

HOW WE FARM  
TODAY AND  
HOW WE LEAD  
TOMORROW

**PĀMU**

FARMS OF  
NEW ZEALAND

BROUGHT TO YOU BY **LANDCORP**

- Pamu in 2017 what are the challenges?
- Five disruptions we see impacting the Primary Industries
- How Pamu will continue to lead for NZ

# WHO AM I

- Julian family arrived in Taranaki in 1840, fourth generation on our farm.
- Massey University and DairyNZ
- Always chased opportunities – love agriculture – Passionate about NZ primary industry success.



# PAMU – FARMS OF NZ

## **New Zealand, 1885**

We began transforming unproductive land to fertile farmland to provide international customers with meat, wool and dairy.

- 26,000 farms created

## **New Zealand, today**

We have grown to be the largest pastoral livestock farmer in the world.



# WHO WE ARE

LANDCORP FARMING LTD - A SNAPSHOT (JULY 2017)

## 125 FARMS

Manage 365,000 hectares of land. Farm 530,000 sheep, 78,000 dairy cattle, 79,000 beef cattle, 95,000 deer and 5,000 dairy sheep (in JV)

## \$1.8b ASSETS

In 1987 Landcorp was worth \$170 million. Have increased the company value more than 10-fold. Have bought and sold 150 farms

## AN SOE

Landcorp operates commercially with no capital injections or tax advantage. Dividends go to the taxpayer - \$500 million since 1987

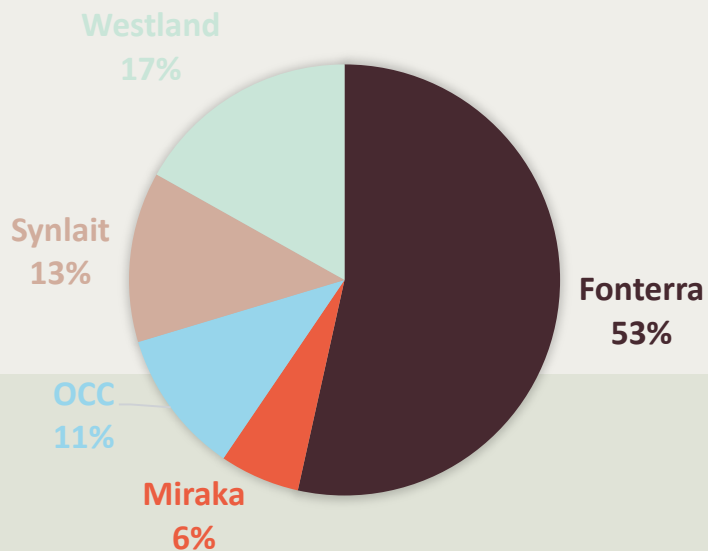
## PARTNERSHIPS

Work with partners to develop a portfolio of farms tied into value chains.



# Landcorp Dairy

- Key position as a national dairy farmer
- 2017 peak milked 60,000 cows, 20M KgMS
- Pioneer in development and farming in challenging areas
- Diverse operating models, owner-operator, sharemilker, lease, profit share
- In processing support cooperatives but also OCD, Synlait, Miraka



# WHERE ARE WE GOING – NZ PRESSURE

## Lowered dairy payouts hard-hitting for sharemilkers

AMBER-LEIGH WOOLF  
Last updated 19:24, March 8 2016



Dairy cows in Wairio, Western Southland.

# Economic

## Wages breaches found in dairy farm investigations

RICHARD MEADOWS AND TIM CRONSHAW  
Last updated 16:20, April 1 2015



# Social

## Still too many quad bike fatalities, safety expert says

ESTHER TAUNTON  
Last updated 09:01, July 17 2017



quad bikes. ANDY JACKSON/STUFF

## Canterbury rumbly-gut outbreak linked to dairying

PAT DEAVOLL  
Last updated 14:29, March 23 2016



Water in the Hinds region has the highest rates of ecoli and campylobacter in the world because of intensive dairy farming and irrigation.

# Environment

## \$300,000 payout sought by Havelock North gastro victims

called in 27 Sep, 2017 6:00am

2 minutes to read



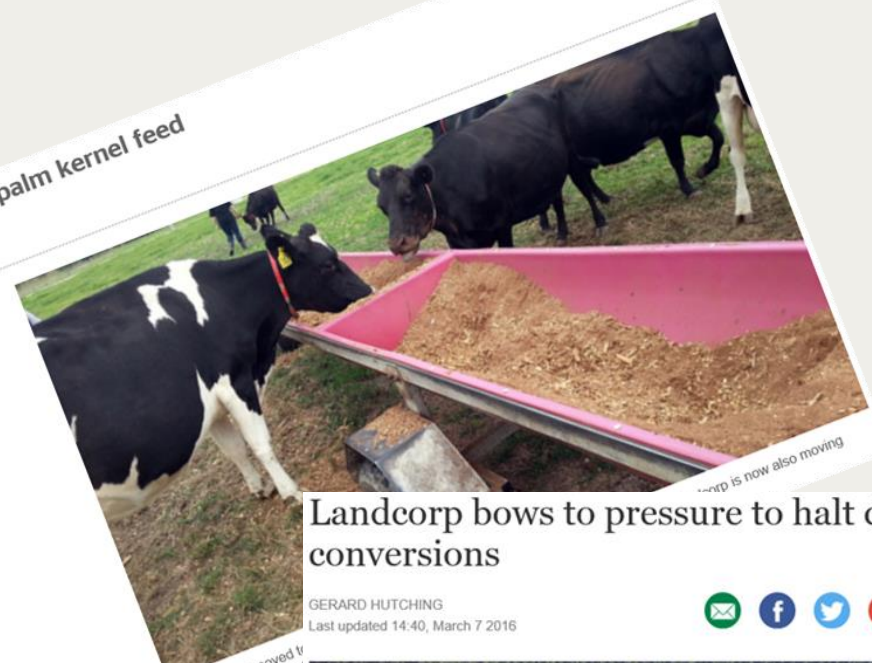
Those whose long-term illness from the gastro outbreak made them suffer financially could receive assistance. Photo / File

Hawkes Bay Today

# WHAT ARE WE DOING?

## Landcorp to dump palm kernel feed

Monday, 08 August 2016



Fonterra has moved away from using the...

