will form a farmers mutual which will offer income protection products in 2019.	☎ 1300 528 386 or (02) 6964 7111 ✉ admin@latevo.com 🌐 www.latevo.com
Ausure (Formerly MPCI Australia)	MPCI	Ausure	Liberty Specialty markets	Yes (qualified) Renewals to existing clients only. Introducing a weather derivative option.	☎ 0417 298 173
Primacy, PrimeGuard (Allianz)	MPCI	Primacy	Allianz	No Not offering an MPCI product. Allianz will instead offering weather derivative options. Named peril policies (e.g. fire, hail) will be offered.	☎ Primacy: (03) 9603 1050 ☎ Allianz Pacific: (02) 8258 5032 🌐 www.agcs.allianz.com
SureSeason Revenue Winter Crop Multi-Peril	MPCI	SureSeason	Lloyds of London	Yes [†]	☎ (03) 5382 0569 ✉ info@sureseason.com.au 🌐 www.sureseason.com.au
Celsius Pro, Weather Index	Weather Derivatives	Celsius Pro	Multiple	Yes Weather derivatives offered.	☎ (02) 9994 8009 ✉ info@celsiuspro.com.au 🌐 www.celsiuspro.com.au
AgriRisk, Weather Risk Solutions	Weather Derivatives	AgriRisk Weather	Multiple	Yes Weather derivatives offered.	☎ 02 9965 1100 🌐 www.agrisk.com.au
AWB Broadacre Crop Insurance	Named Perils, incl. Establishment risk and Frost (Note: this is not an MPCI policy).	Crop Risk Solutions	Swiss Re International SE Aust. Branch	Named Perils policy will be active (hail, frost and fire, crop establishment failure and insufficient soil moisture at planting)	☎ 1800 447 246 ✉ growerservicecentre@awb.com.au 🌐 www.awb.com.au

[Grain Growers Australia](#)

For those who may be curious or confused as to how WFI (IAG) [are](#):

‘Doing our bit to help Aussie farmers’

by withdrawing from the MPCI market as highlighted above, **notwithstanding it is and should be the prerogative of any privatised insurer(s) to choose their markets**, OBA Consulting is too:



This again emphasises large-scale problems of a non-Government underpinned Agriculture Insurance sector.

Perhaps the greatest known secrete, largely within esoteric insurance conversations, yet occasionally making landfall in mainstream media is the perilous state of Australia’s Directors and Officers Liability market.



Performance By Design

www.obaconsulting.com.au



It has been on shaky ground in recent years with no ease in sight as GrainCorp recently felt hit with a renewal premium close to \$7M, roughly a 1,000% increase on 2 years prior as reported 23rd June 2020 [here](#).

ABC NEWS 17th June 2020

ABARES says weather conditions improve but prices fall for farmers amid coronavirus fallout



Full article [here](#) with excerpt below

As damaging as COVID-19 has been for Australian agriculture, the **drought** continues to have a bigger impact on farm economic output, according to new data released by ABARES.

In this OBA [update](#) of February 21st 2020 we referenced the Reserve Bank of Australia's metrics on the economic impact of Drought on Australian Agriculture as presented to the National Press Club:



- Farm output declined by 16% between 2017-2019;
- Farm exports fell by 13% between 2017-2019;
- Farm production expected to fall by circa 10% in 2020;



In terms of the [recent overturning of live exports ban](#) in Australia OBA Consulting supports this decision.

More so however OBA Consulting advocates for **ALL** transport of livestock to be carried out with the animal's welfare of utmost importance.

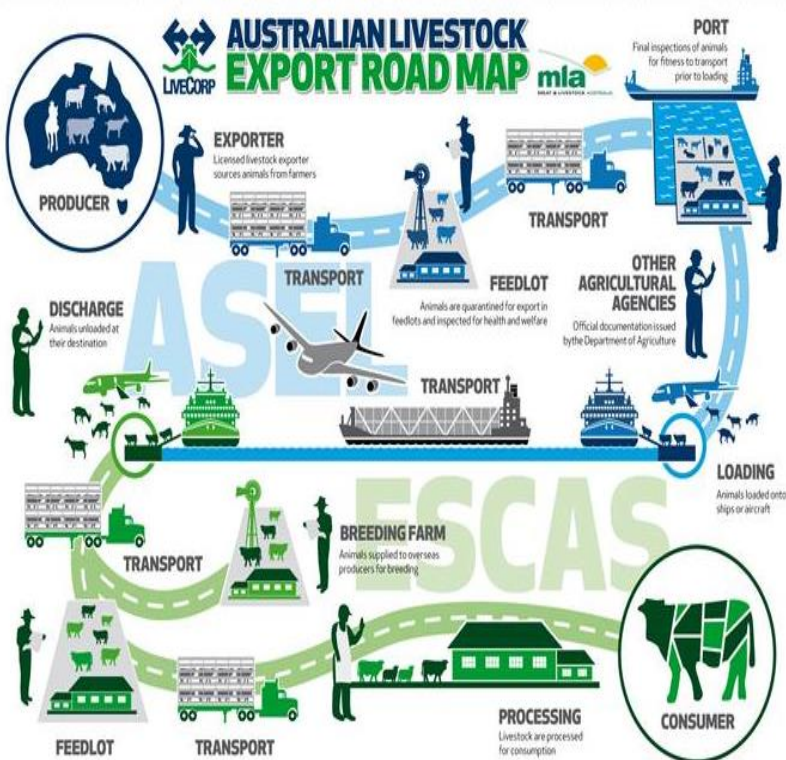
This includes **ALL** methods of conveyance be they Vessel, Aircraft, Road, Rail or whatever.

