

Introducing your 2009-10 Executive Committee

Peter Adamski – Provincial President

Kathleen and I moved out of milking cows at the end of the 2008 season and moved into heifer grazing on a 48ha property at Omata. This was a two pronged attack; I expected cow prices not to be sustainable long term and not milking would free up some time to represent Taranaki Federated Farmers members.

We also rear bull calves in the spring and spend our time planting riparian trees over the winter. I also run a number of bee hives around the coast and undertake Farmsafe facilitation work.



Harvey Leach – Vice-president (Co-opted by the executive committee)

Lynnette and I have four adult children. We run a dairy farm east of Eltham. I went farming in my late 20s but I have a background in construction.

I am currently involved as a facilitator/co-ordinator (when required) of the Taranaki Rural Support Trust, which is administered by Taranaki Federated Farmers.

Charles Bayly – Treasurer

I am a 56 year old sheep, beef and dairy farmer in the Huinga Valley, 15km east of Stratford and have been a Federated Farmers member since starting out in my farming career in 1983.

Bryan Hocken – Immediate Past-president

I enjoy being involved with Federated Farmers and lobbying for the rights of farmers. I have fond memories of leading the protest to Wellington to stop the FART tax being introduced and also our victory with the micro-chipping of dogs.

I am still very involved with Taranaki Federated Farmers in my role as Immediate Past-President. Helen and I farm an intensive sheep and beef farm in Tarata.

Neville Wallace – Meat & Fibre Chair

I would describe myself as a semi retired farmer. The remaining land we own is leased out to a local dairy farmer. This has given me more time to involve myself with Taranaki Federated Farmers. Besides being Chair of Meat & Fibre, I have put my talent for photography to use by contributing to Federated Farmers publications. Once a month, I can be heard on “Coast” Radio doing a farming review with Bryan Vickery.

I cover events and issues that are facing Taranaki Federated Farmers and other farming matters.

Derek Gibson – Dairy Chair (effective 1st August 2009)

I have enjoyed the past 12 months with the Taranaki Federated Farmers Executive Committee.

Wendy and I are like most New Zealand dairy farmers facing a challenging season both payout-wise and also with the grass cover on the farm being about three months below average growth. On that note, it was great to see that the farming and financial seminars held recently, were well attended. Lastly, I am enthusiastic about the coming 12 months and the many challenges facing farmers and the Federation.

John McMurray – Central Representative/ Meat & Fibre Vice-chair

I farm in a partnership east of Inglewood. The farm is a 451 hectare sheep and beef finishing property running approximately 5500 su. As one of New Zealand's biggest lobby groups on both the local and national levels, farmers need to support the organisation in any way they can. This way the work being done on lobbying against compliance costs, rules and regulations (that are slowly eating away at our farm profits) can continue to be done effectively.

Jim Duff – South Taranaki Representative

I represent South Taranaki. I lived in South Taranaki for 45 years and own a dairy farm at Auroa, which I now lease out.

I now live in Oakura, but run a small dairy farm at Omata. I have been on the Taranaki Federated Farmers executive for four years. I believe Federated Farmers must keep pressure on local bodies to keep a lid on rural rates, as the recent increases are not sustainable.

Clive Gaustad – Northern Representative

I am a dry stock farmer in the Uruti Valley. My wife and I have three children and farm 4700 Romney ewes and 380 Angus cows. Our farm has a mixture of contour, with some easy land to fatten stock and for our young stock but we also have some very steep country as well.

Graeme Hight – Eastern Representative

I have been involved with Federated Farmers for many years, firstly as secretary of Toko- Huinga for over 20 years and chairman for about six years. I have been on the Executive of Taranaki Federated Farmers for about 15 years including three years as Dairy section chair. At present, I represent Federated Farmers on the Taranaki Regional Council Policy and Planning Committee. We live on a lifestyle block at Brixton and own a dairy farm at Toko.

PROVINCIAL CONTACT LIST



TARANAKI

PRESIDENT

Peter Adamski 06 751 4217

VICE-PRESIDENT

Harvey Leach 06 764 8333

TREASURER

Charles Bayly 06 762 2857

IMMEDIATE PAST-PRESIDENT

Bryan Hocken 06 756 5867

MEAT & FIBRE CHAIR

Neville Wallace 06 278 6005

MEAT & FIBRE VICE-CHAIR/ CENTRAL REPRESENTATIVE

John McMurray 06 756 7099

DAIRY CHAIR (effective 1st August)

Derek Gibson 06 756 5867

SOUTH TARANAKI REPRESENTATIVE

Jim Duff 06 752 7100

NORTHERN REPRESENTATIVE

Clive Gaustad 06 752 6814

EASTERN REPRESENTATIVE

Graeme Hight 06 754 4404

TARANAKI OFFICE MANAGER

Shelley Porteous 06 757 3423

COULD YOU ASSIST IN TIMES OF STRESS?

