

Intellectual property rights

Taranaki Federated Farmers Dairy has asked DairyNZ how they are managing intellectual property (IP) rights on technologies developed using DairyNZ levy money which are being used overseas. Although there is no problem with this happening, there is a problem if New Zealand dairy farmers are not receiving the financial return for the use of these technologies in competitor markets. DairyNZ chief executive Tim Mackle has said that DairyNZ certainly recognises the protection of IP as an ongoing issue, hence drafting an IP policy back in March this year. Federated Farmers will be monitoring the implementation of this policy to ensure the practices developed are followed through. DairyNZ also maintains they are unaware of any situations where people, who are not

New Zealand farmers, are taking intellectual property offshore and profiting from it. We will endeavour to keep members up-to-date on this issue.

Taranaki Federated Farmers Dairy has also raised the issue of conflicts of interest not being acknowledged among Fonterra's Board of Directors. Although conflicts of interest are not uncommon, by not acknowledging their existence they cannot be managed and dealt with transparently for shareholders. Taranaki Federated Farmers Dairy has written to the Shareholders Council expressing their concerns and will keep members informed upon a response.

**Nicola Ekadhl - Federated Farmers of NZ
Policy Advisor**

Employment Seminars Mark your diary now!!

14 October 2008, 2:00pm
Services & Citizens Club
1 Princess Street, Dannevirke

15 October 2008, 2:30pm
RSA, 200 Broadway Ave,
Palmerston North

16 October 2008, 10:00am
RSA, 170 St Hill Street, Wanganui

16 October 2008, 2:30pm
TET Multisport Centre, Portia Street,
Stratford

17 October 2008, 10:00am
(Optional)
TET Multisport Centre, Portia Street,
Stratford

\$65.00 per person

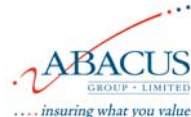
For more information or to register phone: 0800 327 646

Abacus group growth and development grant - 2008 recipient

It is with great pleasure that Abacus Group Limited wishes to announce that the recipient of the growth and development grant for 2008 is Karla Hiestand, of Eltham. All applications that were received were of a high standard, with several worthy applicants. Karla will be using the grant to help her achieve her goals in the area of training and producing top quality sport horses. Abacus Group would also like to thank all those who made a nomination, and also the unsuccessful applicants. Again, congratulations to Karla and good luck for the future.



Abacus Group Limited's Craig Nolly congratulates growth and development grant recipient for 2008, Karla Hiestand.



LOCAL VOICE

PROVINCIAL NEWSLETTER



TARANAKI

AUGUST 2008

We're working hard on your behalf

Welcome to the start of the 2008 farming season. We all look forward to improvements on the farm and ultimately the economy.



Election 2008 is upon us and we wait in anticipation for the party elected into power and the direction of government policy which will follow. The Federation's elected member and policy team will be working hard to minimise the impact of climate change and animal ID policies. Their effort in looking after farmers' interests on your behalf is often forgotten.

Our neighbouring provinces in the Manawatu-Rangitikei region have begun

their campaign against sections of the One Plan. Many hours have been spent preparing for and attending hearings. While Taranaki does not have a comparative problem on their plate at this time, hearings for the review of the Stratford District Plan (later this year) will raise some issues concerning landowners.

Members with an email address will have received Taranaki Federated Farmers' Blurb; our new email newsletter. You can expect to see the Blurb in your inbox every two months; it will alternate with our printed newsletter. The Blurb will keep you up to date with news from the office, what our teams have been working on and up-coming events. This is a first for our province and if you want to be more informed, please ensure we have your email address.

The upgrade of our 15 Young Street building is nearing its final development stages. Construction will hopefully commence at the start of next month and be completed before the New Year.

Federated Farmers of New Zealand National Conference 2008 (One Event) was held in Christchurch. Once again it proved a

great success having the Dairy, Meat & Fibre and Grain & Seed sections coming together before the main event. I look forward to working with Don Nicolson, the newly elected National President and the National Board. A new Chief Executive is also at the helm, Conor English, who will no doubt bring new ideas and a new direction for the Federation.

I spent three days in Wellington last month with all the newly elected provincial presidents. This event was well worthwhile and gave me a chance to get know other presidents and to develop a new skill set for my term in office.

Over the past month I have attended a number of forum and launch events. Such occasions are important for us as they provide the chance to network with external organisations and to show Taranaki Federated Farmers is interested and willing to work along side them. They can present good opportunities to influence change and share Federated Farmers' vision.

**Peter Adamski - Taranaki
President**



FRIDAY FLASH

Are you receiving Federated Farmers of New Zealand's weekly electronic newsletter?

It features the latest news, events and notices for members.

