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A few things we've learnt

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Note from Chris Black



You may have seen or heard about a recent report from the Reserve Bank of NZ (RBNZ) and Financial Markets Authority (FMA) into the culture and conduct of the NZ Life Insurance industry.

It is critical and highlights—as a core issue—the inherent conflict of having commissions and incentives linked to the sale of life insurance products. The report makes reference to a broader concern about insurance companies not putting their customers’ interests first.

A lengthy Royal Commission of inquiry in Australia, identified similar culture and conduct issues in their financial services sector including banking, investment management and insurance.

Having read and reflected on both these reports, I think they serve to reinforce the value of a mutual model. With our mutual model we only have salaried employees. None of them are on commission and we always have our clients’ best interests front and centre in both the life and general insurance sides of our business. Furthermore, we have elected to have a direct relationship with every client,

rather than one that is via an agent or broker—another area of tension highlighted in the RBNZ/FMA report. There are, nonetheless, important reminders for us in the report. However, we’re well placed given the high ethical standards inherent in a mutual model.

Moreover, FMG is a closed system. We don’t pay dividends, but rather add the modest profits we make to reserves to meet regulatory capital requirements and ensure the Mutual has a strong balance sheet to support clients when adversity strikes. We also have an important role to play through investing in and supporting New Zealand’s rural community. This edition of FMG Post showcases a number of examples of this including the FMG NZ Young Farmer Contest, the NZ Young Grower of the Year and Farmstrong. We are proud to be alongside events and initiatives like these, which make an important contribution to the rural sector.

Chris Black
Chief Executive, FMG

Director nominations

In August FMG will hold its 114th 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 Steve Allen and Geoff Copstick are due to retire by rotation and both will be standing for re-election.

The Policy sets out the criteria for the evaluation of prospective directors, as well as sitting directors.

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 2019 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 Cross Recreation Centre, 18 Glasgow Street, Balclutha on Friday, 23 August 2019. 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, 1 May 2019 and can be submitted to Lisa Murray via:

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



Calling all dairy farmers

As we head towards the end of the season and milk prices are reforecast, now is a good time to review your milk sum insured value.

Please give us a call on 0800 366 466 to confirm that you have the right level of cover.



Tractor safety

Here's what we've learnt

1 in 5



Claims are from objects falling from a front end loader

The most frequent cause of tractor damage comes from objects falling from the front end loader. This damage usually occurs to the bonnet area or cab and windscreen of the tractor. The most commonly dropped objects are branches, hay/baleage and buckets, forks or grabs that aren't properly attached.

1 in 10



Claims are from tractors rolling or sliding into a drain or gully

Rollovers are a leading cause of significant damage. Using a front end loader changes the centre of gravity and balance of a tractor making it more likely to roll or tip. This could put you and your tractor out of work leading to lost time, injury or worse.

FMG provides insurance cover for over 30,000 tractors around the country. Last year an average of 15 tractors a week were involved in damaging accidents, with rollovers being a leading cause of significant tractor damage.

With the increasing use of front end loaders at this time of the year, here's a timely reminder of the risks we've seen.

Tips to avoid rollovers

- Drive with the front end loader as low as safely possible to maintain a lower centre of gravity, especially if carrying a load.
- Avoid driving around corners with the front end loader up, especially if carrying a load.
- Reduce ground speed before turning into a corner. Even a small reduction in speed has a significant reduction on the forces causing a tractor to roll.
- Be conscious of the centre of gravity and balance of towed trailers/wagons/spreaders etc., especially on hill country. The tractor may be stable, but an unstable trailer has the potential to pull the tractor down with it.



Keep an eye out for more tractor advice

We'll be sharing more tips with tractor owners in regions where we've experienced higher claim numbers for tractor rollovers, to help minimise damage.

