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# Noodle success for Japanese company spurs big agribusiness into organic farming

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Ryuji Nakamura says the best organic wheat is grown in Australia. (ABC Rural: Jess Davis)

**A Japanese noodle company based in Victoria is spurring big agribusiness into the organics market.**

Hakubaku opened a factory in Ballarat nearly 20 years ago because CEO Ryuji Nakamura said they wanted to be close to the best quality organic wheat.

"We studied Australian wheat and the best of the best was very hard to import," he said.

"So we have decided to source them domestically so obviously we needed to have a factory here in Australia."

## Not enough organic wheat



Kilter Rural have just harvested their second crop of organic wheat. (Supplied: Kilter Rural)

But three years ago the supply of locally grown organic wheat dropped by around 20 per cent after a major grower left the market.

“So everybody panicked then, they were our main supplier too. So we searched and searched and searched,” Mr Nakamura said.

By chance Mr Nakamura met Michael Neville, Manager of Farmland and Ecosystems for Kilter Rural — a Victorian agribusiness.

Mr Neville said when he was first asked if he was interested in growing organics he wasn't sure.

“Nothings out of the question but I had to think really hard about it,” he said.

“It's totally different to the way we've been farming for the last 20 years.”

But Mr Neville said he had done a complete turn around now.

“If you think about how my father farmed in the '70s you think well they did it without chemicals and a lot of cultivation, we just had to go back to that structure.”



## The business of organics



Hakubaku set up a factory in Ballarat so they could be close to organic wheat farmland. (ABC Rural: Jess Davis)

The two companies have entered into a five-year contract, with Kilter Rural just finishing their second harvest of organic wheat.

Ryuji Nakamura said it was the perfect opportunity for agribusiness to get into organics.

"So our philosophy and their business model is quite similar," he said.

"They would like to have a long-term customer and we needed a long term grower."

In 2014 the price for organic wheat nearly doubled, and Mr Nakamura said the price point is a big incentive.

"Traditionally, I think Australian organic grower were doing more to philosophy than business," he said.

"Now the price is almost double, so that's where agribusiness saw the opportunity to invest into the farmland."

## Five years ahead of the pack

Kilter manage 9000 hectares of farmland in central Victoria, for a superannuation company.

Mr Neville said 1500 hectares of that will be dedicated to irrigated organics in the next few years.

"It's been a slow process, it's a massive change, these soils were tired and our brief to go in there was to rejuvenate and change that landscape," he said.

The former farmer said he never would have entered into organics if it hadn't been for the relationship with Hakubaku. And by the time other big agribusiness catch on Mr Neville thinks Kilter will be five years ahead.

"It's going to take us three to five years to get to the production to where we want it to be," he said.

"We've got a demand of 30,000 tonnes of organic grain that we've got no hope of meeting."



Eighty-five percent of Hakubaku's noodles are organic. (ABC Rural: Jess Davis)