## Landcorp bows to pressure to halt dairy conversions

GERARD HUTCHING  
Last updated 14:40, March 7 2016



Forests have been felled to make way for dairy farms at Wairakei Estate near Taupo, but plans for further conversions have been abandoned.

## NZ's largest farm company to phase out quad bikes over safety concerns

Sep 12, 2016 Share [Facebook] [Twitter] [Google+] [Email]

Source: 1 news

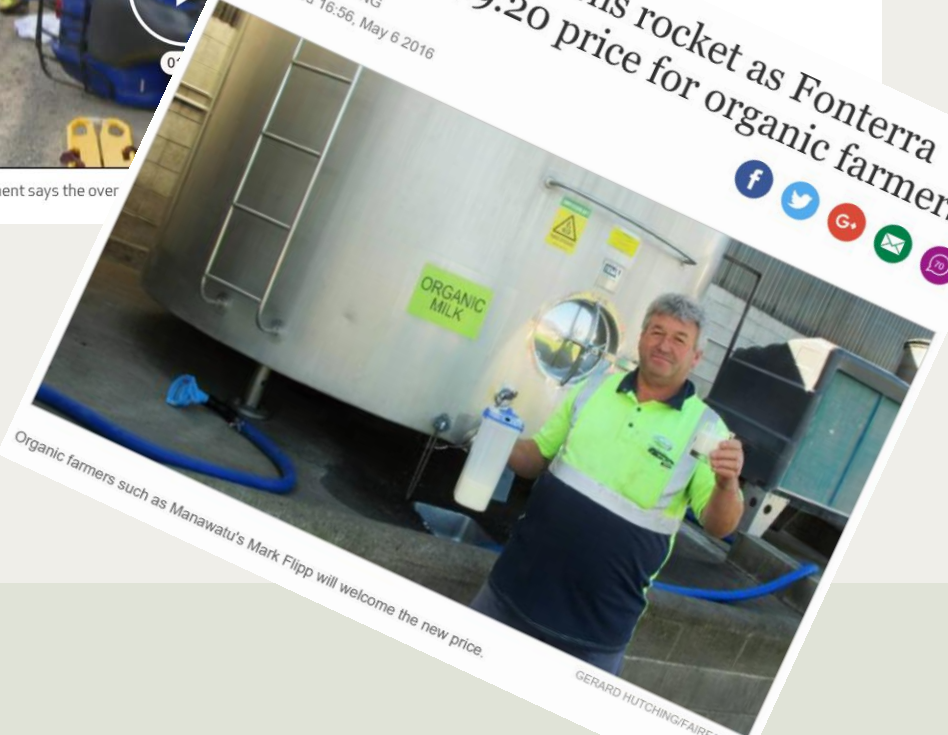
Concerns over safety have led New Zealand's largest farm company, Landcorp, to phase out the use of quad bikes.



Landcorp management says the over...  
Source: 1 NEWS

## Organic milk returns rocket as Fonterra announces \$9.20 price for organic farmers

GERARD HUTCHING  
Last updated 16:56, May 6 2016



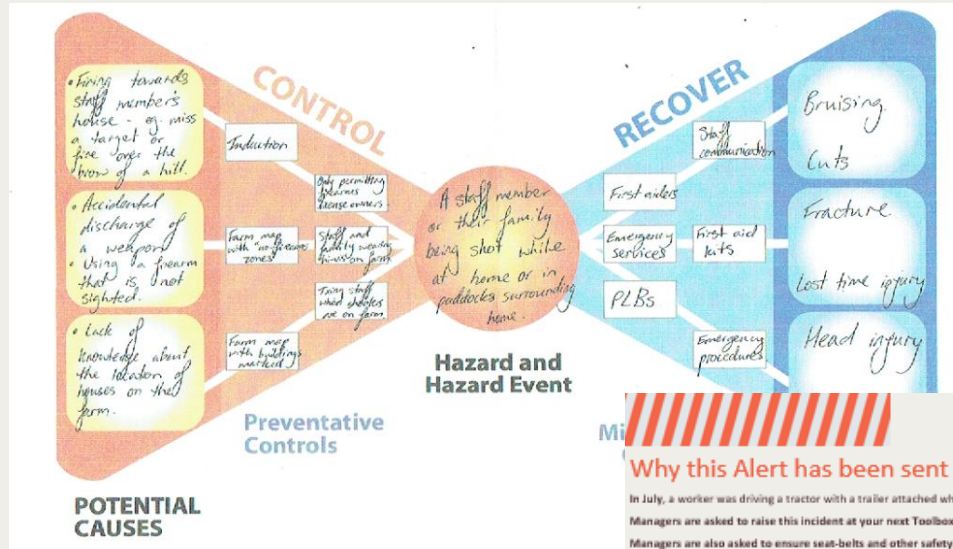
Organic farmers such as Manawatu's Mark Flipp will welcome the new price.

GERARD HUTCHING/FAIRFAX NZ



# SAFETY: LEADERSHIP > MATURITY > EXCELLENCE

WE'RE GETTING BETTER EVERY DAY



## SAFETY ALERT TRACTOR ROLL OVER

### Why this Alert has been sent out :

In July, a worker was driving a tractor with a trailer attached when it rolled on a slope. The worker escaped unharmed.

Managers are asked to raise this incident at your next Toolbox meeting.

Managers are also asked to ensure seat-belts and other safety features are fitted and in working order.

### What happened?

The operator was driving a tractor with a calf feeder attached. The front-end loader was raised.

