



GOOD TO GROW

50 YEARS OF NZ YOUNG FARMERS

MANAGEMENT LIABILITY

How it could help your business

FIRE AND EMERGENCY NEW ZEALAND

Do you know how it will be funded?

COMMERCIAL CLIENT PROFILE

Capitalising on the superfood powers of the blackcurrant



Farmstrong Ambassador Sam Whitelock shares the Big 5

NOTE FROM CHRIS BLACK



Friday, 16 March marks the 113th anniversary of FMG issuing its first insurance policy. FMG was established in 1905, because insurance was only available via English tariff companies and it was felt these companies lacked a good appreciation of the unique risks facing New Zealand farmers and the businesses supporting them. While the Mutual's core purpose hasn't changed, we've come a long way since then and particularly in the way we deliver our services.

Today, we have managers and advisors dedicated to visiting farms and businesses to help clients better understand the risks they face and how best to manage them. Our field-based team works in partnership with our Agribusiness Centre and National Service Centre, both based in the Manawatu. To complement this, and based on your feedback, we'll be introducing an online facility in the next few months. The intention is to progressively give you more choice as to how and when you interact with the Mutual. We've deliberately kept the initial pilot quite narrow in the spirit of starting small and learning as we go.

FMG was involved in the early days with the establishment of the New Zealand Young Farmer (NZYF) movement. As a mutual, we've always been proud of our association with NZYF and its focus on helping develop the next generation of farming leaders. NZYF plays an important role in our primary sector and it's exciting that in July, the NZYF Contest will celebrate its 50-year anniversary in Invercargill.

The commitment and hard work that goes into preparing and competing in this event is quite inspiring and we wish the contestants all the best.

Taking a long-term view is an important feature of being a mutual. This includes supporting clients through the ups and downs and being there when it counts—including after a major weather event or natural disaster.

In respect of the Kaikoura Earthquake recovery effort, it's pleasing that we've now settled close to 90% of the 3,450 claims we received. Needless to say, settlement of the outstanding claims remains one of our top priorities.

Faster claim settlement has been helped by a new arrangement with EQC whereby insurers manage all the EQC-related claims, as well as their own. Working with EQC and the new Government to cement what, in our view, is clearly a superior model to help enable New Zealand recover quickly and sustainably following future natural disasters, is equally a priority for us.

Chris Black
Chief Executive, FMG

DIRECTOR APPOINTMENT PROCESS

In August FMG will hold its 113th AGM.

FMG's Director Appointment & Reappointment Policy (the Policy) requires a third of all Member Directors retire by rotation at each year's AGM. This year Marise James, Tony Cleland and Michael Ahie are due to retire by rotation.

As previously advised, three new Directors were elected to the Board at the 2017 AGM. In order to ensure continuity of board experience and expertise, Marise James' tenure (which was due to expire in 2017) was extended for a further one year. To facilitate this, the Board, in accordance with the FMG Constitution, temporarily increased the Board complement from seven directors to eight.

Once Marise retires in 2018, the Board size will be reduced back to its optimal number of seven directors. As a result, there are two vacancies; noting that both Tony Cleland and Michael Ahie will be standing for re-election for these positions.

The Policy sets out the criteria for the evaluation of prospective directors, as well as sitting directors. This includes the ability for the Board to set specific areas of expertise or attributes it believes would enhance the Board's overall skill set. This year the Board has identified experience in the insurance industry as a specific area of expertise.

Any member nominations must be made in accordance with the procedure set out in the FMG Constitution and are subject to the process outlined in the Policy, which can be

obtained by calling FMG's General Counsel Lisa Murray on 021 684 824 or emailing her at lisa.murray@fmg.co.nz

At the 2018 AGM, we'll provide an update on how we're going as a mutual. All members are invited to attend and vote at the AGM, which will be held at FMG Stadium Waikato on Friday, 24 August 2018. Alternatively, members can vote through the proxy form that will be sent with the Notice of Meeting.