For more information on tractor safety, please view our Tractor Advice Guide under the Advice section on our website: www.fmg.co.nz

The Fair Insurance Code

As a member of the Insurance Council of New Zealand (ICNZ), FMG adheres to the Fair Insurance Code.

The Code sets out industry best-practice standards for ICNZ members. It describes what level of service you can expect from your first contact with us as your insurer through to claim time.

It also provides information on complaints procedures and helps to hold ICNZ members to higher standards of service in all their dealings. To learn more about the Code, head to www.icnz.org.nz and search Fair Insurance Code.



Forest Growers Levy vote

In March/April 2019, forest owners will be able to vote to renew the Forest Growers Levy for another 6 years from late 2019 to 2025. They will also have an opportunity to say how the levy should be invested to benefit forest growers.

About the levy

The levy has been operating since 2013, when forest growers voted for all growers to contribute to a fund that would support the expanding forest industry. If you've harvested a forest, you'll have paid 27 cents in levy for every tonne of wood you harvested. The money is spent on projects to support New Zealand's forestry industry. For example; tree breeding, forest health, biosecurity and forest and seedling management.

Government funding has supplemented levy investment, such as major improvements to the mechanisation of harvesting, leading to productivity increases and making harvesting less hazardous. Also, fire research through

Scion has resulted in the design of sophisticated software that can more accurately predict what forest fires are going to do, allowing fire fighters to target the fire more effectively.

Eligibility to vote

To be eligible to vote, a forest owner needs to own more than four contiguous hectares of trees, which could be harvested during the 6-year life of the next Levy Order (late 2019–2025). This means they need to have been planted before 1 December 2008.

How to vote

You'll be able to register to vote from 12 March at the following website:

www.forestvoice.org.nz



Safeguarding your forestry block

Now that we're in mid-March, the risk of forest fires has reduced. This means that FMG is now able to provide farm forestry block cover.

For more information on FMG's Forestry policy, call us on **0800 366 466** or visit our website at www.fmg.co.nz

Lifestyle block tips from the FMG team

We insure thousands of lifestyle blocks all over New Zealand and also have first-hand experience of what's involved.

Win one of five \$50 Farmlands vouchers



As your insurer, let us know your top tip for living rurally. All tips will go into a draw to win one of five \$50 Farmlands vouchers. We'll also publish these in our next issue of FMG Post.

To be in to win, enter your tip on our website at www.fmg.co.nz/tips by Friday, 12 April 2019.

We live in the rural and provincial communities we support. We have employees who grew up on farms, some still on farms and others on lifestyle blocks too. If you also have a lifestyle block, we thought we'd share some tips from our FMG team who are lifestyle block owners.

- Get to know your neighbours—you'll be surprised how often you'll need each other.
- Water is essential—collect as much as you can and consider putting in extra tanks.
- Always plan ahead—avoid stress by making sure you have enough feed for stock in case of drought.
- Do things in stages—be patient and research projects before jumping in.
- Maintain your infrastructure or you'll forever be doing repairs.
- Spend money on good fencing—maintain them and ensure they're suitable for the intended purpose.
- Enjoy what you have. Take time to walk around and enjoy your block.
- People seem to want to visit you more when you live in the country, so be prepared for guests and keep your pantry well stocked.
- Ensure grass is suitable for animals—rye grass can be bad for horses in the spring/summer.
- Buy the best gumboots you can. They'll be the best pair of shoes you invest in.

CLIENT FOCUS

The Shear Brilliance of NZ Wool

Part 2

In the last FMG Post we introduced you to Southern Hawke’s Bay Farmers Hamish and Bay de Lautour, whose legacy among the NZ sheep industry continues to be admired to this day.

The journey started in 1956, on a particularly scrubby 2,250 acres in the Te Uri district, where Bay would later breed some of the most progressive Romneys in the country.

This passion continues in the de Latour family, as the pair—and others like them—challenge the over use of synthetic fibres, and seek to rebuild what was once the truly iconic Kiwi brand of NZ Wool.