The operator assessed the slope as being unsuitable due to extremely wet conditions.

The operator attempted to engage reverse but the tractor started to free-wheel forward in neutral.

The tractor tipped over sideways part-way down the hill.

The operator was not wearing a seat-belt and had to hang on to the steering wheel as the tractor tipped over, this is likely to have been the only action that prevented serious injury or worse.

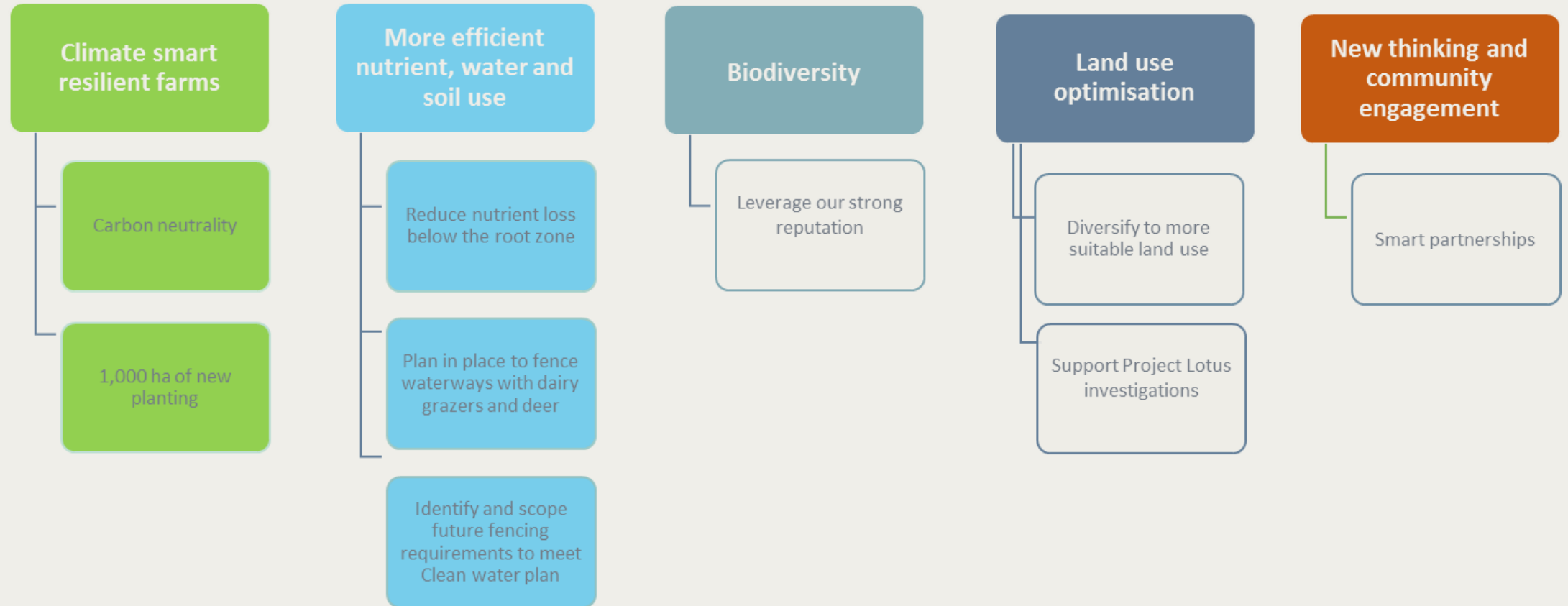
### Key Lessons

The following lessons have been identified:

- 1. Know your vehicle.** Appropriate use of brakes and gearing may have prevented the uncontrolled descent in the first instance.
- 2. Drive to the conditions.** Take extra care when operating vehicles in wet or icy conditions, especially off-track or on slopes.
- 3. Keep it low.** Front end loaders should not be carried in the raised position, they should be kept low to retain the best possible weight distribution.
- 4. Wear your seat-belt and always use safety devices where fitted.** Staying in the driving position during a loss of control event may prevent serious injury or death from being thrown from or under a vehicle.
- 5. Check your vehicles.** If your tractor doesn't have a seat-belt fitted, or if it's damaged/worn, report it immediately and contact the procurement team. This also applies to any other safety feature (roll-protection etc).
- 6. Tell us when it doesn't work out.** It's important to report all near incidents and near misses, whether you're following procedure or not, as it allows us to share valuable information and keep all our people safe.



# ENVIRONMENT FRAMEWORK



# HOW WE IMPLEMENT FRAMEWORK ON FARM

## LEP Action plan

**FARM BUSINESS PLAN – Environmental Section**

**LEP Actions Required** As at: 24 February 2015

**Kapiro**

REQUIREMENTS	CURRENT SITUATION or PROGRESS	ACTIONS TO BE UNDERTAKEN	TARGET	TIME TO ACHIEVE	TOTAL PROJECT COST	POTENTIAL LANDCORP CONTRIBUTIONS	COMPLIANT
<b>LANDCORP LEP Ian Hanmore [Dated: December 2014]</b>							
Prospective covenanting of already fenced & retired areas	Investigate covenant in 8-10 & also 205 wetland	8-10 – 5.0ha 205 wetland – 5.5ha	Covenant 10.5ha	2015-16	nil	nil	
Retirement fencing & prospective QEII covenanting of areas as identified	Retirement fencing & prospective QEII covenants in 56-58, 267&273, and 274	56-58 – 4.0ha [891m] 267&273 – 22.0ha [1265m] 274 – 20.0ha [1280m]	Fence, retire & covenant 46.0ha 3,500m @ \$20	2			
Fence off stock access to wetlands & seeps as identified & wetland/riparian plant as identified	Fence for all stock exclusion in 5, 6, 8 [cattle only], 56, 57, 63, 66, 74, 86, 134, 136, 285, 286 & 299 & riparian & wetland plant [except 8 & 285]	5 – 519m [1.3ha] 6 – 1403m [2.6ha] 8 – 326m cattle only 56 – 316m [1.6ha] 57 – 576m [2.1ha] 63 – 568m [1.3ha] 66 – 178m [0.8ha] 74 – 438m [0.6ha] 86 – 550m [0.4ha] 134 – 324m [0.3ha] 136 – 264m [0.3ha] 285 – 477m 286 – 392m [0.1ha] 299 232m [0.7ha]	Fence, retire & plant 6,800m @ \$20 12.1ha @ \$4000 Manuka & wetland plants	2			


