



CLIENT SUCCESS STORY:



From Paddock to Precision: How Farmlands Rewrote the Rules of Rural Supply with DMS

The Company



Organisation: Farmlands Co-operative
Industry: Agribusiness / Rural Retail
Head Office: Christchurch, New Zealand
Annual Revenue: NZD 2.5 Billion
Employees: 1,400
Branches: 82 Nationwide
Shareholders: 70,000+ New Zealand Farmers

Founded in 1962 in Otago, Farmlands Co-operative has grown into New Zealand's largest rural co-op, serving 70,000 farmer shareholders and generating over NZD 2 billion in revenue.

The co-operative embarked on an enterprise-wide supply chain transformation designed to drive agility, safeguard service, and strengthen its co-operative values.



We had to move from instinct to insight. From firefighting to foresight. This transformation gave us the clarity we needed to serve our farmers better and build something stronger for the future.

*- Mike Mortlock, Head of Supply Planning,
Inventory & Analytics, Farmlands*

Today, Farmlands delivers essential agricultural products and services nationwide to help farmers improve profitability and sustainability.

Through 82 branches and a nationwide distribution network, Farmlands supplies critical inputs, from fencing and animal health to horticulture and crop protection with a clear purpose: improving shareholder profitability and sustainability. But serving 70,000 farmers in a volatile world requires more than stock or branches. It requires clarity. Clarity in what to buy, when to replenish, and how to protect the people who depend on you.

As climate shocks intensified, global competition increased, and operational complexity grew, Farmlands recognised that manual processes and good intentions were no longer enough. To remain New Zealand's most trusted rural partner, the co-operative embarked on an enterprise-wide supply chain transformation designed to drive agility, safeguard service, and strengthen its co-operative values.

*From complexity to clarity.
Farmlands turned challenge into co-operative strength.*

“This wasn’t just a system upgrade; it was a shift in how we think, plan, and deliver. We’ve reduced waste, improved availability, empowered our planners, and protected our farmers through disruption. The numbers prove it, but the real success is felt in every branch, every season, and every farming community we serve.”

- Siobhan Williamson, GM, Integrated Business Planning, Farmlands

The Challenge

Like many traditional retailers, Farmlands had legacy processes that had reached a breaking point. But unlike most, they took decisive action before it was too late.

Farmlands faced a series of compounding supply chain challenges:

Climate Disruption

Cyclone Gabrielle severely impacted farming regions, creating sudden surges in demand for essential products

These challenges led to stockouts, excess inventory, and reactive processes that eroded both shareholder trust and internal confidence.

SKU & Branch Complexity

Over **600,00 SKUs - Location** with varied demand, lead times, and seasonality.

Farmlands needed a more innovative way to forecast, replenish, and procure at scale, without compromising the service their farmers rely on.

Stock Imbalance

Some stores ran out of critical items, while others held surplus items, which affected service and tied up working capital.

They required a solution that could bring agility and resilience across their entire network of stores, feed mills, and distribution centres, while staying true to their co-operative values.

Economic Pressure

The increasing costs of doing business – including costs from suppliers, freight, storage and write-offs / discounting

Manual Procurement Processes

Over **350,000 Purchase Orders** and **1,500,000 line items** were processed manually each year, wasting time and causing inconsistency

Digital supply chain leaders grow revenue 2.5x faster and reduce costs by 20% more than laggards.

- Capgemini Research Institute, 2023



Every tonne of waste we prevent, every smarter order we place, is a step toward a more sustainable future for rural New Zealand. This transformation helped us protect the land, support our farmers, and honour our co-operative responsibility, without compromising performance.

