



SAM'S SUMMER WELLBEING TIPS

YOUR POLICIES

Making them easier to understand

ADVICE WORTH LISTENING TO

Helping prevent milk spoilage

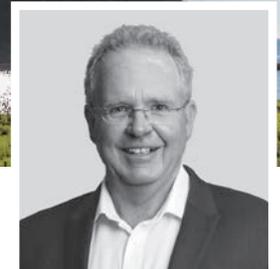
YOUNG FARMER CONTEST

Preparing for Regional Finals with Nigel Woodhead

FARMSTRONG
Live Well Farm Well

A catch-up with Farmstrong Ambassador Sam Whitelock

NOTE FROM CHRIS BLACK



One year on from the 'Kaikoura Earthquake', we continue to make good progress helping clients get back up and running, or at least be in a position to make an informed decision on how best to move forward given their unique circumstances.

Without doubt, one of the key reasons this recovery has progressed more quickly than after the Canterbury earthquake, is because of the new model the insurance industry agreed with the Earthquake Commission (EQC) late last year. Under this model the private insurers handle all

house and contents claims on behalf of EQC. This means that policyholders only need to deal with their own insurer.

This approach has made it more straightforward and efficient for all. We are hopeful the new government will recognise the merits of this new model and support legislation to enact the agreed insurer/EQC partnership framework.

Over the last six months our frontline teams have contacted and visited more clients than ever before. This has been invaluable in helping clients better understand

their insurance cover, and identify areas where more or less cover could be beneficial in the context of their unique requirements and risk appetite.

Our advice-led insurance approach is designed to help clients avoid losses and interruptions in the first place or at least minimise the impact, if and when they do occur. Ultimately, this is good for both clients and the Mutual and based on recent claims activity, this initiative seems to be having a positive impact.

I'm conscious 2017 has seemed like a long year for many of you, and so I hope you manage to get a well-earned break at some point over the summer period.

All the best for the festive season.

Chris Black
Chief Executive, FMG

KAIKOURA ONE YEAR ON

HOW WE'RE TRACKING

At the time of writing we've settled some 65% of our 3,400 Kaikoura Earthquake claims. This includes FMG claims and those we're managing as part of the new working relationship with EQC. We continue to make good progress and we're on track to be 90% complete by the end of the year.

We have a dedicated team working on Kaikoura-related claims. While we remain pleased with the work we're doing to help people repair and rebuild their homes and businesses, we know there is more that needs to be done. Settling these claims, and those which are still outstanding from the Canterbury earthquakes and the Edgcumbe floods, remain top priorities for the Mutual.

EQC AGENTS

Following the Kaikoura Earthquake, an agreement was reached where private insurers would act as agents for EQC. For us, this new approach has been a win win. It's meant that clients only need to deal with one insurer, FMG get an early and clear view of all claims and reinsurers have greater visibility of the end-to-end process as well.

December marks a year since the agreement was signed. It's a process we'd like to see adopted for future similar events, as overall it's made settling claims easier and quicker.

CLAIMS UPDATE

3,400
total number
of claims

65%
of claims settled
so far

90%
of claims settled
by the end of
the year (our target)



YOUNG FARMER OF THE YEAR CONTEST 50 YEARS YOUNG

REGIONAL FINALS

- 17 Feb** East Coast (Masterton)
- 24 Feb** Taranaki/Manawatu (Wellington)
- 10 Mar** Waikato/Bay of Plenty (Rotorua)
- 17 Mar** Northern (Kerikeri)
- 7 Apr** Tasman (Christchurch)
- 14 Apr** Aorangi (Waimate)
- 21 Apr** Otago/Southland (Winton)

GRAND FINAL

5-7 Jul Invercargill

TOWN MEETS COUNTRY

To help showcase the skill and expertise needed to win the Contest, Young Farmers is trying something a little different this year and hosting the Taranaki/Manawatu Regional Final in Wellington. This is an incredible opportunity to gain greater interest in the Contest and share it with a wider audience.

For more on the Regional Finals head to: www.fmgyoungfarmercontest.co.nz

2018 marks half a century of celebrating the competitive spirit of the New Zealand Young Farmer of the Year Contest. District Finals are complete and Regional Finals start in February.

The FMG Young Farmer of the Year Grand Final will be held in Invercargill on **5-7 July 2018**. It will feature a special celebration to mark the 50th anniversary of the Contest, including a function to celebrate past winners and Grand Finalists.

While this year's Regional Finalists have been found, it's never too soon to think about your preparations for entering next year's Contest. We've spoken to current title holder—Milton sheep and beef farmer Nigel Woodhead—to see what it takes to win and what happens when you do.

