

# LOCAL VOICE

## PROVINCIAL NEWSLETTER

WAIKATO



JULY/AUGUST 2010

## Successful conference

The Federated Farmers National Conference and AGM was very successful, albeit we experienced the same problem that we've seen before. Remits are submitted late and then the agenda timetable was already too tight to accommodate good debate.

All the provincial presidents interacted well together at the National Conference and debates saw the right amount of tension to ensure good outcomes on important issues; this led to a positive feel of team spirit among those in our organisation. No election process was required, so the National Board remains unchanged. I was elected to a subcommittee of five that will discuss capitation, or the payment of a sum for each member back to provinces; the committee will report back at the National Council in November.

The financials of our national body were very well explained, but like all businesses, prudent

management is the name of the game. Being a subscription only income base, it is incredible to see all the successful work that's achieved for our farming businesses by our team of professional staff around New Zealand.

The Prime Minister was well received on Friday when he addressed members at the



*'The ETS is still of great concern to Waikato farmers.'*

Prime Minister's lunch. This was in stark contrast to the initial reception the Minister of Agriculture, the Hon David Carter, received the previous day. Mr Carter was questioned about issues related to his Ministry, such as the alleged behaviour of some of the MAF staff when making 'cold call' Animal Welfare Act inspections on farms.

Federated Farmers Waikato took a good team down to Invercargill, to represent all its members and as always made their points well known. I must commend the efforts of the venue management and all the staff involved in the conference. I feel that Federated Farmers as a lobby group is in good stead right now at all levels.

**Stew Wadey – Federated Farmers Waikato, provincial president**



## Farmers gearing up for the new season

Last season saw many challenges, a wet spring, a dry summer and another challenging autumn, with the autumn rains coming very late. As farmers get ready to embrace the next season we hope that things will line up weather-wise (and payout-wise), so that farmers can start to recover from the last three years of challenges.



Recently, Fonterra's shareholders showed an overwhelming support for Fonterra's leadership in both the voting turn out and the result end. Approximately 80 percent of shareholders turned out to vote and this shows those that are critical of Fonterra, that the cooperative is alive and communicating well. To get this result, Fonterra's leadership engaged shareholders, this truly is a win/win for both sides and a sign that this good communication needs to continue.

The current dairy auction of Global Dairy Trade will make all dairy companies transparent as to what they will pay farmers for milk. This will ensure farmers are kept better informed on the true value of their milk. This also will make it hard for new companies to establish processing facilities in New Zealand and compete with current companies.

Recently, a number of high profile New Zealanders have been questioning foreign ownership of New Zealand land and the possible (if any) benefit that it could give our economy. This discussion comes at a good time, as there are a number of high profile dairy farms for sale and these are receiving foreign interest.

Many farms throughout our region have had to spent large amounts of money on feed, just to maintain production. Scientists have also noticed a drop in annual recorded growth rates, along with the challenges of pests, this season has been trying on all farmers. But there's a little bit of hope, many of my best springs have followed a challenging winter.

Farmers, dairy companies and DairyNZ are working together to tackle the nutrient issue on farms, I believe that we are all working well together to achieve the common goal of

making dairying environmentally sound and sustainable for the future. We as farmers all need to take responsibility in achieving this goal. Many of the concerns have simple solutions, for example making sure that stock are stood off pasture before trucking. Around gypsy day, many trucking companies reported feeling frustrated by having to transport full stock, then having to manage the results of another farmer's bad decisions. This should not happen.

As farmers we know what is right and what is wrong and I'm sure none of us want to be in the media for the wrong reasons. Take time to plan for whatever this season will throw at us. There are many professionals available to give direction on all farming management to provide protection for animals and people alike. Public perception has a powerful influence on our reputation as an industry and each farmer has the potential to damage our industry on the world stage!

Federated Farmers works for its members and if you need help, we are here for you, just call us.

**James Houghton - Federated Farmers Waikato vice-president & Dairy chairperson**



## Very large boots to fill

This is my first report since being elected as Federated Farmers Waikato Grain & Seed chairperson. I have very large boots to fill, following on from Syd Fraser-Jones who has worked for the industry group for 57 years. Thank you, sincerely, for all your hard work and knowledge, which we are still calling upon.



My wife Margaret and I have farmed in Te Kowhai for 46 years, starting with milking cows, then in 1977 we started growing maize. For some years we grew a percentage of our crop for maize silage, but currently it is all for grain.

My mission is to get a fair and economically viable price for fellow grain growers.