Nominations must be received no later than Wednesday, 2 May 2018 and can be submitted to Lisa Murray via:

Email: lisa.murray@fmg.co.nz
Post: PO Box 521, Wellington 6140
Fax: 04 460 4028



**WILL YOU
BE THERE?**

New Zealand Young Farmers will celebrate 50 years of the country's pre-eminent rural challenge in July, as the FMG Young Farmer of the Year Contest reaches a half-century milestone.

It's farmer versus farmer and region versus region—and there's still time for you to take a front row seat at some of the Regional Finals and the Grand Final.

Here we take a look at what's happening during Grand Final week, which will be held in Invercargill from Thursday 5 to Saturday 7 July.

OPENING PARADE

A parade will head down Gala Street, featuring the seven 2018 Grand Finalists, past winners, the AgriKids and TeenAg competitors, and machinery from the past decades.

PRACTICAL DAY AT DONOVAN PARK

The Grand Finalists will compete in practical modules, concluding with the Agri-Sports Challenge. You'll also see just under 100 children competing in the AgriKids and TeenAg Grand Finals as they fight it out to be named the top team in their respective competitions.

50TH YEAR CELEBRATION DINNER

The dinner will feature the Finalists' speeches and will see all 49 previous winners individually recognised.

FMG YOUNG FARMER OF THE YEAR GRAND FINAL AWARDS EVENING

One of the most spectacular glitzy nights of the year for the New Zealand primary industry, where ball gowns and suits are a must.

Te Radar will host the countdown to find out who will be the 50th Grand Champion of the FMG Young Farmer of the Year Contest.

Don't miss out on the tension as contestants battle it out in the Meridian Energy Agri-Knowledge Quiz. The evening is a great opportunity to mix with people who are passionate about the future of farming.

TICKETS

To secure tickets for the remaining Regional Finals and the Grand Final head to www.fmgyoungfarmercontest.co.nz

REGIONAL FINALS WINNERS

East Coast: Patrick Crawshaw
Taranaki/Manawatu: Will Taylor

COMING UP

Waikato/BoP	10 March	Rotorua*
Northern	17 March	Kerikeri
Tasman	7 April	Christchurch
Aorangi	14 April	Waimate
Otago/Southland	21 April	Winton

*Winner unknown at time of print.



YOUR INVITATION TO THE GRAND FINAL 2018

THURSDAY 05 JULY

- Technical Day**
8AM – Southern Institute of Technology
- NZ Young Farmers Bus Trip**
10AM – Departs Ascot Park Hotel (Member only event)
- Opening Parade & Ceremony**
3.15PM – Queens Park
- 50th Year Celebration Dinner**
5PM – ILT Stadium Southland

FRIDAY 06 JULY

- Practical Day**
7AM – Donovan Park
Best viewing time is 10AM–2.30PM
- AgriKidsNZ & TeenAg Prize-Giving**
4PM – Southland Boys High School
- New Holland National Awards Dinner**
5PM – Ascot Park Hotel (Member only event)

SATURDAY 07 JULY

- AgMARDT Breakfast**
8AM – Ascot Park Hotel
- NZ Young Farmers AGM**
10.30AM – Ascot Park Hotel (Member only event)
- FMG Young Farmer of the Year Quiz & Awards Evening**
5PM – ILT Stadium Southland



MANAGEMENT LIABILITY – WHAT IT COULD DO FOR YOUR BUSINESS

When thinking about the risks of running a business through a company, it's often easy to focus on the obvious ones like your buildings, contents, vehicles and business interruption. However, as a director of a company there can be some less obvious risks waiting around every corner.

FMG'S MANAGEMENT LIABILITY POLICY

FMG's Management Liability policy provides a layer of protection for directors and senior managers against unexpected costs arising from defending allegations of mismanagement or wrongdoing.

It only takes one disgruntled customer or disappointed stakeholder to decide to take legal action. Even if you've done nothing wrong, you can still fork out thousands of dollars in legal fees.