What was it like winning the title?

Amazing. It was a culmination of a life-long goal. The event has got such a big profile, so it's amazing to be one of the 49 people to take out the title.

How has winning the title impacted you?

My public profile has gone through the roof. I'm getting recognition from a whole lot of different areas from both a business and personal point of view. I've also been invited to a number of speaking events including schools, Scout groups and conferences. With school children I talk about my mental preparation.

I try and instil the importance of early preparation and backing yourself. The harder you work now, will make it easier in the long run. This concept only clicked for me during this last year.

What did you find particularly challenging about the Regionals?

The mental game. You are put under a lot of pressure. Those who come out on top are the ones who can handle pressure the best.

What was the best challenge/activity?

The AGMARDT Agribusiness Challenge. It was a market innovation project that involved presenting to a panel of AGMARDT judges. My topic was the potential development and use of extra-uterine systems to produce lamb in New Zealand. It took two months to prepare and was a great experience.

Did you learn anything about yourself?

To back myself and that if you put the hard work in, anything is possible.

NIGEL'S TOP 5 TIPS FOR COMPETING

- 1 Have a wide range of knowledge about multiple subjects.**
The Contest has a strong emphasis on agricultural and business knowledge.
- 2 You can never be too prepared.**
Practice your skills for the events.
- 3 Get involved now.** Don't put it off. Experience is so crucial.
- 4 Get fit.** This will not only help with the physical events, but also your mental preparation.
- 5 Trust your gut and back yourself.** If you've done all the prep work, then trust that you'll do well.



PROUDLY PROVINCIAL

As a rural insurer our footprint is firmly planted across rural and provincial New Zealand. Our commitment to the provinces will take another step in January as we literally move down the road and relocate to a new Palmerston North office.

Being part of the Manawatu community is important to us and January's move means we'll remain there for a long time to come.

We've taken a long-term lease across three floors in a building, which is literally down the road from our current premises—one we've been in since the 1980s.

It also shows that in becoming a bigger business you don't always need to move all your operations to the big smoke.

Palmerston North holds a number of 'head office' roles. It's where your claims are lodged, all 0800 calls answered and payment queries managed. It also houses other support

functions for the Mutual such as our IT team.

The new building will provide us with the space we need to support our continued growth, with our employee numbers in Palmerston North alone, doubling over the last five years.

Overall we employ some 270 people in the Manawatu—nearly half of our workforce.

In addition, the new premises will be energy efficient and one of the safest buildings in the city at 130% of New Building Standard (seismic rating).

The move will have little-to-no impact for clients. Local clients will still be able to visit us, with a reception area on the ground floor.



New address

284-292 Church Street
Palmerston North
PO Box 1943

Phone number

Remains the same
0800 366 466

MAKING POLICIES A LITTLE EASIER TO UNDERSTAND

It's really important to know what you're covered for. Taking time now to ensure you have a good understanding of this can help remove any surprises when it comes to making a claim.

To help with this, we've begun re-working our policy documents into a simpler format.

PLAIN ENGLISH

A number of New Zealand organisations across a range of industries are reviewing their documents and simplifying the language to what's commonly referred to as 'Plain English'.

We think this is a great idea and have started doing this with our policy documents, which as we all know, can at times be tricky to work through with insurance terms and jargon.

We've started with our Domestic policies and our Rural and Commercial policies will be updated next year.

We believe in being as open and transparent as possible, so want our policy material to reflect this and be clear and easy to follow.

KEY CHANGES:

1. We've removed jargon and explained technical terms.

We'll say exactly what we mean in words that you'll understand. This involves shorter sentences, removing clutter and unnecessary words.

2. We've changed Additional Benefits to Automatic Benefits.

This title better explains what benefits you have.

3. You'll find the headings more informative.

We've moved away from labels to more informative statements. These tell you more about the content so you can decide whether to read what follows.



4. We've made definitions less jarring.

We've moved from showing definitions in bold to italics, which will improve the overall readability of the document.

5. The crucial information is up the front.

Benefits have been re-ordered, with the most significant benefits appearing first.

SAM'S FIVE TIPS FOR SUMMER



www.farmstrong.co.nz

With another full-on, yet successful rugby season behind me, I'm looking forward to recharging the batteries over summer. These are some of the things I'll be 'locking in' over the festive season.

1

CONNECT

Rugby means I travel a lot during the year, so I see the summer months as providing the ideal opportunity to spend quality time with friends and family. I find talking with people away from the farm, or rugby in my case, helps to recharge you and just freshens things up.

