

## Inside this issue:

CEO Update	1
Business Manager Update	3
Finance Manager Update	4
General Manager– Farms Update	5
Balance	6
Farmlands named Best North Island Branch	6
No8 HR	7
Stay Healthy and Safe this summer	7
ASB	8
BEL Christmas Function	9
Operations Team Update	10
Business Services Closure over Christmas	10
Ellingham goes for Gold	11
Movember Winners	11
Payroll and Housing Update	12
Farm Work Plan	13
BEL Group Contacts	14
News and Events	15

## BEL GROUP CEO UPDATE

### MERRY CHRISTMAS!

Firstly I want to thank you all for the work you have put into BEL Group this year. I also want to thank your families for the support they give you to do what you do!

Enjoy your Christmas and New Year celebrations and I am looking forward to an exceptional 2015 with BEL Group.

### 2014 A BIG YEAR FOR ALL!

Reflecting on 2014 it has been an exceptional year. On a personal level I have graduated from my Global Women's Breakthrough Leaders Programme. This programme has been a big commitment for me throughout the year, it has challenged, stretched and required me to try new things and experiment with my leadership approach and toolbox. Although it has been an amazing opportunity I am looking forward to having those 2 – 3 days a month back in my diary to spend in BEL Group in 2015.

BEL Group has completed its senior management restructure which has seen the appointment of Toni Goodlass into a new Business Manager role, Rachael Riddell into a new Finance Manager role, Campbell into a role of General Manager Farms at 80% time to enable his involvement in Dairy CHB and me into a role of CEO at 50% time to enable my ongoing work in other industry strategies.

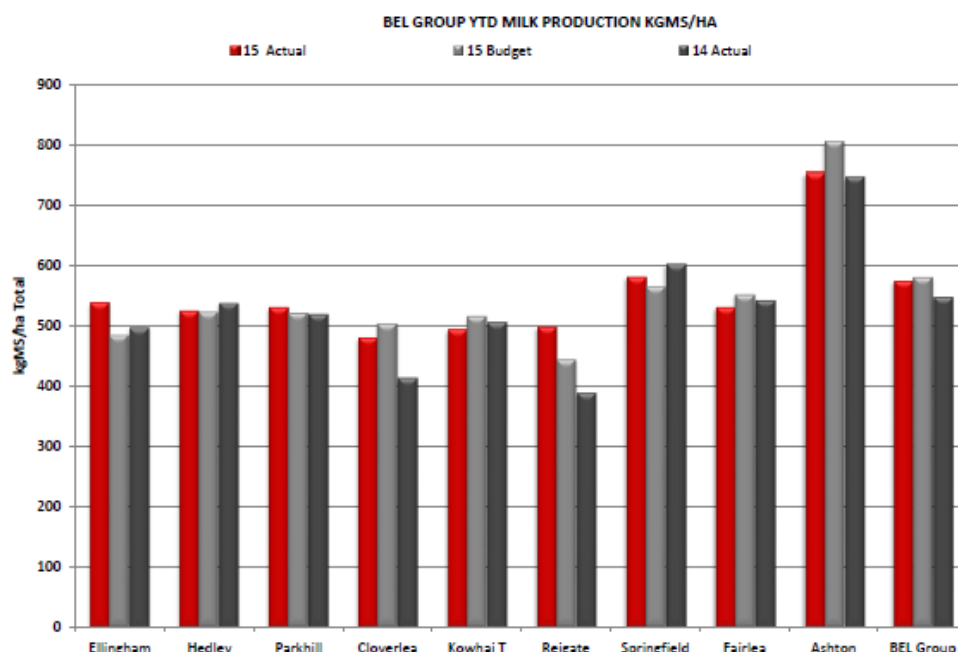
There has been a lot going on over the last few months; remember in September I highlighted that we had more on-farm issues than we have seen for many years. We have been working hard at resolving these issues so please read this issue of the Newsletter carefully as it contains lots of information that will update you on things that are changing, ideas we are working on and important areas for you to be aware of.

I would encourage you to talk about the content of this Newsletter at your Team Meetings over the next couple of months. Ask Campbell, Toni or myself any questions that you want to when you see us around. We are only too happy to talk to you about what is going on across the business and hear your ideas and feedback.

### PEOPLE DRIVE OUR BUSINESS SUCCESS

This is the first strand of our business plan, and never a truer word was spoken. With all of the changes in the business over the last year we have never been more conscious of the importance of improving ourselves as employers and team leaders.

Your Operations Team are working hard to continually challenge themselves to be better team leaders and this will flow through to your Farm Managers and your on-farm teams.