It's important you know your obligations under the Companies Act, the company constitution, and your responsibilities under the Health and Safety at Work Act.

SMALLER COMPANIES ARE PARTICULARLY VULNERABLE

All companies have corporate and statutory obligations under New Zealand law regardless of their size.

Smaller companies are particularly vulnerable as they may be at far greater risk of financial collapse from a long and costly legal defence. They may also not have the same resources to commit to company management as larger enterprises.

Without Management Liability cover directors, officers and senior managers could find themselves having to defend themselves using their own financial resources, such as personal assets, the family home or investments. Just a quick visit to a lawyer can cost as much as the annual premium of a Management Liability policy with a \$1m limit.

Are you willing to give up your life savings or investments to pay legal fees?

SEEK EXPERT LEGAL ADVICE

It's important that you seek expert legal advice to ensure that you are up-to-date with your duties and responsibilities as a director.

Disclaimer

Please note this is only a summary of the product and is subject to our specific product documentation. For full details, you should refer to the policy document. You can get these documents, and any other information you need, from your local FMG representative, by calling us on 0800 366 466 or by visiting our website: www.fmg.co.nz



RECOGNISING YOUR MUTUAL

We're proud to have collected a number of awards recently, which recognise both our insurance service and overall service to clients.

In November we were awarded the 2017 Direct General Insurance Company of the Year for the second year in a row at the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) awards.

We've also been awarded the Consumer People's Choice award for both House and Car insurance. Both these awards recognise the efforts of the committed team of people we have working at FMG, to ensure we're here for you when you need us the most.



CLIENT FOCUS

SOUTH CANTERBURY IS HOME TO NZ'S LEADING GROWERS OF COMMERCIAL ORGANIC BLACKCURRANTS

FMG clients Tony and Asfaneh Howey are passionate about growing tasty and healthy blackcurrants.

In 2011 the Howeys launched their company ViBERi NZ Limited, which sells 100% organic New Zealand blackcurrant products that contain no GMO, additives or preservatives. ViBERi Blackcurrants are grown in Pleasant Point under New Zealand's Southern Alps, which offers a unique mix of high sunlight hours, fertile soils and excellent rainfall.

MAKING THE LEAP TO GROWING BLACKCURRANTS

Before starting ViBERi, the Howeys had over 30 years' experience growing vegetables and arable crops under the Alpine Fresh brand. When they purchased 72 hectares of land planted with blackcurrants on the outskirts of Pleasant Point in South Canterbury, they thought the leap to growing blackcurrants would be an easy one. However, "growing vegetable or seed crops is very different to growing blackcurrants," says Tony. "We had a lot to learn."

BECOMING CERTIFIED ORGANIC

Early on the Howeys realised that to be profitable, they had to create unique products with their blackcurrants. "With the main market being people that have a focus on health and wellbeing, providing certified organic options where no chemical residues are guaranteed, was the direction we wanted to take our ViBERi brand," says Tony.

The Howeys started off slowly by converting one block of blackcurrants at a time to be certified organic. "As we were one of the first to be doing this on a large scale, we had the time to thoroughly research and adapt our agronomy methods," says Tony. "It took us six very long years to become fully certified organic."



RISKS

The weather is the main risk. "We can suffer from hail storms or late frosts wiping out our entire crop," says Tony. Flooding and excess rain is also a major risk, "but fortunately this hasn't occurred since 1986."

A particular incident that stands out for Tony is a frost on 5 November 2015 that had a significant impact on their blackcurrant yields on the January 2016 harvest.

"Fortunately, the impact on our business was minimal as the insurance pay-out covered most of the lost crop," says Tony.

CAPITALISING ON SUPERFOOD POWERS

The Howeys have managed to capitalise on the superfood powers of this amazing fruit, which has seen a strong growth in the organic and natural food sector. Blackcurrants have an array of health benefits and are rich in Vitamin C. The latest research shows blackcurrants can lower blood surge in type 2 diabetes and help brain function, such as memory retention, focus and attention. They are also an excellent natural antioxidant.