A unique and incredible fibre

“One of the great disappointments of sheep farming has been the demise of the value of wool,” says Hamish.

This is something that most sheep farmers can relate to and what is really quite a shame, given that on almost every occasion, wool fibre is undoubtedly superior in every way.

“It’s quite obvious what has happened to wool. Humans love change, we have a herd mentality when following trends and fashion and by necessity we are cost conscious. So when the newest, trendy, cheaper and well marketed product comes on the market, it is going to sell.”



Weekend in a Woolshed.



In 2016, Bay de Lautour was awarded the Laurie Dowling Memorial for Outstanding Contribution to Agriculture in Hawke’s Bay.

Wool has been used by humans for 4,000 years so it’s easy for the competition to say it’s ‘old technology.’

The reality is that wool is one of the most complex natural fibres, capable of a multitude of feats.

“When faced with the choice of using oil sucked from the earth to make products that can be nothing short of deadly in a fire, freezing when wet, a 100% natural fibre that will grow over again on the same animal, keep you naturally warm even when wet and totally protect you in case of fire, the answer is so simple...it has to be wool.”

Telling the good story—the campaign for wool

The goal for Hamish is to not only help tell the great story of NZ Wool, but also make it trendy, something Merino has done well within the apparel industry. “Merino has become synonymous, with high fashion and safe healthy kids clothing.”

“You can tell people till you are blue in the face, but when farmers themselves still buy synthetic carpet you know you have got a battle.”

Through Primary Wool Cooperative funding, Hamish and Bay were involved in the Campaign for Wool initiative, ‘Weekend in a Woolshed’, a 3-day workshop held at Ngamatea Station, one of the largest high country sheep stations in the North Island. This is where nine emerging designers were tasked with creating innovative solutions using wool.



One of Hamish’s proudest achievements was creating the Primary Wool Cooperative’s Premier Feature at the 2011 NZ National Agricultural Fielddays. It was a passionate statement about wool as a supreme natural fibre.

From the Bowen Brothers’ infamous and ground breaking sheep shearing technique, to holding some of the highest quality and animal welfare standards in the world, it’s clear that New Zealand leads the pack when it comes to wool. Every agribusiness should be supporting things that are good for their clients, good for the economy and good for the environment—that’s NZ wool to a tee.

The benefits of wool

- Naturally resistant to stains.
- 100% biodegradable.
- Naturally resistant to fire, unlike synthetics, which require toxic flame retardants.
- Non allergenic and resistant to bacteria growth.
- Multi-climatic—wool acclimatises to its surroundings.
- Durable and elastic—wool fibre can be bent 20,000 times without breaking.
- Naturally high UV protection.
- Breathable and naturally insulating.
- Moisture resistant.

Supporting our future leaders in farming and growing

We want to give back where it counts, so FMG is proud to support a number of rural competitions that identify and develop young leaders in farming and growing.

Young Grower of the Year

FMG is adding further support to future growers by sponsoring the Young Grower of the Year—an annual competition run by Horticulture New Zealand (HortNZ) to find the finest young fruit or vegetable grower in the country.



“FMG’s support of Young Grower is excellent, both for the competition and for the industry as a whole—it’s a perfect match.”

Mike Chapman, CEO Horticulture New Zealand

Competition details

Fruit and vegetable growers compete in six separate regional competitions. The winners then meet at the Final in October in Tauranga, to compete for the title of Young Grower of the Year 2019.

The finalists will rotate their way through business and practical activities. They’ll also take part in the Ballance Agri-Nutrients Leadership Panel, giving their views on a contemporary leadership issue.

Young Horticulturist of the Year

The winner of Young Grower of the Year then goes on to compete for their share of \$40,000 worth of prizes at the Young Horticulturist of the Year.