## Environmental Scorecard

**LANDCORP LIVESTOCK ENVIRONMENTAL IMPACT ASSESSMENT** **Kepler**

	DEFINITION	Result		1. LOW RISK - EXCELLENT PERFORMANCE	2. LOW - MEDIUM RISK	3. MEDIUM RISK	4. MED - HIGH RISK	5. HIGH RISK - NEEDS ATTENTION	FARM SCORE
		Whole Farm	Effective area						
Productivity Measures	Ebit/kg N leached	\$ 11.31	\$ 11.49		■				2
	Kg LWT /kg N leached	29.40			■				2
Efficiency Measures	GHG g/kg LWT	10.58			■				2
	Nitrogen conversion efficiency %	19			■				2
	Kg soluble N applied / ha	26			■				2
	Kg N leached / ha	12	13		■				2
Water Management	Kg P runoff / ha	0.1		■					1
	% of farm with reticulated water	100		■					1
	Best practice for efficient water use	NA							
Soil Quality & Protection	Winter cropping % of farm	8%				■			3
	% of winter crop paddocks with waterways in paddock	14%				■			3
	% of winter crop paddocks with slope greater than 20 degrees	0%		■					1
	% of effective area in LUC 7 plus	0%		■					1
Waterway Management	% of riparian management plan implemented	?							
Implementation	Nutrient management module complete	NA							
Adapted from: Dewes, A. I. (2014). Economic resilience and environmental performance of dairy farms in the upper Waikato region. (Masters Thesis).									
<b>Overall Farm Risk Score</b>									29%

## Nutrient Management module

**Nutrient Management Module- Drystock**

 Assessment Date:   
Assessor:

Farm:   
Farm Manager:   
Staff present:

The purpose of this section is to identify key environmental measures of your farm as calculated from Section 1: Overseer Nutrient Budgets & benchmark these key measures against other farms in the region.

Nutrient budget period (date range)	Nitrogen Conversion Efficiency %	Nitrogen leached (kg/ha)	Phosphorus Loss (kg/ha)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Options for N Loss for your farm currently or pending?

# FIVE KEY TRENDS IMPACTING NZ AG

# 1. SYNTHETIC FOOD



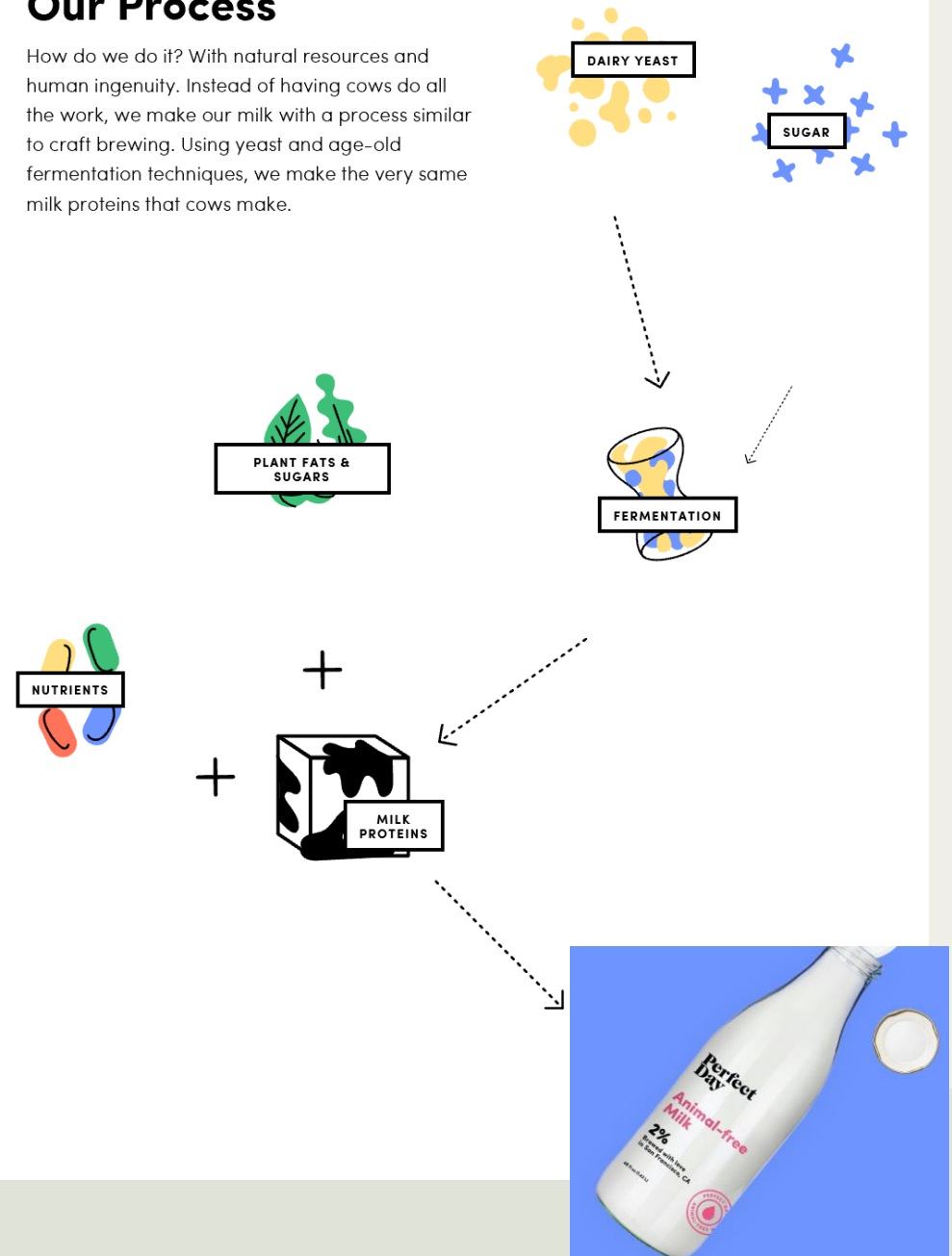
“ TODAY WE RELY ON COWS TO TURN PLANTS INTO MEAT. THERE HAS TO BE A BETTER WAY. ”