Since its launch in 2011, ViBERi has seen its sales increase year-on-year. They have expanded their product range, which now includes a range of indulgent chocolate coated blackcurrants.

Along with selling their products across New Zealand, the Howeys now export to countries such as the USA, Taiwan, Korea, Japan, Australia and Germany.

SUCCESS

ViBERi products have been a finalist in the last three consecutive NZ Food Awards. Last year, ViBERi was a finalist in two categories and they were also a finalist in the 2017 Most Outstanding Producer Awards.

ADVICE

We asked Tony to share his best bit of business advice. "Surround yourself with good people. This is especially important with staff (and we've had some excellent staff over the years). It's also important to build strong relationships with customers and suppliers, of which FMG has been a strong partner over many years."



Tony and Asfaneh Howey at the Fancy Food Show.

FUNDING FIRE AND EMERGENCY NEW ZEALAND



Photo supplied by FENZ.

In July 2017, the Government changed the structure of the New Zealand Fire Service. Here we'll explain the changes and what it will mean for your insurance.

A NEW ORGANISATION WITH A NEW NAME

The National Rural Fire Authority and 38 rural fire organisations integrated into one new organisation called Fire and Emergency New Zealand (FENZ).

WHAT FENZ DOES

FENZ fights structure and vegetation fires, attends medical response calls and motor vehicle incidents and provides rescue and assistance during and after emergency events such as flooding and earthquakes.

They also undertake public education and risk reduction and support other emergency services.

FIRE AND EMERGENCY LEVY

FENZ is funded through a levy on contents, property and motor vehicle insurance. Insurance companies and brokers must collect this levy and pay it to FENZ.

Previously, rural fire authorities were funded from a variety of sources including local government rates, levies on forest owners and land holders and cost recovery from people responsible for rural fires.

IMPACT ON YOUR INSURANCE

To support the change, the Government has increased the levy you pay through your insurance provider to fund FENZ. Additionally, FENZ will no longer be seeking cost recovery from people responsible for causing rural fires.

REASON FOR THE CHANGE TO HOW THE LEVY IS FUNDED

The Government wants to retain and simplify the levy system, to ensure it's fair. The new levy system is designed so that people pay in line with their potential to benefit from the services.

FUTURE FENZ LEVY CHANGES

The new funding arrangements are being phased in, with further levy changes planned for next year. FENZ will consult on future new levy rates and activities, including options to broaden the scope of the levy to all types of property damage, not just fire damage. It is likely to also see the levy on motor vehicle insurance extended to include third-party insurance.

More information will be issued by FENZ in due course.

YOUR ACTIONS WITH A FIRE DON'T CHANGE

Always dial 111 immediately, in the event of a fire on your property.

This will ensure that a FENZ incident controller can take control, co-ordinate with other agencies and cover the fire fighting costs.

After calling 111, FENZ will tell you what fire fighting method(s) will respond. For example; truck, authorised helicopter or other means. Aerial helicopter fire fighting must be done by a certified contractor, who has been approved by FENZ for vegetation fire fighting.

Using third parties for fire fighting

If you instruct a third party and don't involve FENZ, they may refuse to fund the fire fighting costs, which would likely fall on you or the land manager.

Permits for controlled fires

Ensure that you check with authorities before lighting any fire and stick strictly to any permit conditions.

WELCOME TO
AROUND THE BLOCK
ADVICE WORTH LISTENING TO FOR LIFESTYLE BLOCK OWNERS.

HANDY TIPS FOR LIFESTYLE BLOCK OWNERS

Since November we've been sending a monthly email to FMG lifestyle block owners full of handy tips and advice, from clearing land to managing liability risk and everything in between. Each month we send advice on a different topic.

If you know a lifestyle block owner who would value some insightful on-farm advice, please let them know they can subscribe to our free monthly email called Around the Block at www.fmg.co.nz/newsletter. They don't necessarily need to be an FMG client to sign-up.