Stew Wadey and I attended the Federated Farmers Grain & Seed Conference/Annual General Meeting in Christchurch on 25-26 May. Speakers included the hon Damien O'Connor (Labour Party), Nick Pyke (Foundation for Arable Research), Mike Dunbier (Pastoral

Genomics) and Conor English (Federated Farmers Chief Executive).

The first day stressed for me, how absolutely paramount agriculture is for New Zealand's future. The United Wheat Growers and Federated Farmers do have a few issues, which need to be sorted. Maize growers in the North Island do not appear to have the same issues as those from the South Island, but as an industry we want a realistic price for our grain.

Issues discussed at the Maize Growers Committee meeting on why the maize industry continues to diminish in size were:

- The effect of imported feed on our industry
- Lack of credible science regarding comparable feed values
- Short term thinking by arable farmer clients
- The primary industry is taking huge risks without any future, because of abysmal biosecurity
- Foreign monopolies taking over all aspects of our industry from the gate to the consumer.

Also reported at the conference is that there is a surplus of grain available in the South Island for shipment to the North Island, but the freight costs inhibit this happening. They would love to help the dairy farmers up here with feed.

It does look as though the contracted price for maize grain may rise this coming season as the dairy payout is looking at a rise and the maize silage scene has settled down.

On the local scene things there are a few things happening. At the end of harvest this season, the PGG Wrightson at Te Rapa closed down and the driers at Northway Street and Bristol Place are to be dismantled. PGG Wrightson has purchased the Allied Grain operation at Te Awamutu and is currently adding on to the Walton operation. Viterra have taken over the Te Awamutu Grain facility from ABB, so we now have a Canadian operation on the scene.

I have recently organised a meeting to discuss local issues such as the grain price for the coming season and bio-security as it pertains to palm kernel.

We should be aware that grain is the only food which can be stored in a sack without refrigeration and is the staple food for more of the world's population than any other food.

As growers we must work with the rest of the chain to see that we, as New Zealanders get a fair reward for our efforts. The grain we produce is as good as anywhere in the world.

**John Hodge - Federated Farmers Waikato Grain & Seeds chairperson**



## GRAIN FOR LIVESTOCK PRODUCTION AND HEALTH

### Stew Wadey & Chris Irons visit North Canterbury

'What can I learn about irrigation when I'm here' were some of the first words spoken by Stew Wadey, Federated Farmers Waikato provincial president, recently when he and Chris Irons, Meat & Fibre chairperson, met up with members from Federated Farmers North Canterbury upon receiving an invitation to attend a briefing on their 'Step Up' programme. He followed this by asking, 'do you think we really need regional councils so involved in water – can't we manage with catchment based authorities?' Both questions are dear to the hearts of most Canterbury farmers.



Getting Stew together with Grant McFadden, a co-opted member of Federated Farmers North Canterbury executive and an expert in Canterbury water management, seemed the obvious way to answer both his questions. Grant is a one-stop shop when it comes to Canterbury's irrigation politics.

Grant gave an overview of the direction being taken by the Canterbury Strategic Water Study and said that in his view, this mirrored the process that Government was taking nationally. Having an understanding of both, he thought, could give Waikato farmers a pretty clear indication of how things might be shape up in their own province.

Grant said that in his view the big picture water discussions going on in Wellington and the local Canterbury solutions were both:

- Intent on providing a process for getting everyone in the community involved, this includes groups who have in the past been silent on these issues
- Driven by the desire to understand other people's views before coming to a consensus on flows, storage, in and out of stream use; rather than having these decisions fought over in a court room
- All about locals making decisions (as opposed to experts, officials, politicians or judges)
- Encouraging communities to self manage their water resource in their catchments
- Aimed at achieving compromise negotiated by understanding other view points.

In response to Stew's second question about the role of regional council, Grant replied that he thought in Canterbury, Government seemed supportive of splitting 'regulator' from 'policy maker' roles. It was encouraging, he said, that two of the Government appointed commissioners (David Cargill and Peter Skelton), which replaced the elected councillors, are now members of the Strategic Water Study steering committee. This was good evidence that the democratic process was not being overturned.

**Ali Undorf-Lay - Federated Farmers provincial communications coordinator**

#### WAIKATO-HAURAKI-COROMANDEL RURAL SUPPORT TRUST

##### Challenging times on the farm?

When an adverse event leads to crisis be it financial, climatic or personal the Waikato-Hauraki-Coromandel Rural Support Trust is ready to assist. Services are free and confidential.