- Pat O. Brown, Founder and CEO



## Our Process

How do we do it? With natural resources and human ingenuity. Instead of having cows do all the work, we make our milk with a process similar to craft brewing. Using yeast and age-old fermentation techniques, we make the very same milk proteins that cows make.



## 2. PLANTS REPLACING ANIMAL PRODUCTS



### 8 Iron-Rich Foods That Aren't Meat



### Pea milk hits US supermarkets, threatening dairy industry

MAURA JUDKIS

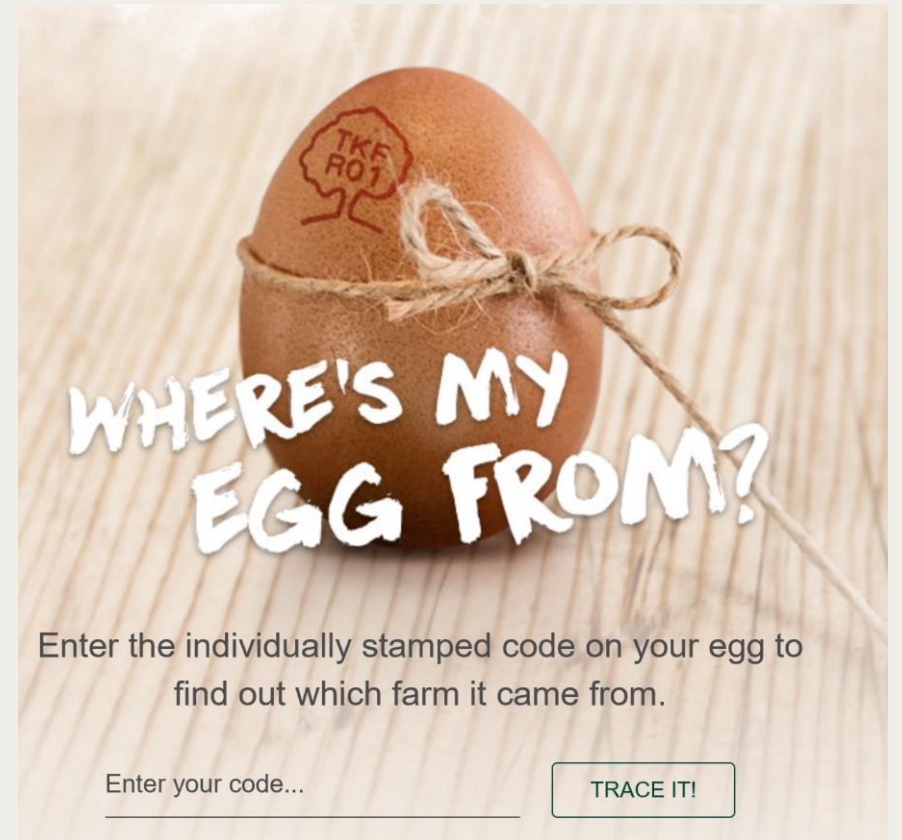
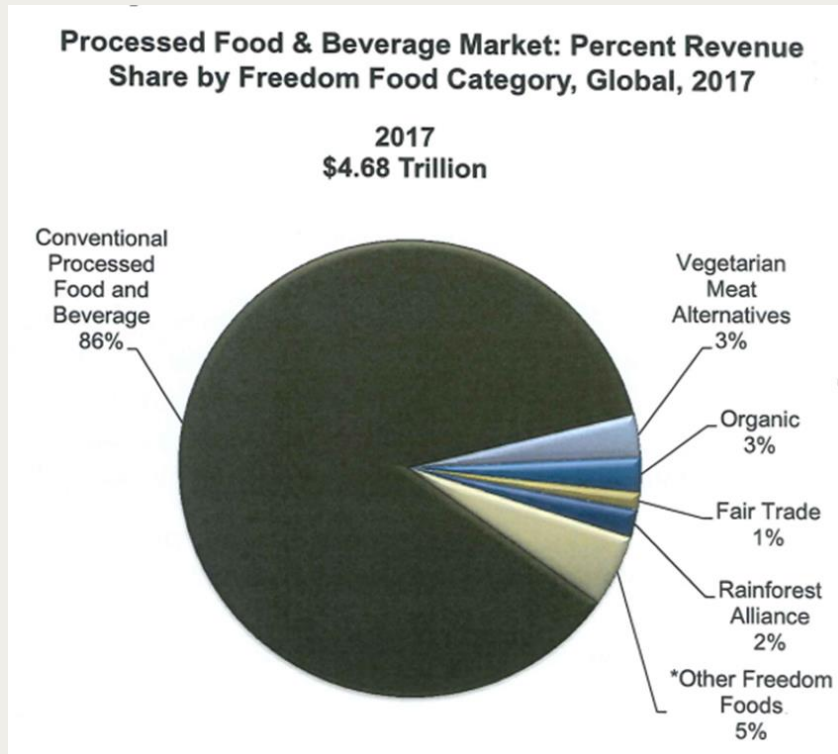
Last updated 13:19, September 22 2017



LAWRENCE SMITH/STUFF

Consumers are turning their back on dairy products.