As we grow and stretch ourselves in this space, we need to remember to be gracious. Your managers and team leaders will make mistakes; help them to be great team leaders by supporting and encouraging them. Look for the good things that they are doing and working on being better at.

### LEADING FOR SHARED ENTERPRISE

The Leading for Shared Enterprise is a project that I'm leading across the business. We brought a group of 10 people together to look for opportunities for BEL Group to be better at providing a great workplace that you want to be a part of, enjoy going to work in, and want to encourage others to join.

We had our second workshop on 11<sup>th</sup> December and established 5 potential Game Changing concepts:

- What if we really made our 'family business' a 'family business' – this was about the potential to involve your family in the day-to-day at BEL Group.
- What if we took care of the little things every time – this was about the potential of dealing with things when they were small things, this ranged from fixing broken gates, to saying thank you, to being proactive. A very powerful concept!
- What if we valued what every person brought to BEL Group – this was about creating opportunities for people to contribute, finding out what other skills they have and using them, looking for the opportunities in our differences.
- What if everyday we knew what our people were thinking, saying and feeling – this is about understanding our teams, knowing what is going on and ensuring that feedback and information is being shared.
- What if we really had no 'bad apples' – this was about focusing on making sure everyone in BEL Group wanted to be here, was positive in their attitude and made a positive contribution to every day on farm.

From these exciting concepts we brainstormed ideas to implement them. This resulted in a big list of potential ideas from a bit crazy to actually pretty easy things to do.

Our next steps are to review this list and collate it into a few areas:

- The things we can just start doing.
- The things that we need to involve a group of people to help us work out how we might put the idea into action.
- The things that need to have something else done first before we can move onto them.

Once we have reviewed this list we will firm up our next action steps.

This workshop gave us amazing feedback and I want to thank each of the individuals involved for the time they put into talking to people across the business, how well they represented the people they talked to, and the effort they had put into thinking about the feedback you gave them.

I am really looking forward to progressing the great ideas that were generated. We will talk to you more about them as they start to take shape.

### UPDATE ON BUSINESS PERFORMANCE

At the end of November we were pretty much at our budgeted milk production, this is 52% of our total budgeted milk now in the vat. Production for November itself was 8% down on budget, however, the milk produced above budget to the end of September has meant we are on budget year to date.

### PROJECTS UPDATE

We have confirmed that Andrew Thompson will be the builder to complete the three planned new houses this year; two of these will be built at Longrow and one at Reigate. The building of these houses will increase the amount of families we are able to accommodate on these farms and represents our ongoing investment into improving our conditions of employment.

The new pivot at Fairlea is also nearing completion and will be commissioned prior to Christmas.

The upgrade in fuel storage at Longrow has also been signed off for completion and the water system projects at Cloverlea, Kowhai Terrace and Springfield are all nearing completion.

The RWSS work is drawing to its conclusion with my target being to present a final recommendation for both volumes of water we will contract to under the scheme and the quantum of BEL Investment into the scheme itself to our February Board meeting. The High Court ruling was released as I'm writing this and has some potential to impact the current draft regional plan. I will update as the details of this become clear.

### ON-FARM FOCUS

Our mating results were off target and we are currently working on strategies to minimise the impact of this on farm next spring. We will have plans finalised after our January pregnancy testing.

Cropping areas planted have all been to plan and although the winds through November caused some issues we have had less areas needing to be re-planted than last year.

### FONTERRA MILK PRICE DROPS FURTHER

The Fonterra Board reduced their forecast milk price even further in early December. The forecast milk price is now \$4.70/kgMS.

This reduces our total milk income by around \$2.3m compared to our budget set in April 2014.

This falling milk price is why it is so important that in years like last year (record milk price) we stick to our business plan, produce our milk for the same cost and bank the profit. This profit helps to see us through these low milk price years.

### MANAGEMENT RESPONSE TO DROPPING MILK PRICE

We remain focused on keeping all on-farm expenditure to a minimum without compromising our staffing levels, safety or efficiency.

There are some great initiatives going on. A personal favourite of mine is at Ashton where they are running a weekly competition to see who can find the most 'lost' leg bands. This is reducing how many new leg bands they need to purchase. It is these small things that make a big difference so have another talk at your next team meeting about what you can do to help us achieve our target \$3.50/kgMS on-farm cost of production!

### LEADERSHIP TEAM UPDATE

Our focus has been on identifying and working on solutions to issues that have been faced on farm through the spring. A large majority of our time has been spent on planning forward with the Operations Managers for improvements in our leadership approaches on-farm.