REGIONAL COMPETITIONS

9 & 13 February
Bay of Plenty Young Fruit Grower of the Year
Winner: **Alex Ashe**

10 May
NZ Young Vegetable Grower of the Year

24 May
Central Otago Young Fruit Grower of the Year

27 & 28 June
Hawke’s Bay Young Fruit Grower of the Year

5 July
Nelson Young Fruit Grower of the Year

11 July
Gisborne Young Fruit Grower of the Year

To find out more about the Young Grower of the Year head to their website at: www.younggrower.co.nz



FMG Young Farmer of the Year

Now into our fourth year as the principle sponsor of this iconic event, we’re excited to see some changes to New Zealand’s longest-running agricultural contest.



The revamp is designed to entice more people to enter, better reflect modern day farming and to help showcase the country’s food story. Awards for the highest-scoring competitor in each of the five challenges—from agri-business to agri-skills—are being replaced with new awards assessing contestants’ skills and knowledge across innovation, food, people, environment and technology.

FMG Junior Young Farmer of the Year

The TeenAg competition has been renamed the FMG Junior Young Farmer of the Year. While TeenAg competitors will still compete

in teams of two, there will be a greater mix between practical and theoretical modules—a great stepping stone for entering the FMG Young Farmer of the Year.

Having AgriKidsNZ, the FMG Junior Young Farmer of the Year and FMG Young Farmer of the Year all part of the same event, will also help lift the prestige of the students.

How it works

Throughout the country, 20 District Finals are held between October and December. The top contestants from each District Contest and Skills Day progress through to their local Regional Final. The seven regional finalists will compete in the FMG Young Farmer of the Year Grand Final in July. There are two parts with the Practical Day throughout the morning and an evening show.

Tickets

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



YOUR GUIDE TO THE GRAND FINAL 2019

Thursday, 4 July – 3pm
Opening ceremony and parade
Napier Sound shell

Friday, 5 July – 8am–3pm
Practical day
Hawke’s Bay Showgrounds

Friday, 5 July – 5pm–6:30pm
FMG Junior Young Farmer of the Year prizegiving
Napier Municipal Theatre

Friday, 5 July – 6:30pm–8:30pm
FMG Young Farmer of the Year Speeches and Sponsor Function
Napier Municipal Theatre

Saturday, 6 July – 8am–2:30pm
FMG Young Farmer of the Year Technical Day
Napier Boys High School

Saturday, 6 July – 5:30pm–12am
FMG Young Farmer of the Year Quiz and Awards Evening Show
Rodney Green Centennial Events Centre

Wellbeing is top of mind for younger farmers

In early 2018, Farmstrong commissioned research to better understand the wellbeing needs of men and women under 35 years of age working in farming. The research also asked which wellbeing topics interested them most and the things they thought would improve their wellbeing.

Survey findings

Close to 900 younger farmers completed the survey that showed 84% of women and 74% of men wanted to invest in ways to improve their wellbeing. Farmstrong Ambassador Sam Whitelock, who is also in the younger farmer age group and plans to return to farming when his rugby days are over, was very pleased with the high response to the study.

The survey findings have provided rich data for understanding the wellbeing needs of younger farmers—an area that has not been well researched. This can now be used by Farmstrong and others to inform their efforts to help farmers and growers improve their wellbeing.

Wellbeing challenges

Workload, fatigue, relationships, sleep and time off farm, are some of the key wellbeing challenges facing younger farmers today. The research also reinforced the correlation between wellbeing and risk of injury/accident, with two-thirds reporting that a wellbeing issue had contributed to one of their worst on-farm accidents or injuries in the last 12 months.

Younger women reported higher levels of wellbeing issues than the men, and the effect was more pronounced for sharemilkers and contract milkers.

“It’s great to see younger farmers putting weight behind looking after themselves. Investing in your wellbeing is key to managing pressure whether it’s in professional sport or on the farm. The study results show that there is a real appetite among younger farmers to learn and do more in this area.”