### 3. THE NEW CONSUMER FOR ANIMAL PRODUCTS



# 4. ENVIRONMENT VS FARMING

ALJAZEERA

News ▾ Middle East Documentaries ▾ Shows ▾ Investigations Opinion More ▾

Now: Rohingya Myanmar Hurricane GCC Syria's Civil War

REPORTER'S NOTEBOOK | NEW ZEALAND 1 SEPTEMBER 2017

## Why are New Zealand's waters so polluted?


*New Zealand's abundant rivers have been central to its reputation as a land of natural beauty – but are its waterways as sparkling as the tourist ads suggest?*

Read to me

Share

Tweet

Print



ALJAZEERA

## Landcorp manager sings praises of environmental critics

GERARD HUTCHING  
Last updated 16:30, May 30 2017



Environmentalists Guy Salmon, Mike Joy, Alison Dewes and Landcorp's Phil McKenzie.

## Labour water tax to be \$100m a year for irrigators

PAT DEAVOLL  
Last updated 16:28, August 19 2017



JOHN BISSET/STUFF

f t G+ e



# 5. TECHNOLOGY



HOW CAN PAMU LEAD FOR NZ AG?

FOR NZ - OPPORTUNITY – WE HAVE A UNIQUE STORY IN PASTORAL FARMING - WE CANT BE COMPETING WITH THIS



# PAMU BUSINESS STRATEGY – TWO PARTS:

1. Continue to be the best farmers we can be:
  - Safety is owned by the team on farm
  - Exceptional care of our animals for welfare and performance
  - Living our guardianship of the natural resources we farm and reducing the impact on the wider waterways.
  - Embracing technology, science and proven systems to drive on-farm performance



# DEVELOPING BEST PRACTICE FARMING FOCUSSED ON THE CUSTOMER AND STAKEHOLDERS

**Pāmu Suppliers Recording Tail Damage SOP**

**PĀMU FARMS OF NEW ZEALAND**

**Aim:**  
To ensure each cow is checked for tail injuries and if present they are recorded using a consistent method.

**Benefits:**

- Proactive approach to an industry concern with a consistent recording method between farms.
- Creates a defined starting point for the herd prevalence and ability to highlight any variation from a normal prevalence.
- Recording the type of damage may help identify the cause and also highlights to staff the importance of preventing intentional damage to tails.
- Confidential independent assessment from an external party.

**Procedure:**

- The Vet will examine the tails whilst vaccinating the herd for Leptospirosis and create/update the tail inventory in February/March each year. Use the standardized recording sheet.
- Staff can be trained by the vet to assess new arrivals (cows and heifers).
- The vet will need to discuss any newly diagnosed tail injury with management. Additional visits may be required during the season if a problem is identified.

**Categories:**  
The tail can be divided into 3 regions starting from the tail base known as:

- Region 1 - tail base to the bottom of the vulva
- Region 2 - middle third of the tail
- Region 3 - the last third of the tail to the tail tip

The type of damage can be divided into 3 categories:

- BD** - Breaks or deviations - these have obvious bends and bone callus formation that would easily be observed.
- TS** - Trauma or swelling - these may be fresh injuries that could turn into a break or deviation later, cause lesions, cuts, infections, tail pulling/bending, crushing etc.
- D** - Docked

**Examples:**

**We use a captive bolt to slaughter sheep on our farms**

**PĀMU FARMS OF NEW ZEALAND**

**Captive Bolt**

There are three sites for aiming with captive bolt pistol or rifle; the back of the head, the top of the head or the front of the head.

**From the Animal Welfare Code:**  
"On-farm destruction must bring about death with minimum pain, suffering and distress to the animal concerned."

The back of the head is the preferred site for sheep. The captive bolt pistol is placed just behind the poll and aimed towards the animal's nose.

The captive bolt must be against the animals head.

We **always** use a knife to bleed out an animal after it has been shot with a captive bolt or a rifle. Occasionally they are just stunned and need to bleed out to die.

**IMPORTANT:**  
A knife is only used for slaughter of sheep in an emergency when a rifle or captive bolt is not available and the time to get one is outweighed by the need to stop an animal's suffering.  
It is **never** appropriate to destroy a cattle beast using only a knife.

**PĀMU FARMS OF NEW ZEALAND**

**KIDS ON FARMS PROCEDURES**

**PLAY IT SAFE**

Page number	Page 2 of 12
Version Number	Draft 1
Date of issue	30 Jun 17

**1. PURPOSE**  
To maintain the safety and wellbeing of all people, especially children on farms is our highest priority.

**APPLICATION**  
These procedures apply to all Landcorp employees, parents, whanau, contractors and visitors.

**GENERAL**  
Management of health and safety on farms requires constant effort, planning, action and review efforts to achieve continuous improvement, and requires input from all occupants at all levels. The health of our children depends on it!

The basis for planning and implementation for continuous improvement

Child's ability on farm is key to reducing risks:

- Assess age, cognitive, physical skill levels and suitable farming activities!
- Re-assess child competencies every six months.
- Identify the best level of supervision required and who will provide it.
- Identify the duration of activity (consider age, concentration/distraction levels, time availability, engagement level of task vs. supervision).
- Identify the farm hazards that may put children at risk - plan to create a safe environment.

**Plan** Identify the specific goals - make them achievable (ACC, 2014)

# DEVELOPING THE BEST PEOPLE



2017 AWARD WINNER

**Te Wharua Station  
- Landcorp Farming Ltd**

MANAGER: **ALAN (MICKY) MACDONALD**

## PAMU BUSINESS STRATEGY – TWO PARTS:

2. Taking unique food and fibre with a fantastic provenance story to niche markets to meet the most discerning consumers demands.



We need to meet this challenge, both on farm and beyond the farm gate.

