



National Farmers' Federation Request for Quotation (RFQ)

ON-FARM FINANCIAL RISK MANAGEMENT PROJECT: SUB-PROJECT 3 – MUTUALS AND COOPERATIVES

As part of the National Farmers' Federation (NFF) On-farm Financial Risk Management Project, this Request for Quotation (RFQ) is seeking services to examine and report on:

- the prevalence of farmer mutuals and cooperatives in Australia and in other major developed countries;
- their key benefits, including value and impact, and limitations in assisting farmers to manage financial risk, including their size and the services they offer;
- barriers to improving or expanding their service offering; and
- conditions needed to reduce or remove those barriers.

Individuals or organisations making a submission are required to have an understanding of Australian and international farmer cooperatives and mutuals and the Australian agriculture sector.

Background

On 18 July 2019, the NSW Government announced it would allocate funds to work with the National Farmers Federation and identify potential models that could be used to protect farmers against income loss in future droughts or even natural disasters.

The Project is focused on the following 7 sub-projects:

Sub-Project 1: Commercial and Government-subsidised insurance options

Sub-Project 2: Forward contracts, futures, options and swap markets and associated product options

Sub-Project 3: Mutuals and Co-operatives

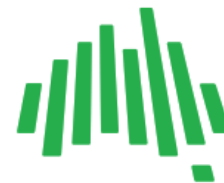
Sub-Project 4: Financial risk management options – awareness and education

Sub-Project 5: Off-farm income and assets

Sub-Project 6: Other government risk management measures including tax, and cyclical income based stabilisers

Sub-Project 7: Overall Project coordination, data collection, report summary and recommendations, and communications

This RFQ is for Sub-Project 3 but respondents may submit quotes for more than one project.



Sub-Project requirements

Respondents must include in their quotation:

- 1) Evidence that they have the relevant expertise to address the project topic;
- 2) Evidence of previous comparable project experience;
- 3) A statement regarding their ability to complete the project in the designated time, including relevant resourcing;
- 4) An outline of their strategic approach to completing the project;
- 5) An outline of the structure of the report;
- 6) A description of how they will convene and maximise engagement with farmer reference groups;
- 7) A description of how they will source information and data for the project; and
- 8) A proposed budget.

Sub-Project deliverables

The sub-project has three deliverables:

The first deliverable is to provide the NFF with a report that:

- a) Describes how mutuals and cooperatives in the agriculture sector currently work in Australia and in other major developed countries in terms of assisting farmers manage financial risk.
- b) Collects and details data on the number of Australian farmers joining mutuals and cooperatives for the purpose of managing financial risk by commodity, size of business, and location.
- c) Collects and details data on the number of farmers in major developed countries who are members of comparable mutuals and cooperatives and compare this with the Australian data.
- d) Collects and details input on the value and impact of mutuals and cooperatives as assessed by farmers who are currently members of mutuals and cooperatives in Australia.
- e) Identifies and assesses potential existing and new developments related to mutuals and cooperatives for assisting farmers manage financial risk.
- f) Identifies and assesses barriers to farmers in Australia and in major overseas countries to joining and or remaining in mutuals and cooperatives.
- g) Identifies, assesses and makes recommendations on the conditions needed to address these barriers and the viability of putting those conditions in place.
- h) Identifies and assesses the commercial impact on the Australian agriculture sector generally and by major commodity of increasing membership of mutuals and cooperatives.



- i) Identifies and assesses the public policy impact of increasing membership of mutuals and cooperatives.

The second deliverable is to convene and engage with a **farmer reference group** for the duration of the project to seek input, validate and test the information and ideas contained in the report.

The third deliverable is to work with the overarching Project coordinators and other sub-project groups to deliver a holistic and consistent report and set of recommendations.

Timeline

Date	Activity
19 February 2020	RFQ applications open
18 March 2020	RFQ applications close
1 April 2020	Expected execution of contract or issue of agreement
30 October 2020	Expected project completion date

The NFF believes that the project should be completed within seven (7) months. If a longer timeframe is required, the Tenderer should explain why that is the case.

Terms and conditions

By submitting an application, respondents acknowledge that they are willing to accept the terms and conditions set out in the service contract.

The Respondent agrees that the NFF may accept or decline to accept the Respondent's Quotation in its discretion. No commitments or contract exists until a contract in the form of the Provider Agreement is executed by both parties. The Respondent agrees that the NFF is not required to enter into any contract in connection with the RFQ.

The Respondent agrees that participation in any stage of the RFQ process is at the Respondent's sole risk and cost.

Acceptance of a Quotation will occur only when an Agreement is issued or a contract is executed.

The NFF, at its discretion, may discontinue this RFQ, decline to accept any Quotation, decline to issue any contract or satisfy its requirement separately from this RFQ process.

How to make a submission



Responses to the RFQ are to be submitted via email to:

NFF Staff Name: Prudence Gordon
NFF Staff Title: General Manager, Trade and Economics
NFF Staff Email: pgordon@nff.org.au

Submissions close Midnight (AEDT) 18 March 2020.

Contact

If you have any questions about the RFQ process or requirements, please contact:

Prudence Gordon
General Manager, Trade and Economics
Ph: 02 6269 5666
Email: pgordon@nff.org.au