Do you have extensive links across the rural sector and feel that you could benefit from training that would help you to support individuals during times of stress and difficulty. If so we would encourage you to participate in the “Suicide Intervention Skills Workshop”

ASSIST (Applied Suicide Intervention Skills Training) is a two day skills based, practical workshop teaching skills to:

- Recognise suicide signals.
- Intervene and support with confidence.
- Link those at risk to expert assistance in the community.

This could be the most important workshop you ever do – for someone else.

WORKSHOP DATES:

20–21 July 2009 - Centennial Rest Rooms, Fenton St, Stratford

23–24 July 2009 - Manukorihi Soccer Club Rooms, Waitara

COST: \$75 inc GST per person

Includes handbook, workbook, morning/afternoon tea and lunch.

LOCAL VOICE

PROVINCIAL NEWSLETTER



JULY/AUGUST 2009

TARANAKI

Successful Taranaki conference

Another successful Taranaki Federated Farmers AGM/Conference was held at the Devon Hotel in May this year. The Dairy and Meat & Fibre AGMs were held first, followed by the Taranaki Provincial AGM. The afternoon conference had a range of great speakers. The evening entertainment was also enjoyable with “It’s in the Bag” hosted by our own Bryan Toogood (Hocken). I would like to take this opportunity to thank Harvey Norman, which supplied a great selection of prizes for the game.

The evening finished off with four couples competing on the dance floor. Volunteers from the audience were paired up with stars from the New Plymouth Rock ‘n’ Roll Club and guests were entertained by our Taranaki-style “Dancing with the Stars”.

We say farewell this year to three representatives from the executive committee of Taranaki Federated Farmers. On behalf of the Federation, I would like to thank

Aaron Boddington (Treasurer/Vice-President), Graham Fergus (Meat & Fibre Chair) and Bryce Kaiser (who was our Southern Representative). Thanks Aaron, Graham and Bryce for your time and dedication in the above positions.

I would like to welcome new position holders Neville Wallace, as Meat & Fibre Chair, John McMurray, as Meat & Fibre Vice-Chair/Central Representative and Clive Gaustad, as our Northern Representative. Charles Bayly has changed roles within the committee and is now Treasurer. I look forward to working with you all.

I have asked the Taranaki area representatives to build up a contact list of members in their designated areas. This will improve our communication with members on the issues they face and it will be a chance for members to voice their opinion on certain matters. We require phone numbers, but more importantly email addresses so that members can engage in discussions on a range of subjects that may affect their business.

If you would like to be included on this list, then please either contact our office or the person representing your area (please see the back page of this newsletter for contact

details). This will enable us to become a more active province.

The opening for our office renovations was held on Thursday, 25 June and a large number of sponsors, members and invited guests gathered for this special occasion. If you are in New Plymouth please call in to the office, Shelley will welcome your presence



and show you around the building. The final documentation is presently being signed for the last rentable section of our building. This will put the province in a good financial position in the future.

Taranaki Policy Advisor Nicola Ekdahl has been busy over the past few months putting together our response to council annual plans and long term plans. These came to a head with a number of oral submissions over the last few weeks, which members of our executive attended. It’s a little disappointing that some councils can’t grasp the concept of reducing costs and keep asking rural ratepayers to continue dipping into their pockets to pay for the needs of the minority. This is happening at a time when income

earnings face no wage increases, there is no job security and the agricultural industry has reduced returns from dairy and wool.

Regionally, it was pleasing to see a large number of dairy farmers turn up to DairyNZ’s recent ‘Tight Management for Tight Times’ seminars. Taranaki Federated Farmers also attended each of the seminars and joined with DairyNZ for the Hawera event.

A couple of key messages from this event were:

Gordon Hudson, of Like Minds, stated that we need to keep a look out for ourselves, our family and our neighbours in these difficult times.

With the current low produce returns, combined with a lower grass cover than normal, farmers must focus on the things they can control; that is proactive management of your cash flow, keeping farm working expenses under control and ensuring cows are well fed to increase production. Farmers need to engage their business team to find a solution or the best outcome to still be in operation for many seasons to come.

Peter Adamski - Taranaki President

Challenging twelve months ahead

Dairy farmers are going to find the next 12 months very challenging. The two big issues that will require your most urgent attention are the payout and Fonterra's capital restructuring.

1. THE PAYOUT

Next season's forecast payout is \$4.55. Unfortunately there are some conditions that come with this. Firstly this is only a forecast and by the directors' own admissions, there could be movement on this either way. My advice to members when preparing budgets for next season is to carefully consider what you think the most likely payout will be, based on historical payouts where commodity prices and the NZD has been at similar levels. When doing budgets don't forget to include DairyNZ levies, transport differential charges and capacity adjustment payments. These could throw lean budgets out this year if not included.