Our livestock's welfare must be of primary importance to producer, carter, processor and all members of the supply chain.

Those not in step with the above should be identified, penalised, with recidivists charged and ostracised.

At OBA Consulting we not only advocate for the 'humane' treatment of livestock however the ethical treatment that absolutely makes the animals well-being a **priority**.

Brett O'Brien – Managing Director – OBA Consulting



Online [here](#)

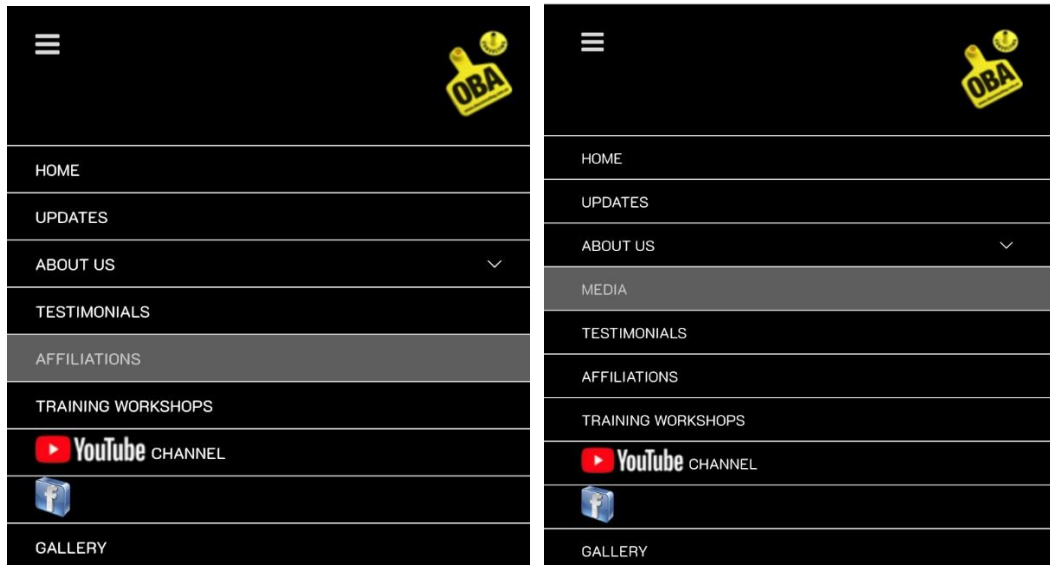
OBA Consulting supports the [ethical treatment of animals](#) including the:



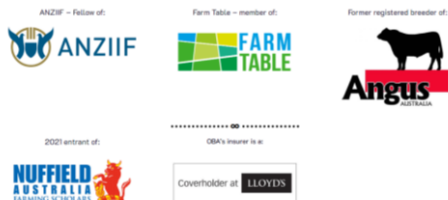
banning of bull fighting [here](#)



We have recently added [Affiliations](#) and [Media](#) tabs to OBA website:



Affiliations



OBA in the Media



Additionally, we can be connected with via [Facebook](#):



Performance By Design

www.obaconsulting.com.au



Feedback from this item in [Farm Table](#) also under our [Media](#) tab has been positive:



Dear Brett,

In another industry-led initiative, Brett O'Brien, MD of OBA Consulting and a Fellow of The Australian & New Zealand Institute of Insurance & Finance, is dedicating his time to the introduction of livestock drought insurance. He is investigating a livestock drought insurance policy that can respond to costs associated with loss of livestock, transportation costs and the purchase of feed. Learn more [here](#).

Click [here](#) to see what Farm Table members see re the above, ***all 15,000 of them!***



From OBA [Gallery](#)



OBA Consulting Australia is a B2B consultancy operation - we do not provide any advice to the general public whatsoever in relation to general insurance products. In the course of referencing other sources of news & information in this document, including usage of third party entity logo's this is done so on the basis of 'information purposes' only. This document and any attachments are confidential. If you are not the intended recipient, please notify OBA Consulting immediately and delete all copies of this document. You must not copy, use, disclose, distribute or rely on the information contained in it. Copying or use of this communication or information in it is strictly prohibited and may be unlawful. The fact that this communication is in electronic form does not constitute OBA Consulting consent to conduct transactions by electronic means or to use or accept electronic records or electronic signatures. Confidentiality and legal privilege attached to this communication are not waived or lost by reason of mistaken delivery to you. OBA Consulting does not guarantee that this document or links are unaffected by computer virus, corruption or other defects and accepts no liability for any damage caused by this document or links due to viruses, interception, corruption or unauthorised access. Copyright © 2021 OBA Consulting, all rights reserved.



Performance By Design

www.obaconsulting.com.au