# MOVING UP THE VALUE CHAIN

DAIRY – ALTERNATIVE  
BOVINE, OVINE AND  
DEER





# MOVING UP THE VALUE CHAIN

RED MEAT – BEEF, LAMB AND DEER



## PARTNERSHIP HIGHLIGHTS TOP TAKEAWAYS



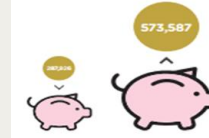
25% of Pāmu wool contracted  
19% actually filled contracts



brand partners contracting Pāmu wool



ONE News feature Pāmu and Glerups at Hamner property



\$287,926 invested by Pāmu in marketing and innovation, \$573,587 net better off after investment in marketing and innovation

2.8 MILLION

invested through W3 PGP; high value contracts in traditional wool spaces (interiors), new uses and users for strong wool, and helping to secure Pāmu Wool's social license to operate.



new uses for wool in development



Prestige Carpets deepen connect with Pāmu - tell/show story at retail

clip preparation summits held, four on Pāmu Farms (Karapiro, Aratiatia, Thornicroft, Mararoa)



of clip contracted for 2017/18

**SEASONAL INSPIRATION**

"Glow, here we will have four shots that show four dishes for the four different seasons. The captions will be very simple "Fall Flavours ("Tito") - char-grilled venison rack with autumn greens and creamy mash" i.e. no recipes or lengthy prose"

**RESEARCHING PĀMU FARMS' CERVEZA**

**SHOULDING ON BEYOND**

Like a few others, give Pāmu Farms' Cervena a little time to breathe. Season well with salt, pepper and olive oil. Pre-heat and oil the cooking surface, and cook over a high heat. Remember to rest for 5-10 minutes before you serve. Serve medium rare to medium for the most delicious flavour and tender texture.

**OUR BOASTING**

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt.

**ONES GREAT WITH...**

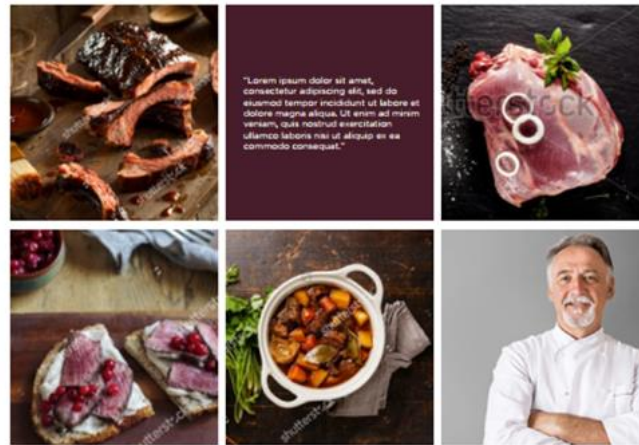
Get your creative juices flowing and why not try venison with... Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt.

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt.



01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



# THROUGH OUR CONSUMERS EYES: UNDERSTANDING WHAT MATTERS TO THEM

“IT’S ALL ABOUT ME, MY FAMILY AND THE FUTURE...”