2

TAKE NOTICE

With work and the general pace of life, it's sometimes easy to forget the wonderful things we already have in life. I think the festive season is a great chance to down tools for a while and take stock of all the great things that are right in front of us. The things we sometimes forget to notice when we're busy.

3

SLEEP

It's a simple little thing, but so important. How often do you feel on top of your game after getting a quality forty winks? There are a heap of sleep tips on the Farmstrong website. To clear my head at the end of the day I like to read in bed and make a list of all the things I need to do the next day.

Find out what works for you and lock it in

4

PLAN TO STOP

Building or running a successful business, or in my case rugby team, requires dedication and commitment. At the same time a quality break from the farm (or rugby paddock) doesn't just happen, it needs to be planned. The summer months are a great time to work out when during the year you'll plan to stop and have a break.

5

RESOLUTIONS

I'm as guilty as anyone in making a few New Year's resolutions that didn't quite pan out. What I do now is, when I want to develop new habits at any time of the year, I write them down or tell friends. We're more likely to make good on our commitment if we tell others what we're going to do.

Sam Whitelock

FROM THE TEAM

On behalf of the Farmstrong team I'd like to thank everyone who's taken time out during the year to learn more about the programme and hopefully with it, more about yourself. I grew up on a farm and know the joy and also the pressures farming brings. The ups and downs, so to speak. That's why making a habit of looking after your wellbeing is so important, as it can help you perform at your best even when you're under the pump. So visit the Farmstrong website to find what works for you and lock it in.

Please try and make taking a break over the summer months a priority and enjoy some down time. The Farmstrong Team and myself look forward to getting back in touch in the New Year.



RISK ADVICE – MILK SPOILAGE

All dairy farmers strive to supply milk of the highest quality. Our experience shows that the summer months can bring challenges to achieving this, so we've provided some advice below to help keep your milk 'spoilage-free'.

CAUSES OF MILK CONTAMINATION AND SPOILAGE

CHILLER FAILURE

Over a quarter of FMG's milk claims are due to chiller failure, as the combination of near full vats and higher air temperatures in early summer puts pressure on chillers.

CHILLER NOT ON

Our experience shows that incidents of forgetting to turn the chiller on are most common between the end of calving and around Christmas. Forgetting to turn the chiller on accounts for around 12% of the milk claims we pay out.

ANTIBIOTIC CONTAMINATION

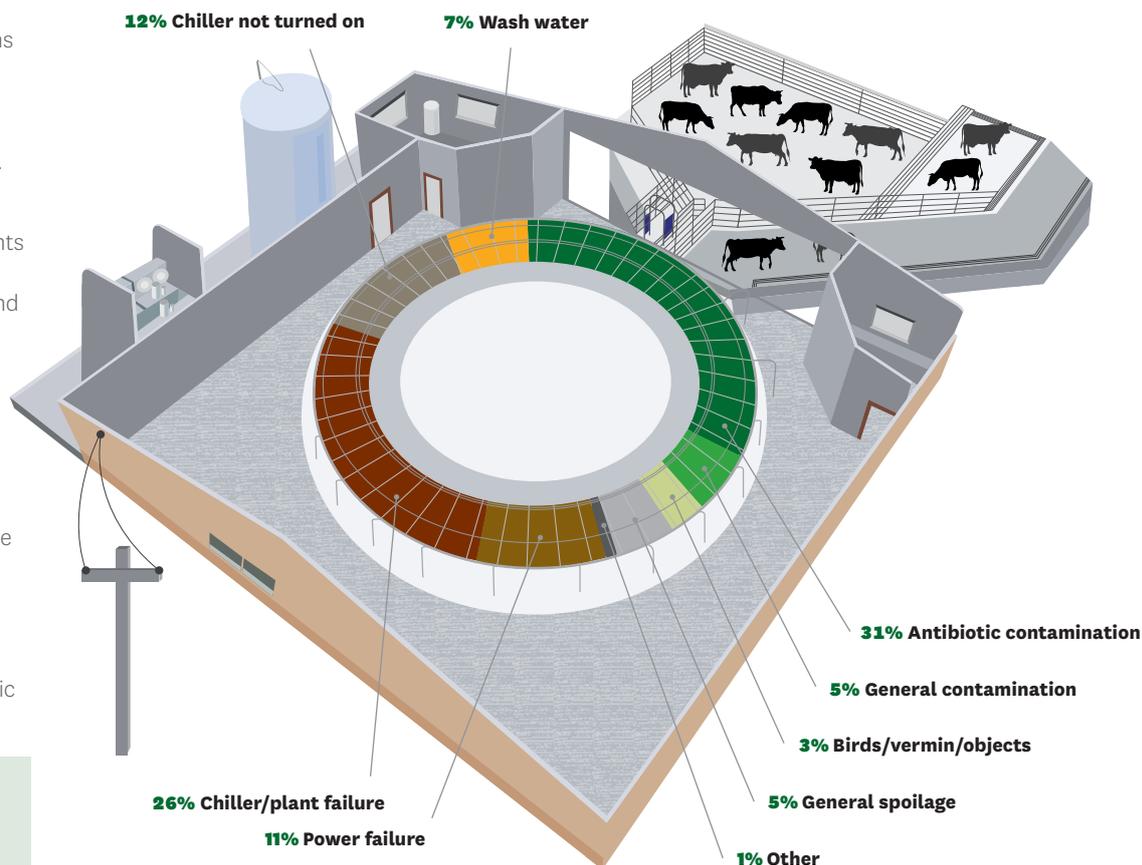
Almost one-third of milk claims are due to antibiotic contamination. While antibiotic contamination occurs throughout the season, we see claims peak early in the season when mastitis and antibiotic use are most frequent.