There have also been areas of compliance that have been identified as below expectation, this is primarily about finishing things properly rather than things not being done at all. It is really important that everyone on-farm plays their part to make sure that good team meeting notes are taken, that issues with machinery/plant/vehicles or other potential safety hazards are raised and sorted out quickly and that new team members or new relief staff are properly introduced to the farm and get the required training. We will be increasing our focus on checking that these things are being done so please help out your team by being the one that reminds them to write things down, fix things that are broken or send in records.

### BEL MANAGEMENT AWARDS

In response to feedback from our Farm Managers we have reviewed our BEL Management Awards. While we haven't finalised all the details, we have agreed to delay these Awards until either May or June and to combine them with our BEL Awards – Individual, Team and Development Programme Award.

We will bring you details in the New Year once we have finalised the logistics!

**Justine Kidd**  
CEO

### BUSINESS MANAGER UPDATE

I'm going to focus this update on the "People and Performance" sections of our Performance Plan.

Our People and Leadership Goal is to "create a team of performance orientated people who take responsibility for achieving results".

We have a lot of strategies supporting this goal including:

- Job Targets – Good/Better/Best
- Training programmes including our on-farm skills training, Development Programme, Team Leadership Training for Managers and our Senior Leadership Team.
- Keeping on Track meetings and Annual Performance Reviews.
- BEL Group Handbook
- Our Annual Workplan, Farm Management Plans and Operating Budgets.
- Farm Manager Meetings
- BEL Group Awards – Management Awards, Team of the

Year, Individual of the Year and 5-Year Service Award.

- Monthly BBQs to stay in touch, Welcome to BEL Group function, End of Season function, and Christmas Party.

Since I started with BEL Group in August I have spent most of my time on farm, working with our Operations team and listening to what you have to say. One of the key insights I have gained is that we have excellent systems and strategies in place and our challenge is to make sure we use them effectively on-farm. We also need to get better at providing you with good information about how you are going, what you need to work on, and to reward people for their work, effort and the commitment they demonstrate through the results they achieve.

As a result of your feedback we are now working on a range of further potential opportunities in an effort to extend our performance in delivering on our people promise. Some of the simple changes we have made are:

- Management and Bel Group Awards will be moved to May or June supporting feedback that performance is rewarded at the end of season. By combining the awards and end of year function all staff can participate and share in our people's success. We will be back to you in January with details once we have the logistics of this event worked out!
- Annual leave and wage reports are provided fortnightly direct to Farm Managers, enabling visibility and better planning for rosters.
- Operations managers have developed people plans that focus their support towards the things that you told us you value.
- Team meetings. Communicate business priorities and address any issues/problems
- 1-2-1 meetings with Farm Managers
- Increased shoulder time and coaching to grow your skills
- Focus on quality feedback for Keeping on Tracks
- Supporting Farm Managers to create more efficient routines focused achieving 55 hours per week.
- Operations managers are undertaking a review of each farm to ensure that you have the tools needed and where you don't that you understand how to get them.
- From January 2015 we will be sending a monthly leadership email to staff providing business updates between newsletters.
- A new 'Being your Best' reward scheme will be launched in January 2015. Staff and Management will be encouraged to nominate peers that demonstrate BEL group values at BEST level for approval by BEL Group leadership team. Being your best (BYB's) awards will be presented in front of peers on a quarterly basis at staff BBQs. A range of vouchers will be provided as part of your BYB reward.

Over the next two months you will hear more about our people initiatives and have the opportunity to give us feedback. We are really looking forward to these discussions with you.

## WORKPLACE SAFETY

This month we had a significant accident occur on one of our farms that could have resulted in serious harm. Thankfully our team member 'escaped' with relatively minor injuries considering the nature of the accident and potential risk of serious harm. This has been a timely reminder for us all about the importance of following our Workplace Safety policies and processes.

We are currently working closely with Worksafe New Zealand investigating the accident and reviewing the relevant policies and processes.

Whilst the cause of the accident is very clear to us, there have also been some lessons learned from this. Once the investigation (both Worksafe's and our own) is complete, members of the farm team and I will be coming to your team meetings to discuss these learnings.

BUT in the meantime remember:

- Faulty equipment **MUST** be tagged 'Do not Use' and process followed to undertake repair or replacement.
- You must be trained and assessed for competence levels before using any machinery, vehicle or piece of equipment.
- Record everything!
  - Ensure that you are using the BEL Group team meeting template at your weekly team meetings and Workplace Safety discussions are noted and written down.
  - Add any new hazards to your register on farm, talk about them at your team meeting and agree actions to fix or reduce the risk of an accident.
  - Continue the great work with accident reporting, including near misses.