**0800 787 254**

[waikato.rural-support.org](http://waikato.rural-support.org)



# Meat & Fibre update

## MAF model farm

The MAF model farm tries to predict meat and wool farmers income for the coming season. For the intensive meat and wool farm from the Waikato, the model had a small deficit and we were told the Central North Island hill country model had a deficit of \$50,000. This was not allowing for the costs of the Emissions Trading Scheme (ETS).

## The Meat Industry

This was the main topic of discussion at the recent Meat & Fibre annual meeting in March 2010. The following comments were from the chair at the meeting and were made by a supermarket executive from Great Britain: "We love New Zealand lamb", "We love its quality", "We love its food safeness and most of all we love having two New Zealand meat companies trying to sell it to us at the lowest possible price".



It was said that Alliance turned down Tesco's initial approach recently and after Tesco had been around, other New Zealand companies had to return and discuss prices with Alliance to get supply it needed.

Silver Fern Farm Chief Executive, Keith Cooper, said "Aggregation of New Zealand meat companies would give farmers an extra \$20 per lamb".

One speaker said he believed Beef + Lamb position was "Aggregation of New Zealand meat companies would give farmers an extra \$30 per lamb".

The meat companies' position was 'lack of commitment to supply one company by farmers is the biggest problem'. (Only one farmer at the conference shopped around for better prices).

The impression was that something has to be done to the meat industry, if farmers are going to return to profitability and as we own two of the biggest companies, Alliance and Silver Fern Farms.

## Wool

The best thing about the wool industry is that it makes the meat industry look good. The wool industry is at a crossroads and



farmers will have to decide whether to back a new company 'Wool Partners' or to supply the same old companies.

Wool Partners was set up to achieve better prices for farmers, whereas the other companies believe the present structure for handling wool is fine.

Please consider supporting 'Wool Grower Holdings', the major owner of 'Wool Partners' as it is a co-operative and many see it as the only hope for a better future for farmers in the wool industry.

In summary, a huge proportion of our wool and meat industries are owned by farmers, thus we have the means to decide our own future.

**John Mills - Federated Farmers  
Waikato Meat & Fibre  
chairperson**



# Bill a refreshing step

The difficult thing about democracy is that everything's a compromise, while sometimes it might be a hard swallow, we'd all be in a bit of trouble without it.

Rodney Hide's Local Government Act Amendment Bill has compromise written all over it. The hard charging Minister couldn't get all of what he really wanted past Cabinet, but for ratepayers the Bill is a step in the right direction.



Legislation in recent years has mercilessly empowered, encouraged and required councils to engage in a broader range of activities than ever before. The checks on councils have been few and largely consultative.

For farmers the growing cost of rates has been very demanding and because of this, Federated Farmers had been fighting hard. Rodney Hide's Bill won't fix past damage, but it might stem the tide somewhat, through providing some useful levers for ratepayers on core business and transparency.

First among them is a requirement that local authorities give particular regard to core services. While not quite grounds for a collective "hallelujah" – there are no enforcement provisions and the list of core services is rather broad – at least it emphasises the things that need to be done.

Of significance too, is the Bill's requirement for a council pre-election report, made up of a balance sheet and funding statement for the previous three years and a statement of major projects planned by council for the next three.

The pre-election report should be a good opportunity for ratepayers to get a clear visual on Council's past spending trends (which is not easy at the moment) and ensure fewer surprises in future. The Bill stipulates certain conditions on content to help avoid the report being used as a political exercise

Along with these features, the Bill attempts to simplify Council Long Term Plans and get financial reporting on a consistent basis, which should mean that their fiscal performance can finally be compared.

Altogether this may not sound like much for the many farms where rates are the second or third biggest expense, but it's at least a refreshing improvement.

**Nigel Billings – Federated Farmers senior  
policy advisor**

## CONGRATULATIONS

**to the Winners of  
the 2010 "Waikato"  
Ballance Farm  
Environment Award  
Winners**



**Tony & Coby, Barb & Tom,  
Tracy & Wynn Brown**



# Farm Succession-Don't put it off!

Simply put farm succession is the method by which farm assets are transferred from one generation to the next. The method to achieve this could be as simple as reviewing your current will or could involve the formation of multiple interrelated entities. Farmers are keen to talk about succession planning but are often the worst procrastinators when it comes to actually doing something about it.

Greater flexibility can be achieved when a commitment to put in place a succession plan is made early. This is particularly important if the objective is for one or more of the family members to carry on the family business. Often the number of interest parties and the contentious nature of the subject matter complicates the decision making process.