Register today by emailing "subscribe to the Friday Flash" to mail@fedfarm.org.nz or login to our website, www.fedfarm.org.nz, and sign up today.

WE'LL PUT THE WORLD AT YOUR FEET

Agriventure. A great opportunity to explore a new country, experience a new culture, expand your career.

- Guaranteed Paid Employment
- All inclusive package
- Australia, Canada, UK, Europe, USA and Japan
- Approved Host Families
- Visas for ages 18-30

Established for over 30 years



AGRIVENTURE
INTERNATIONAL
AGRICULTURAL EXCHANGES

For a free brochure freephone
0508 328 000
or email us at: nz@agriventure.com
www.agriventure.com

From the big dry to the big wet

As I begin to write this report, we have had a fine day (at last). It seems we have gone from very dry to very wet. When will we see the sun again...? This wet weather has made it very difficult to complete farming tasks, like pre-lamb shearing, crutching, vaccinating and scanning all of which have created a lot of mud!

Scanning results have generally been back 20-30 percent, with a higher percentage of dries. Some report up to 50 percent dry due to the drought and the challenge of facial eczema.

Prospects for lamb and beef are looking very good with prices heading upwards. As quoted by a TV Presenter today "It will be a time when sheep and beef farmers can get up off the basement floor". With the downturn in sheep numbers because of lower lambing percentages and dairy conversions, it is estimated that there will be 6 million less lambs next year. This, of course, has an adverse effect on our rural towns as there will be less shearers required, less meat to be processed and less stock to be carted.

Adding to the shortage of lamb, there is a strong signal from the market place that ram lambs are not desirable, so meat companies are now looking at paying more for our wether lambs. This could potentially mean that we will be carrying 'over-fat' lambs.



Currently the meat industry has to deal with the merger of PGG Wrightsons and Silver Fern Farms. A vote of 75 percent of the shareholders in favour, is required. The point in contention is that you have to hold the right type of share and to have supplied stock this current season in order to vote. A meeting was held in New Plymouth last week to explain the proposal. A low number of farmers made the effort to go along, which was disappointing when these sorts of proposals have a major influence on the marketing and pricing of our products.

We have also seen the formation of the Wool Company. There has been some negative feedback and one of the main concerns is that farmers may be required to contribute

capital to the company in the future to enable it to function.

The beef market, currently, is very positive. Schedules are rising weekly and are currently sitting around \$4.40-4.50/kg. The store cattle market has seen the majority of two year old steers making over \$2/wt. However, many cattle are a lot lighter this season due to the drought and now wetness, so per head price is only equal to other years.

At a recent field day we were told that, historically, a bushel of corn trades at around \$2 less than a kg of meat. Currently a bushel of corn is bringing \$4. So will beef go to \$6 or is this a case of biofuel inflating the price of corn?

On the 24th June I attended the Federated Farmers Meat & Fibre conference in Christchurch. Bruce Wills replaced Keith Kelly as Chairman of the national Federated Farmers Meat & Fibre section. This was a result of members of the executive feeling that there was a lack of action to help the meat industry.

With all these changes taking place, let's hope changes happen in the weather pattern and we get a good spring with bonny lambs and much grass growth!

**Graham Fergus - Taranaki Meat & Fibre
Chairman**



TARANAKI

Provincial update

EMISSIONS TRADING SCHEME WORKSHOPS:

Taranaki Federated Farmers held two workshops on Thursday 3rd July on the Emissions Trading scheme (ETS). The workshops were held in Tikorangi and Hawera, and were well attended with 120 farmers being present. The speakers were Gary Bedford from the Taranaki Regional Council and Frank Brenmuhl, Vice-president of Federated Farmers New Zealand.



Frank Brenmuhl, Vice-president Federated Farmers of NZ, and Peter Adamski, Taranaki President address the workshop.

Farmers were shocked to hear how the ETS, in its current form was going to affect them and the New Zealand economy. Feedback from the workshops was excellent and farmers felt that they came away with a lot more knowledge on the ETS.

Taranaki Federated Farmers will run more workshops on the ETS to keep farmers updated on its progress. These will possibly be next year, depending on what decisions are made by government and what happens at the next election.

TARANAKI FEDERATED FARMERS BUILDING RENOVATIONS:

A council meeting was held to discuss the building owned by Taranaki Federated

Farmers. Aaron Boddington, Vice President/Treasurer updated everyone at the meeting on the progress of the planned renovations that are to be done on the Taranaki Federated Farmers building at 15 Young St, New Plymouth. It was unanimously decided that this project would go ahead within the allocated budget. The building at Young St is the biggest asset that Taranaki Federated Farmers members have and by making alterations to the building and making use of wasted space, the building has the potential to be a very good source of income for Taranaki Federated Farmers. This extra income will allow the executive committee to be even more effective in getting you a fair deal and representing your needs as farmers in the Taranaki Region.