- Caleb Nicolson, Chief Supply Chain Officer, Farmlands



The Solution

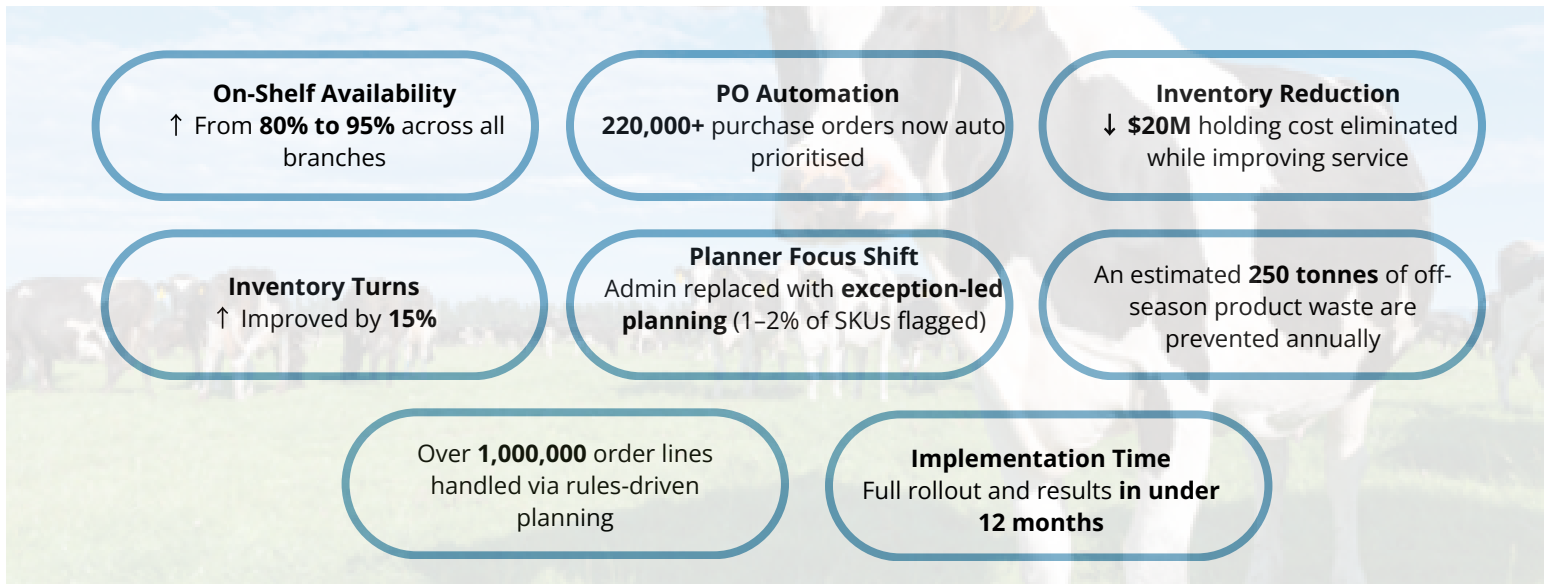
In partnership with DMS, Farmlands implemented a digitally integrated planning and procurement platform that redefined demand, supply, and replenishment decisions. By implementing intelligent replenishment and improving inventory turnover, Farmlands now prevents over 250 tonnes of waste annually, helping build a more sustainable future for New Zealand's farmers.

Key Capabilities Delivered:

- **Demand & Inventory Planning.** Dynamic, regionally adaptive forecasting and replenishment models.
- **Smarter Forecasting & Demand Optimisation.** Aligned inventory to localised demand patterns, reducing manual intervention and improving availability.
- **Automated Procurement Planning.** Purchase orders are generated by business logic, optimising freight, MOQ, and supplier price breaks.
- **Exception Management Engine.** Attribute-based alerts surface urgent SKUs, reducing noise and enabling planners to focus where it mattered most.
- **End-to-End Visibility.** Real-time KPIs, demand coverage, and SKU alignment across teams and branches.
- **Capability Uplift.** A trained power user group embeds continuous improvement and planning discipline across the network.

The Results

These results represent more than just operational wins. They reflect a transformation in how Farmlands serves its farmers: faster, leaner, smarter, and ready for the future.



Strategic Initiatives and Operational Highlights

- **Supply Chain Transformation:** The co-operative completed the second year of its three-year supply chain transformation, focusing on centralised procurement and inventory management. This initiative contributed to improved stock availability, reaching over **95%**, up from **80%**.
- **Product Range Optimisation:** Farmlands reduced its product offerings from over **45,000** to approximately **14,000** products, with approximately 2,000 accounting for **90% of sales**. This streamlining aimed to enhance forecasting and purchasing efficiency.
- **Customer Savings:** Efforts to improve pricing on rural supplies, through supply chain efficiencies and supplier negotiations, resulted in an additional **\$6.9 million returned to farmers and growers**.

Impact Highlights

Cyclone Recovery

After Cyclone Gabrielle, the system enabled planners to reroute livestock feed to impacted Hawke's Bay branches within **24 hours**, ensuring animal welfare was protected during the crisis.

Planner Culture Shift

"It's like we've gone from driving blindfolded to having a heads-up display."

Peak Season Scalability

In spring 2024, **over 70,000 PO lines** were processed monthly, with **less than 2% requiring manual intervention**.

Sustainability & Waste Reduction

More innovative planning helped prevent an estimated **250 tonnes** of seasonal overstock and write-offs annually.

Future Plans

Farmlands is extending its supply chain maturity through:

- Raw material and manufacturing planning
- Integration with Seales Winslow
- Finite production scheduling
- AI-enhanced forecasting and demand sensing
- Smarter seasonal exit and promotional planning

Farmlands set out to serve farmers better. But in doing so, they redefined what's possible for rural organisations everywhere, proving that legacy is not a limitation, and that with the right people and purpose, transformation can take root in even the most complex soil.



What made the difference was how we worked together. The DMS team didn't just advise - they listened, rolled up their sleeves, and built trust with our people. Their consultants brought deep experience, challenged our thinking, and worked alongside us to deliver real, measurable outcomes."

- Mike Mortlock, Head of Supply Planning, Inventory & Analytics, Farmlands

Post-project, Farmlands outperforms APAC benchmarks in inventory turns and availability for rural and agricultural retailers.



About Demand Management Systems

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Demand Management Systems (DMS) is a leading international advisory and provider of supply chain solutions, boasting a rich history of more than 38 years dedicated to transforming organisations in both Australia and Asia-Pacific.

Since 1987, DMS has been instrumental in guiding, implementing, and providing ongoing support to a diverse portfolio of more than 350 organizations across Asia-Pacific. Their commitment to delivering best-practice supply chain planning has solidified their reputation as a reliable provider for transforming Demand, Supply, Sales, Operations and Network Design and Optimisation. Learn more here: <https://demandmgmt.com>