Once there is a real commitment to tackle the issue the next step is to put together a succession plan with input from all family members.

The early discussions need to consider the following:

- What are the financial needs of the parents?
- Is there a family member with a genuine desire to take over the family business?

- Can a succeeding family member take over the family business without been burdened with a level of debt making their business unsustainable?
- Are the parents ready to vest control to the succeeding child?
- Are the non farming children been treated fairly?

The first step is for the family to communicate firstly among themselves, and then discuss what they want to achieve with their lawyer, accountant and bank manager who will work out the detail. Planning and a vision are essential. The ultimate structure must meet all of the family's needs and be flexible should situations change.

Neil Davidson is a commercial lawyer who specialises in rural law. Neil can be contacted by e-mail at neild@mlc.co.nz.

*By Neil Davidson*  
**Associate, McCaw Lewis  
Chapman**



**McCaw Lewis Chapman**  
LAWYERS

## We're here to help

### LEGAL ADVICE:

Federated Farmers also work alongside lawyers to provide members with excellent advice on all legal matters relating to their farm business and includes contract and estate law. To gain legal advice please call 0800 FARMING (327 646)

### POLICY ADVICE:

Federated Farmers has a team of over 20 specialised policy advisors who focus on fighting bureaucracy to lower rates, lower compliance costs and to stop laws and bylaws, which create extra costs and unfair outcomes for farmers.

All of our policy advisors are happy to give advice on policy related issues, by ringing 0800 FARMING (327 646) you can be put through to the policy advisor with the relevant expertise.

### FACT SHEETS:

Alternatively, Federated Farmers have produced quick summary 'Fact Sheets', written by policy staff, for members. They give essential information on topical issues in easy-to-understand language. To view the fact sheets by topic, please access the website [www.fedfarm.org.nz](http://www.fedfarm.org.nz) and log on as a member.

### PROVINCIAL AND INDUSTRY SUPPORT:

It is hugely important to the Federation to be able to provide provincial and industry

support from farmers to farmers around the country. In each of our 24 provinces and seven industry groups, there are networks of farmers who are willing to help.

### FIELD OFFICER:

If you know of any farmers who might be interested in joining Federated Farmers, please put these in contact with local field officer, Pearl Hamid. Alternatively you could let Pearl know on 07 843 3003 or 021 158 1767 and she can arrange to visit the farmer.

## "Join the Federation today"

Pearl Hamid represents the Federated Farmers Field Team in the Waikato and Bay of Plenty.

To contact Pearl:  
Phone:  
021 158 1767



## A huge 'thank you'

Sincere gratitude to those members for their valued time and effort, who were not re-elected for various reasons at our Annual General Meeting on 6th May 2010. We now advise you of our newly elected Executive and District Contracts who will collectively work to maintain and support agricultural farming families and businesses.

### WAIKATO FEDERATED FARMERS PROVINCIAL CONTACT LIST

#### Provincial president:

Stewart Wadey, 07 888 1808

#### Vice-president and Dairy chairperson:

James Houghton, 07 872 4560

#### Meat & Wool Chairperson:

John Mills, 07 871 0706

#### Grain & Seed Chairperson:

John Hodge, 07 829 7743

#### Sharemilkers' Section Chairperson:

Craig Littin, 07 883 6040

#### Sharemilker Employers' Section:

Tony Wilding, 07 883 4802

#### Rural Women of New Zealand:

Ann Rawson, 07 878 1070

#### Waikato/Bay of Plenty Young Farmers'

Chairperson:

Jason Hoyle, 027 531 3188

#### Waikato Hauraki/Coromandel Rural

Support Trust: 0800 787 254

#### Regional Assistant:

Gaylene Bamford, 07 858 0820

### BRANCH CHAIRPERSON CONTACT LIST

If you would like to attend a meeting, these are the people to talk to. You would be most welcome.

#### CAMBRIDGE

John Searle, 07 827 3924

#### HAMILTON

Tony Armstrong, 07 829 8609

#### MATAMATA

Ivan Knyvett, 07 888 5029

#### MORRINSVILLE

Dave Fish, 07 887 3826

#### NORTH WAIKATO

Don Coles, 07 825 4942

#### OTOROHANGA

Roy Johnson, 07 873 7874

#### TE AROHA

Stuart King, 07 884 5857

#### TE AWAMUTU

Kees Rombouts, 07 871 3848

#### TOKOROA

Mary-Ann Mathis, 07 886 9493

#### WAITOMO

Charles Digby, 07 878 8642