HAVE YOUR NAME ON THE TARANAKI FEDERATED FARMERS BUILDING:

There will be an opportunity to have your name or your families name on the Taranaki Federated Farmers building. For a small donation of \$150 or \$300 to the building project you can have your name on a plaque in the entrance of the Taranaki Federated Farmers building on Young St, New Plymouth. Watch out for our next newsletter for more details.

MEMBERSHIP DISCOUNTS:

We have had reports of members being really pleased with the discounts they are receiving by being members of Federated Farmers. Don't forget to show your card when purchasing goods and services from any of the participating businesses - you might be surprised on how much you can save. If you want a list of participating businesses go to our web page www.fedfarm.org.nz.

Shelley Proteous - Taranaki Office Manager

Sharemilker report

No doubt everyone's pretty wet underfoot! Parts of our farm are certainly rather wet and it's not much fun calving in the rain when the days roll into weeks. Of course, as soon as you think things are starting to dry out, it starts to pour again. During times like this it helps to remember that there will always be someone worse off than you!

As the payout looks good, lets hope people get a chance to pay off debt, grow their businesses and comfortably enjoy life. Make the most of the good payout while we can, because upon its downturn we can confidently say that expenses won't follow!

Taranaki Federated Farmers Sharemilkers' held a meeting in June at Bowlarama in New Plymouth. The meeting was short but sweet, as everyone enjoyed a game of ten pin bowling. Our next meeting is going to be a lunch time one at:

**TET in Stratford,
11:00am, 3rd October 2008**

It will be great to see you all as I have a guest speaker planned. Lunch will be at your own cost and you are welcome to bring your children along.

If anyone is interested in becoming involved in the Sharemilkers' section, please do not hesitate to give me a call on 06 765 8025 or email cooperfarms@farmside.co.nz

Good luck for the Spring.

Frances Cooper - Taranaki Sharemilkers' Chairperson



Tractor Licences

The kind of license you need to drive your tractor on road depends mainly on the weight of the tractor. You need a:

Class 1 (car licence) for: tractors with a Gross Combined Weight (GCW) - (i.e.: tractor+trailer or implement) of up to 4.5 tonnes;

Class 2 licence for: any tractor up to 18 tonnes including those towing a light trailer (Gross Laden Weight (GLW) of 3500kg or less)

Class 4 licence for: tractors over 18 tonnes, including those with light trailers (GLW of 3500kg or less)

To get a Class 2 licence you must:

- Hold a full Class 1 licence for at least six months.
- Present a medical certificate.
- Pass a theory test.
- You then need to either pass an approved training course or wait six months and sit a practical test.

To get a Class 4 licence you must:

- Hold a full Class 2 licence for at least six months (or for at least three months, if you are aged 25 or over)
- Present a medical certificate
- You do not need to pass a theory test, as you will have passed this when obtaining your Class 2 licence.
- You then need to either pass an approved training course or wait six months and sit a practical test.

Note: if you are aged 25 or over and have successfully completed an approved training course you can apply for a Class 4 learner licence with no minimum time on a full Class 2 licence.

Here are couple of links which may help:

<http://www.ltsa.govt.nz/factsheets/11.html>
<http://www.ltsa.govt.nz/factsheets/70.html>



RECRUIT MEMBERS AND BE PAID!

FEDERATED FARMERS IS LOOKING FOR CONTRACTORS TO RECRUIT NEW MEMBERS.

Earn commission, work in your local area. You choose the hours, when and how you work.

For more information contact:
Di Wyllie on 0800 327 646
or email dwyllie@fedfarm.org.nz

WWW.FEDFARM.ORG.NZ

The success and failure of co-ops

Why do some co-operatives succeed and some fail? This is the question put before me at the New Zealand Co-operatives Association workshop in Wellington at the end of July. As a member of a number of co-ops (Fonterra, Farmlands and Playcentre) I was interested to understand the reasons myself. Each of these co-operatives has their own issues around growth, member retention and balancing economic sustainability with the needs of members. Which of these things, or combination of them, would be the breaking point for a co-op? At what point do most co-ops change in structure because the constraints of being a co-op hinder their ability to meet the needs of their members?

The modern co-operative movement began in Rochdale, England at the end of 1844 as a way for workers to help themselves out of poverty and provide a future for their communities. Since that time, co-operatives have spread throughout the world and continue to promote sustainable economic and social growth. Globally, co-ops have more than 800 million members. They employ in addition 100 million people across more than 130 countries. The estimated economic contribution of the top 300 co-ops globally in 2006 was almost 1 trillion \$US. To put this in perspective, this is about equivalent to the GDP of the world's ninth largest economy, Canada.