Getting you home safe each night is one of BEL Group's key values and we need to be much better at integrating this into every day on farm routines and compliance requirements.

On a brighter note, Jude Jamieson joined the Business Services team this month. Jude will be responsible for workplace safety coordination in addition to other administration support and I look forward to introducing you to Jude over this coming month on farm. I have also started discussions with a specialist workplace safety company to undertake a review of our existing systems with a focus on simplification and better integration into our daily systems and practices.

We are also pleased to welcome Amanda Pottinger who has joined the BEL Group team. Amanda, a Massey University Agricultural Science graduate, will be supporting Doug Dolan as a Business Assistant. This is a new pilot role and I will be working with Doug to monitor and assess how this role can be used to support our on-farm performance across the whole of BEL Group.

I wish you all a very happy Christmas and New Year period with your family and friends. I am looking forward to exciting 2015 with BEL Group. We have lots of great things planned and work towards with you all.

**Toni Goodlass**  
Business Manager

## FINANCE MANAGER UPDATE

### BEL CONSOLIDATED UPDATE

To date, total milk production to the end of November is just 1% below budget although we have only received income up to October produced milk. Although milk production is on budget, income from milk is down on budget due to a combination of milk price and contamination demerits. Across the group, we are on budget for total income from calf sales, although bull calf sales were down, bobby calf prices have been much higher than budget to offset this.

We have also received dividends and rebates higher than budget, which is helpful for our cash flow in this year of lower milk price.

Animal health is tracking under budget, despite some delayed activities from '14 financial year which were paid earlier in the season. To date mating activities are under budget due to savings made in winter mating, and lower CIDR numbers than budget used this spring. Lameness and bloat contingencies that remain unspent and are also contributing to this positive variance. Herd improvement is currently on budget, however we expect further AB insemination costs to come for spring mating in December. Savings have been made in ear tags. Calf rearing is also tracking below budget, this due mainly to meal budgets which have not yet been spent. Savings have been made through reduced use of Fertiliser and N in the early part of the season, as we had favourable on farm conditions and good levels of pasture cover on farm. These savings are expected to be carried through to the end of the season.

Cropping activities are on plan, and there are expected savings to be made on supplements due to the level of feed available internally.

There are still a number of outstanding capital projects as well as some repairs and maintenance projects for the dairy sheds, vehicles and general R&M. Talk to your Manager and see what you can do to help them plan and complete these projects.

### OPERATIONAL ACTIVITIES

I have been travelling out on farm to assist Farm and Operations Managers with approval of accounts payable and to review the monthly budget reports. This has been a beneficial activity based around achievement of the BEL Group Financial Performance KPI "our Farm Managers are capable financial problem solvers". The process has helped to ensure that the correct process is followed when approval to pay accounts is given, as well as more clearly identifying invoices relating to projects and capital expenditure. It has also helped to gather information and explain variances between actual and budget, and discuss upcoming project and capital work.

Recently, phase one of an internal controls audit was completed at the Business Services Office, the focus being on financial and compliance processes. Staples Rodway (our accounting firm) completed the audit and have identified some areas that require minor adjustments or a more committed approach to compliance. The identified areas will be addressed over the coming months by the Business Services Team, however I must mention that they commended BEL Group for the existing

policies and procedures which we have in place, some really positive feedback. The next step is to address the points raised and implement phase two of the audit, which will be based on on-farm procedures relating to stock and assets. You can expect us to be communicating early next year to the farms that will be involved in this audit. It is important to remember that if your farm is chosen, it will be due to fitting the selected criteria required to carry out the audit and not related to performance in any way. The audit is an exercise that will enable collection of valuable data so that we may improve current systems and processes and make these more practical for on farm teams where possible.

In the new year, the Business Services Team will also begin regular fixed asset audits. This process will aid the accuracy of the asset register by ensuring that the items and records are consistent, that assets are checked to ensure they are in good working order and a lifespan can be estimated to assist long term capital budgeting.

Lastly, the individual Farm Management plans are in draft, the first step in our Budgeting process. The next step will be translating these into initial draft budgets in January, followed by budget meetings with Farm and Operations Managers in February and March, prior to the full draft operational budget being presented to the BEL Advisory Board in April. A busy few months coming up!