Secondly members must remember that next year's payout, like this year's, will be over the extended 16 month period between June 2009 to October 2010. Many of you may be noticing at this time of the year that your cash flow is struggling, despite being paid a historically good payout of \$5.20. This is because the payout has been extended by an additional two months so you may not receive any cash flow relief until October. You also need to budget on receiving no income from the previous season in September 2010 as you will notice on the advance rate schedule for next season that there is no increase between July and August 2010. So what effectively has happened is, like payment from meat companies, Fonterra are paying a payout of \$3.90 for the 2009/10 season with a further retrospective payment to be paid in October of the 2010/11 season bringing the total for milk supplied in 2009/10 to \$4.55.

2. THE FONTERRA CAPITAL RESTRUCTURING

There is not much to say on this topic at the moment, as all the details are still being finalised within Fonterra between the Board and the SHC. Farmers will not have

an opportunity to view or comment on the proposal until agreement is reached between these two groups. Until then farmers only have the strategy to investigate and doing this would be a good use of this time, in my opinion. Members have made it clear to me again and again that above all they want the cooperative nature of the business retained. I would encourage you to look at the strategy and check how well it captures and capitalises



the cooperative advantage. If the strategy is able to do this, Fonterra can then position itself through capital restructuring to turn this cooperative advantage into a clear competitive advantage. Creating a competitive advantage through the cooperative would ensure value is added to shareholders beyond the milk price in a sustainable way. If the strategy does not work towards capturing the cooperative advantage, it is unlikely that the cooperative nature of the business can be retained in any meaningful way as the cooperative structure becomes a hindrance to growth, rather than the vehicle to support shareholders' individual businesses. If the retention of the cooperative nature of the business is

Stepping down ...

After much soul searching and consideration, I have decided I must step down as Chair of the Taranaki Federated Farmers Dairy Section. The decision to do this has been very difficult, especially since we have had some great success over the last 12 months.

The success of the role of Chair, and the Dairy Section as a whole, is highly dependant on the amount of time and effort able to be put in, often by a very few people.

The support I have received locally has

been humbling and I thank you all for that. Now more than ever, as the structure we have built our farming successes on is under review, we need cooperative champions. I had hoped that I could play a part but circumstances dictate otherwise. Fortunately stepping down has been made considerably easier with the knowledge that I am leaving you in Derek's capable hands. So as of the 1st August Derek Gibson will step up to the role of Chair. I cannot not think of a person

of paramount importance to shareholders, which I suspect it is, it is important that you demand your directors demonstrate how the strategy is structured to achieve this. The capital restructuring is designed to support the strategy. If the strategy is not about supporting shareholders and their businesses then the capital restructuring will never be right.

On a final note, I am in the process of drafting a letter to Rodney Hyde, who has been charged with reviewing DIRA milk regulations. Members have expressed concern to me that milk being supplied to competitors under DIRA raw milk regulations are subsidising these competitors at the expense of struggling New Zealand farmers. The message to me is that the DIRA raw milk regulations fail to recognise that the milk going to competitors is not Fonterra's milk, but rather the milk of the individual farmers that own and use Fonterra. Fonterra is a cooperative charged with processing this milk and turning it into saleable products for these farmers collectively, rather than as an independent purchaser of raw milk. As the farmers own this milk, the cost of the subsidised DIRA milk fall not on Fonterra but the farmers that send their milk to Fonterra for processing and sale. The figures for this cost in subsidising this milk vary from year to year but run into the 10s of millions of dollars. This means that in tough economic times farmers who use Fonterra as their processor are experiencing increased economic hardship as the expected rewards for their hard work is being transferred to the overseas investors of independent milk purchasing companies. Derek will keep you informed of any response.

Just as a post script, a reminder that as dairy farmers you are entitled to vote at the up-and-coming meat levy vote. To participate in the vote, you need to register. Go on-line www.meatandwoolnz.com to register or call 0800 109 150.

Caroline Gilbert - Taranaki Dairy Chair

better able to meet the challenges ahead, and I know that you will give him the level of support you have given me so that he and his team can build on and grow our success.

I wish you all a successful season and, for those who are interested, my opinions on industry happenings will still be available on my blog page - <http://politicsinfarming.blogspot.com/>

Caroline Gilbert

Possoms no playthings

Farmers don't need to be told why possums are among the targets of Taranaki's Regional Pest Management Strategy – they destroy pasture, riparian plants, plantation forest and they bring the threat of bovine Tb. If that wasn't enough, they also wreak havoc among native bush and birds.

Possoms are being kept under control in this region thanks to a long-standing partnership between land occupiers and the Taranaki Regional Council, with the roles and responsibilities of each side clearly defined in the Self-Help Possum Control Programme.