FMG MILK CLAIMS

APRIL 2012 – MARCH 2017

Number of claims: 4,820

Total claims paid: \$13.9m



CHILLER ADVICE

COOLERS WORKING CORRECTLY

Ensure milk coolers are working correctly and that milk is entering the vat at the required temperature. If milk is entering the vat at a higher temperature, the chiller is required to work harder to bring the milk temperature down, placing it under an increased workload.

CONSIDER MILK VAT INSULATION

Insulating the milk vat protects it from heat gain and reduces stress on the chiller system. The Energy Efficiency and Conservation Authority (EECA) has found that vat insulation can increase the refrigeration capacity of a vat up to an additional 20%, chilling the milk faster and using up to 40% less energy to do so.

Milk cooling and refrigeration accounts for approximately 30% of the total energy costs of operating a dairy shed. Visit the EECA's dairy farming website for more information www.eecabusiness.govt.nz

MILKING TIMINGS

Depending on tanker pick-up times, altering your milking times to earlier in the morning may be an option. This allows the chiller to work with the cooler early morning air temperatures to bring and maintain the vat temperature to its required level.

NEW COOLING STANDARDS

The Ministry for Primary Industries' New Zealand Code of Practice for the Design and Operation of Farm Dairies has new milk

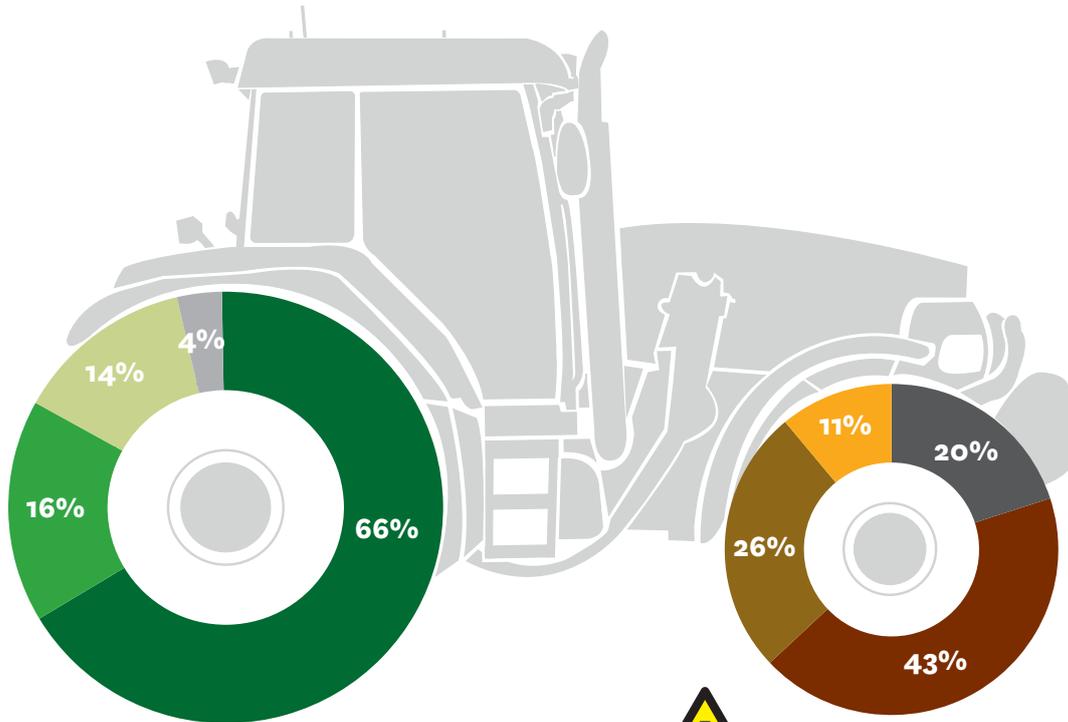
cooling standards. From 1 June 2018 on all farms, raw milk must:

- be cooled to 10°C or below within four hours of the start of milking; and
- be cooled to 6°C or below within the sooner of:
 - six hours from the commencement of milking, or
 - two hours from the completion of milking; and
- be held at or below 6°C without freezing until collection or the next milking; and
- must not exceed 10°C during subsequent milkings.