**NUTRITIOUS AND  
SAFE PRODUCTS  
ARE IMPORTANT  
TO ME**

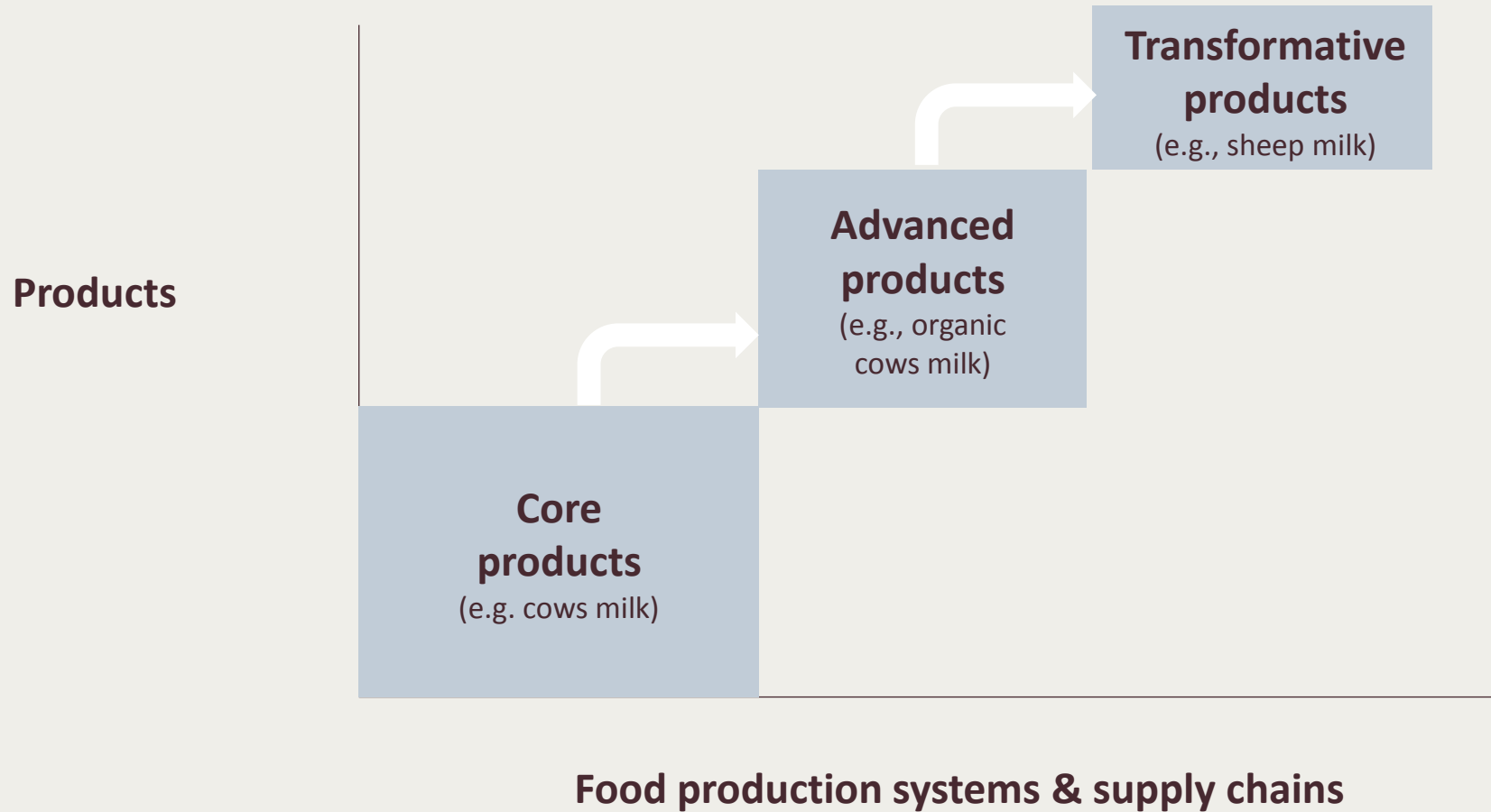
**I LOVE THE EXPERIENCE I GET  
FROM GREAT FOOD AND  
PRECIOUS THINGS**

**I WANT TO BE  
BETTER  
INFORMED SO I  
CAN MAKE THE  
BEST CHOICES**

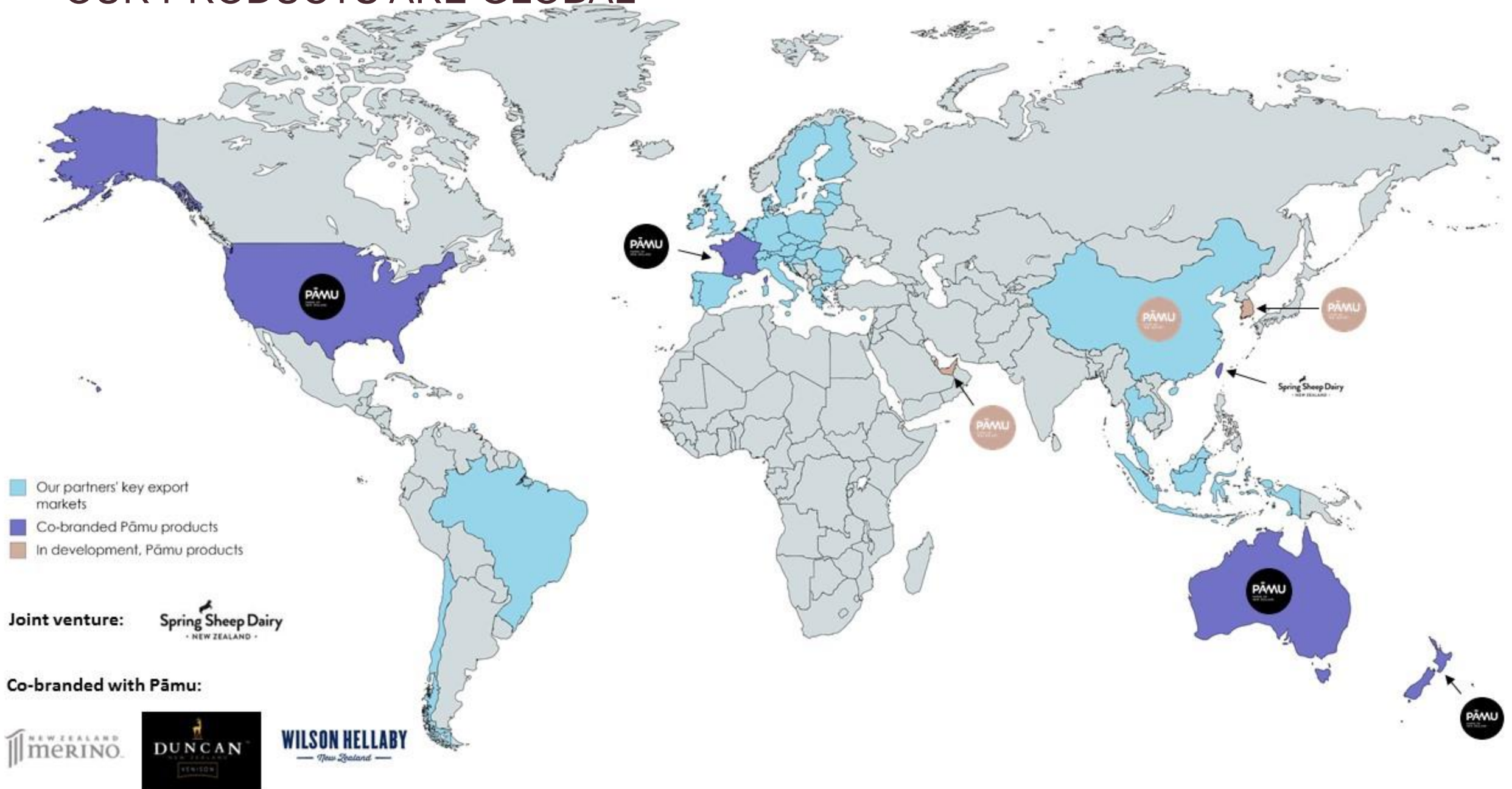


**I WANT TO DO MY BIT AND LEAVE  
THE WORLD A BETTER PLACE FOR  
FUTURE GENERATIONS**

# STRATEGY STEPS UP THE GRAPH



# OUR PRODUCTS ARE GLOBAL



# SUMMARY

- Landcorp has a proud history in NZ farming
- We are working hard to address today's challenges
- Our strategy is set to future proof the business and to keep providing leadership for NZ
- Consumer – customer – farm system – social and environment we have to get it right at every level
- Have to be exceptional products and provenance, need to get our story told well



**PĀMU**

FARMS OF  
NEW ZEALAND

BROUGHT TO YOU BY **LANDCORP**