Split into 29 operational zones, the programme now covers just about all the ring plain and reaches into the eastern hill country and the marine terraces of North and South Taranaki. Zones are established when support is indicated by least 75 percent of occupiers representing at least 75 percent of the total area. This makes it compulsory for all to take part.



Initial control is carried out by contractors and funded fully by the council, with the aim

being to reduce the possum population to below a 5 percent residual trap catch (RTC). That is, trapping fewer than five possums for every 100 traps set for one night.

To ensure consistency, there is a further RTC target of 11 percent or less for each line of traps, equating to three possums or fewer on any one line.

Before the programme started, the typical RTC in Taranaki was around 30 percent.

Then it's the land occupier's responsibility to maintain an RTC of less than 10 percent. In this the council assists them by:

- Offering advice and education.
- Providing chemicals and traps at cost.
- Offering poison-handling training and certification at a greatly reduced cost (\$162 instead of up to \$500).
- Carrying out monitoring work.
- Carrying out enforcement, if necessary, to ensure the overall effectiveness of the programme.

Control methods can include trapping, shooting and a variety of poisons such as phosphorus paste, Feratox, Feracol and Pest Off. Council officers can advise farmers on which method best suits their particular property and circumstances.

The Self Help Programme has been running since 1992 and is considered a success story.

Hot topics for new Meat & Fibre chair

As I step into my new role as your Meat & Fibre chair, there is a plethora of hot topics involving farming. As one season ends another has started. With last year's problems still relevant, such as reneging on maize deals and an American economy throwing away trillions of dollars that future generations will have to pay for. Some of the issues need closer examination.

The budget had very little substance for this exporting economy of ours. Farming will always need funding for R&D and we desperately need to keep ahead of our market competitors, particularly when it comes to competing with the US and EU's subsidised farm products. The budget, to me, reflects the folly of MMP, where I see the bulk of the money going to projects that are far from boosting the economy and more in-line with a Government carrying favour with its political allies. I don't think that there would be a single farmer out there who would welcome the proposed petrol tax when most of it will be used north of the Bombay Hill.

Should broadband be rolled out into the rural community, it will only be the denser populated areas that are catered for. Maurice Williamson told a meeting that fibre optic cable is very cheap. It would be up to

farming communities to do the hard work of laying cables and Telecom (or another provider) will be involved. However, here are three alternatives to consider www.farmside.co.nz or www.rurallink.co.nz/home or www.primowireless.co.nz. If you are already on dial up, take a look at what these three have to offer! They may not be as fast as broad band, but a lot faster than copper wire. Talk to someone who has internet banking or accounting to find out the advantages of high-speed connections. The time has come for farmers to have high-speed internet as a farm asset along with the ATV and tractor!

With the local LTCCP hearings almost complete, the farming community will be bearing more than its fair share of the rate burden. This triennial referendum is a process that will need some major thought. I've heard that an estimated cost is somewhere in the vicinity of \$4 to \$5 million nationwide and to what advantage for ratepayers? We have Rodney Hide advocating for a ratepayers' referendum instead of an LTCCP. At the moment, we have a controversy over the anti-smacking legislation and the way it's worded! If this idea should be successful, what are the prospects of us having another debacle

This pest is under control in Taranaki and will remain so for as long as the programme is running.

As a result of Federated Farmers submissions, some recent fine-tuning has included the introduction of mobile technology that allows council pest management officers to spend more time in the field and more streamlined methods for farmers to report on their maintenance results. Council officers can now show farmers the complete control history of their property, making decision-making easier and more effective.

Where the RTC remains stubbornly high, despite the best efforts of the land occupier, the council may undertake control at no cost.

For the future, the council is considering whether the current requirement for annual maintenance could be waived in areas where possum numbers are very low, and whether and where to extend the programme. It is also working with other regional councils in an effort to tie the Department of Conservation to Regional Pest Management Strategies.

For more information on the Self-Help Possum Control Programme, call the Taranaki Regional Council on 0800 736 222 and ask to speak to a Pest Management Officer.

**Peter Ledingham, Information Officer,
Taranaki Regional Council**

like the smacking/anti-smacking referendum when it comes to the rates issues?



Meanwhile, back on the farm the days will be getting longer. Some of you may need to buy more supplements. Check the quality of hay or baleage before agreeing to purchase, as mouldy supplement can have a bad affect on pregnant animals. In the marketplace, heavier lamb is still premium, due to a lack of sheep worldwide. Beef returns are stable and it's satisfying to see Elders gaining some traction with wool (mid micron range) in the carpet industry against synthetics. Some financial gurus predict that the New Zealand dollar will be at 70c by the end of the year and others say it will be back to 50c. It's a roller coaster ride for the dollar so let's wait and see what happens - time is a great equaliser.

Neville Wallace - Taranaki Meat & Fibre Chair