RISK ADVICE – AG CONTRACTORS

Below is a breakdown of our Agricultural Contractor vehicle claims, along with some advice to help reduce your risk of damage to machinery and implements.

AG CONTRACTOR VEHICLE CLAIMS



WHAT IS BEING DAMAGED?

- Tractor
- Bulldozers and Diggers
- Other Self-Propelled Ag-Vehicles
- Forage Harvesters

FARMER ADVICE

Avoidable damage due to foreign objects is not only a disruption to contractors, but to yourself and other farmers needing to get a job done—especially during the busy season. So help everyone out and keep your paddocks clear.

HOW IS IT BEING DAMAGED? (COST)

- Impact/Accident
- Tyres
- Fire
- Other

CONTRACTOR ADVICE

IMPACTS AND ACCIDENTS

- Before entering a property, remember to consult with the client about potential hazards. This is not only good practice from a machinery perspective, but essential from a health and safety point of view.
- Be conscious of the centre of gravity and balance of towed trailers/wagons/spreaders etc. An unstable trailer has the potential to pull the tractor down with it.
- Reduce ground speed before turning your tractor in to a corner.

FIRE

- Stop and clear birds' nests, spider webs and dust from around wiring, control panels and engine bays.
- Check that spaces around motors are free of oil, dust, grease and dry grass.
- Check for damage caused by rodents.
- Install and train staff on the use of vehicle fire extinguishers and check them regularly.

FOREIGN OBJECTS

- Check for debris and low hanging wires that could cause damage to your agricultural vehicles, tyres or attached implements.
- Ensure that you and your employees check that the gap from gudgeon to post is wide enough for your vehicles and attached implements.

SUPPORTING NEW ZEALAND'S SHEEP GENETICS SYSTEM



FMG is pleased to be supporting Beef + Lamb New Zealand (B+LNZ) Genetics with their sheep Central Progeny Test (CPT) programme.

A subsidiary of farmer-owned Beef + Lamb New Zealand, B+LNZ Genetics has been established to consolidate sheep and beef genetics research and innovation.

Its goal is to help farmers make more profitable breeding choices for their particular farm management systems.

TEST BACKGROUND

The CPT was launched in 2002 and is run across a combination of lowland sites and commercial hill country environments. It's a long standing and critical component of New Zealand's sheep genetics system, and this year it will involve 180 rams across seven sites.

HOW IT WORKS

The progeny test compares how different rams' offspring perform, when lambs are run in identical circumstances.

The offspring are measured for growth, carcass value, wool production, health and performance.

The test is vital for underpinning the New Zealand Genetic Evaluation (NZGE), which provides breeding values and indexes for rams in performance-recorded flocks. Commercial farmers can select rams with the

right combination of traits such as growth, health or reproduction to match their farm needs.

OUR PARTNERSHIP

We think the research being done to better understand the genetic make-up is important for the red meat sector and have put our support behind the programme. It's also in line with our vision, which is to help build strong and prosperous rural communities.

For additional information on B+LNZ Genetics' Central Progeny Testing, please visit their website:

www.blznzgenetics.com

CPT EVENT

B+LNZ Genetics CPT Field Day

Date: February 2018 (TBC)

Venue: Smedley Station, Hawke's Bay

CALENDAR

31 JANUARY–2 FEBRUARY

**NZ DAIRY
EVENT**

Feilding

13 JANUARY

**DUVAUCHELLE
SHOW**

Duvauchelle

16–17 JANUARY

**SOUTH ISLAND
PONY CLUB
SHOWJUMPING
CHAMPS**

Mosgiel

14–16 FEBRUARY

**SOUTHERN
FIELD DAYS**

Gore

23–24 FEBRUARY

**NORTH OTAGO
A&P SHOW**

Oamaru

WE'RE EASY TO CONTACT

Call us on
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Write to us at
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Email us
contact@fmg.co.nz

Visit our website
www.fmg.co.nz

 FarmersMutualGroup

FMG
Advice & Insurance