The top co-ops are some of the most successful large organisations globally and provide their members with a level of economic and social support they would be unlikely to receive without them. Although co-operatives can be big business players, they also exist at the other end of the economic scale, acting as the financial lifeline for many third world people struggling to make a living. Regardless of their size, co-operatives play an important part in the world's economies and support many people. The number of people who are benefiting from co-operatives is significant enough for the United Nations to assert, in 1995 that, "Co-operatives contribute directly to improve the standards of living of half the world's population."

Co-operative structures vary in size and complexity, but here in New Zealand they are essentially formed by a group of smaller businesses or sole traders who identify a common need they have when operating in a larger market. Private businesses will sometimes come about to meet this same need, usually when an individual identifies this need as an opportunity to make money from others, or when the business community involved is not willing to participate co-operatively. As co-ops are formed to serve members' needs, they have to be owned entirely by their members because any profit a co-operative makes is distributed back to its members and their communities, instead of going to outside investors who often have little or no connection to the community the co-op serves.

Regardless of the size or complexity of the co-operative voting and the election of directors is usually conducted on the basis of one member one vote. This is because it is

believed that all members play an important role in the overall success of the business and therefore are entitled to an equal say. When a single member holds a larger financial investment in the co-op they should engage and communicate actively with the co-op to ensure their needs are addressed; not look to control the co-op with a dominating voting right.



Unlike shares in private business, the value of the membership share is usually fixed. In addition, these shares need to be withdrawable as membership to the co-operative should be voluntary. A successful co-operative should value the importance of membership and be continually responding to members' desires to become involved in their business. The complexity of some co-operative structures comes about from a need to balance members' rights to withdraw from the co-op and redeem their membership while providing the co-operative with some longer term capital to offer some financial stability.

As co-operatives are groups of people working together for their collective good, it is important that a strong and clearly defined set of values binds them together in a unified direction. How these values are implemented is up to individual co-operatives, but their existence should be at the bedrock of the organisation and underpin any activity of the co-operative.

The core co-operative values are:

- **Self-help:** working together for a mutual benefit.
- **Self-responsibility:** acting responsibly and playing a full part.
- **Democracy:** where members control the organisation.
- **Equality:** where members have equal rights, and according to their contribution have equal benefits.
- **Equity:** treating people justly and fairly.
- **Solidarity:** supporting each other and other co-operatives.

Co-operatives also hold a strong set of ethical values which should extend through the membership to its employee, suppliers, customers and the wider community. They are:

- Honesty
- Openness
- Social responsibility
- Caring for others

Strong co-operative and ethical values have led to a set of co-operative principles that all co-operatives should hold. These principles flow from the values, the primary motivation

of co-ops and their unique operating structures. Following these values and principles should drive the way co-operatives approach business and if applied properly will promote the health of the co-operative, as well as offering guidance and direction for the co-operative members and its governors.

The seven principles of co-operatives are:

- 1st Principle:** Voluntary and open membership
- 2nd Principle:** Democratic member control
- 3rd Principle:** Member economic participation
- 4th Principle:** Autonomy and independence
- 5th Principle:** Education, training and information
- 6th Principle:** Co-operation among co-operatives
- 7th Principle:** Concern for community.

These co-operative principles are not only important in guiding the development and growth of co-operatives, they are also important in assessing the soundness of a co-operative and its chances of success. In 1999 Sir Graham Melmoth, the former Chief Executive of the UK Co-operative Group stated that, "Most failed co-operative societies over the last twenty years failed not only commercially but democratically as well." His comments came about because democracy, the second principle, is seen as pivotal to the effectiveness of a co-operative and is the key indicator for assessing co-operative health. Ways of measuring the vibrancy of the co-operative's democracy are the voter turn-out, the number of contested elections, the average term length of directors, and how current directors support succession planning and emergent leadership. Are all members able to participate equitably and fairly, and how effectively are the values and principles of the co-op communicated to members, employees, customers and the wider community?

Co-operatives should have a strong value system and set of principles, a complex mission and operating structure, unique governance structures, and a requirement for different leadership skills from traditional private businesses. These unique qualities of a co-operative are there to serve its members and, if harnessed properly, provide a distinct competitive advantage.

Successful co-operatives are those that truly embrace their co-operative difference. They work towards meeting their co-operative and ethical values and strongly adhere to the co-operative principles. By doing this they effectively work for their members, through their members. Successful co-operatives see the importance of a strong and active membership and engage in activities that promote and enhance this. Co-operatives that fail do so because they lose sight of what it is that brings them together. They are unable to clearly see their co-operative competitive advantage and as a result start to act like a clumsy private company. What makes a co-operative fail is simply a failure to be a co-operative.

Caroline Gilbert - Taranaki Dairy Chairwoman