Sam Whitelock,
Farmstrong Ambassador

Communication channels

The research also shed light on the best communication channels for younger farmers. Social media, particularly Facebook and Snapchat, was noted as a key vehicle for providing information and social connection. Local newspapers also remain important, with close to 50% regularly reading them, with Farmers Weekly the most popular.

Interest in wellbeing topics

MEN

Men expressed ‘high’ interest in the following topics:

- 23%** thinking strategies to deal with ups and downs of farming
- 23%** how to be happy
- 22%** people skills/ communication skills
- 22%** staff management.

WOMEN

Women expressed ‘high’ interest in:

- 32%** nutrition
- 28%** how to be happy
- 27%** self-confidence, self-worth, self-compassion
- 26%** thinking strategies to deal with ups and downs
- 26%** exercise.

Things that would contribute most to improved wellbeing

MEN

44%

more time off the farm – including by myself or with the family



33%

getting more/ better quality sleep



WOMEN

39%

getting more/ better quality sleep



31%

getting more exercise



28%

more time off the farm



28%

eating healthier



Find out more: A summary report on the full results can be found at www.farmstrong.co.nz/research

Planning on 'AirBnB-ing' your property?

Renting your place out can be a great way to earn some extra income, or give people a taste of rural life. Before handing over the keys it's important to let us, as your insurer, confirm you've got the right cover in place to safeguard your most important asset.

Insurance

Some accommodation services, such as AirBnB, offer insurance cover. It's important to read these policies to see what you are and are not covered for.

AirBnB, for example, offers automatic Host Protection insurance, which provides some liability cover. It also has a Host Guarantee covering accidental damage to your home and contents up to \$1 million USD.

An example of what it doesn't cover however, is theft. FMG offers protection for you in this area.

***Disclaimer:** This is only a summary of the product and subject to our policy wording and underwriting criteria. For full details, call us on 0800 366 466 or visit our website www.fmg.co.nz

Under our Household Contents policy*, your contents are automatically covered for theft or malicious damage caused by paying guests, up to \$5,000 for any one event.

Long-term rental of your home

If you're planning on doing this more regularly, or for a longer period, this could be classed as a rental or commercial property. This means you would need different cover. There are also conditions around the number of people staying and amount of profit you can earn.



Tips to help reduce your risks

1. Most sites let you check guest reviews, so aim to only host those with positive feedback.
2. Secure valuable items such as jewellery, technology and artwork in a locked cupboard or safe.
3. Take a security deposit from your guests to cover you in case of minor damage.
4. Check smoke alarms, switchboards, chimneys and appliances are in good nick before leaving.
5. Any payments you receive for providing accommodation is taxable and must be included in your tax return.

If you're thinking of renting out your home, give us a call on **0800 366 466** to find out if you have the correct cover in place.

Calendar

<p>23 March</p> <p>FMG Young Farmer of the Year Waikato/BOP Regional Final</p> <p>Matamata</p>	<p>27-29 March</p> <p>South Island Agricultural Field Days</p> <p>Kirwee</p>	<p>28 March</p> <p>Hawke's Bay Farmer of the Year Awards</p> <p>Hastings</p>	<p>28-30 March</p> <p>NZ Shearing Champs</p> <p>Te Kuiti</p>	<p>6 April</p> <p>FMG Young Farmer of the Year Taranaki/Manawatu Regional Final</p> <p>Whanganui</p>
<p>13 April</p> <p>FMG Young Farmer of the Year East Coast Regional Final</p> <p>Dannevirke</p>	<p>6-11 May</p> <p>South Island Dog Trial Championships</p> <p>Canterbury</p>	<p>27 May-1 June</p> <p>NZ & North Island Dog Trial Championships</p> <p>Northland</p>	<p>12-15 June</p> <p>National Agricultural Fieldays</p> <p>Hamilton</p>	<p>26-28 June</p> <p>Apiculture Conference</p> <p>Rotorua</p>



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