BIG SAM PROMOTES THE BIG 5 TO FARMERS



Farmstrong Ambassador Sam Whitelock signing rugby balls for the 'Play The Big 5 with Sam' promotion.

Farmstrong Ambassador Sam Whitelock, is looking forward to another year helping farmers remain Farmstrong.

The rugby icon, Sam Whitelock, has been helping to promote the 'Big 5' ways to wellbeing to farmers at A&P shows and Field Days around the country.

Visitors to the Farmstrong stand were encouraged to take a photo with a life-size replica of the towering Lock and share their own top tips for keeping well on the farm when things get busy or a bit pressured. Entrants also went into the draw to win a rugby ball signed by Sam as well as some Farmstrong branded gear.

Event-goers could also try their hand at the Big 5 game on a giant Farmstrong wall display. The aim of the game, throw five mini rugby balls through the 'portal' of Sam's hands while standing on mats, which highlight the benefits of the Big 5. All good fun, but there's a serious side to the game too, says Whitelock.

"Farming, like professional rugby, has its share of challenges. Sport has taught me that making a habit of investing in your wellbeing means you will have more to draw on when you are under the pump. That's why you've got to take time to look after yourself."

"I've made the Big 5 part of my life and I'm hoping the Big 5 game encourages farmers to do the same. To look after themselves, as well as their stock and their pasture, when things get busy or a bit pressured."

TIPS AND ADVICE

In the upcoming weeks, Sam will also be sharing tips and advice with farmers about leadership, managing people, handling pressure and changing habits in a series of articles running in the popular Farmers Weekly.



FARMSTRONG WEBSITE

He's also encouraging farmers to visit the Farmstrong website and promoting key wellbeing messages via social media on short video clips. "If people want to know anything about Farmstrong get on to the website. There's heaps of awesome information and videos that will help you become a better farmer and a better person."

Plenty of farmers have been doing just that. Video clips on the Farmstrong website have racked up over 300,000 views via social media since June 2015 and the site attracts more than 1,000 new visitors each week.

"Being part of Farmstrong has really opened up my eyes around some of the challenges facing farmers," says Sam who plans to end up farming with his family once his rugby career finishes.

"I think it's making a massive difference to people's lives. It's raising awareness about what farmers need to do to stay well and getting those conversations going over the boundary fence."

Project lead Gerard Vaughan says the coming year will see Farmstrong working with more rural communities and organisations around the country to reach farmers, their families and people they employ.

For more information, visit www.farmstrong.co.nz



FMG POST REVIEW

Recently, we asked members of FMG's Client Research Panel to provide feedback on FMG Post. Here's a snapshot of the findings.

Pleasingly, the overall feedback showed that FMG Post is relevant and interesting and should largely remain the same. Panel members did provide some suggestions for change and we'll be looking at those for future editions.


If you'd like to be part of FMG's Client Research Panel, email our Client Insights Manager, Michael Harvey at michael.harvey@fmg.co.nz, to be added to the email distribution list.

We have about four surveys a year and your opinions and feedback are valuable in helping us provide clients with better products and services.

RESULTS

MOST POPULAR ARTICLES

- CEO Updates
- Risk Advice
- Industry News
- FMG Products
- Farmstrong
- News within FMG

 **DISTRIBUTION**
A vast majority still prefer hard copy and three times a year

 **LENGTH**
"Keep it the same"

 **IS IT RECYCLABLE?**
"Yes"

CALENDAR

2 APRIL
MACKENZIE SHOW
Fairlie

5 APRIL
NEW ZEALAND SHEARING CHAMPS
Te Kuiti

6 APRIL
ESNZ JUMPING SERIES FINAL
Wairarapa

3 MAY
HAWKE'S BAY FARMER OF THE YEAR
Hawke's Bay

7 MAY
NORTH ISLAND DOG TRIAL CHAMPS
Hawke's Bay

28 MAY
SOUTH ISLAND & NATIONAL DOG TRIAL CHAMPS
Blenheim

15 MAY
DEER CONFERENCE
Timaru

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