**Rachael Riddell**  
Finance Manager

## GENERAL MANAGER — FARMS OVERVIEW

### MANAGING THE DAIRY HERD THROUGH THE HAWKE'S BAY SUMMER

As I write this article we have just had fifteen days of strong westerly winds drying out our farms quite significantly. Restricted pasture growth and milk production occurs as a result of dry summers and irrigation restrictions. These events are unpredictable and vary in their timing, severity and duration. The impact of these events on milk production and farm profit can be minimized by the early implementation of proven strategies.

Our plan is to make timely decisions based on the best available information. Having no plan, coupled with indecision, leads to unnecessary stress and lower profit.

Whatever the summer conditions, the first management rule is to fully and efficiently use spring pasture before dry and hot conditions reduce the growth and quality of pasture. We have accomplished this with most farms achieving their season-to-date November production targets. BEL Group has produced 99% of its budgeted production to the end of November. Applying best practice grazing management during summer and autumn maximizes results when those good practices are also applied in spring.

#### Summer Management Objectives:

(In order of priority)

1. To milk a large proportion of cows through until the autumn.
2. To protect next season's production and reproduction by getting all mixed age cows to body condition score 5.0 (BCS) and

ALL first and second calvers at 5.5 CS by 20<sup>th</sup> June,

3. To achieve maximum, profitable milk solids production for the rest of the current season.

#### Key Strategies

Have a farm specific summer management plan with defined trigger points i.e. cow condition, pasture cover, supplements available to action key decisions by specific dates.

Keep as many cows milking as practicable to make use of a recovery in pasture growth from autumn rains.

Feed supplements once significant autumn rains arrive.

Dry off cows on BCS criteria and calving date, in time for them all to get to BCS 5.0 at calving and for first calvers 5.5 CS.

Have a no rain/irrigation, final dry-off date, when the focus shifts from the current season's production to setting the farm up for the following season.

These key strategies need actions that we adhere to. At our most recent managers meeting we went over these again. We call these the...

#### Ten Summer Dairy Herd Management Recommendations We Live By:

1. We do not buy in feed to feed out in the summer, or use supplement that is set aside for the autumn or winter.
  - Response to supplements fed in the summer is poor and least economic
  - Some of the response would go to live weight
2. We ignore daily tanker returns.
  - No benefits are derived from worrying about something that you cannot control
3. We do not alter grazing rotations.
  - We aim at 30-day rotations by December 31st. Never less.
  - We hold this through until the 20<sup>th</sup> April
4. We reduce stocking rate on the milking area.
  - Dropping calves occurs on the 15<sup>th</sup> January
  - We collect herd testing and pregnancy testing information in December January
5. We completely graze out the farm.
  - Throughout the summer we go around the farm, then when we think we have a low grass cover we go around the farm again
6. We dry off low producers.
  - As the feed supply drops off we then reduce our feed demand
  - We get rid of culls
  - We then dry off low producing animals
7. We consider once a day.
  - This is already in our plan; never an emotional deci-



sion

- To date we have not engaged this action

#### 8. We dry off based on body condition score.

- As we get into February and March we dry off cows according to their Body Condition Score—our targets are in the BEL handbook.
- This is a staged exercise designed to help ensure cows reach their calving condition score targets.

#### 9. We feed out when it rains.

- We need silage on hand for when the autumn rains occur after a summer dry as at this time you lose pasture cover due to 'rotting'.
- In general we need 150 kg DM per cow to feed out

#### 10. We decide on strategies for facial eczema control and improved winter feeding levels.

**Campbell Chard**  
**General Manager—Farms**

## BALLANCE

### HAY AND SILAGE PADDOCKS

At this time of the year some dairy platforms will be developing a surplus of grass. One way of controlling this is to remove it by cutting supplement. Not only does this flatten out the supply/demand curve, it also helps maintain pasture quality at a time when pasture is wanting to turn reproductive. There are some important points to consider when removing supplements from your paddocks:

When hay or silage crops are taken from one paddock but fed out on different paddocks, large quantities of nutrients are transferred, resulting in a loss of nutrients for the hay or silage paddocks.

The main nutrients lost are Phosphate, Potassium, Sulphur and Magnesium.

Hay or silage paddocks that are repeatedly cropped and do not receive additional fertiliser will develop pastures containing flat weeds, poa, browntop and rats tail. The clovers will also become very small.

Do not apply excessive quantities of Potash prior to "shutting up" a hay or silage paddock. If excess Potash is applied, clovers will consume more Potash than they require and store it within their cells, with no resulting increase in production. This Potash is then either lost or transferred to another paddock.

#### After Cutting

The most important factor to consider when managing hay or silage paddocks is what fertiliser to apply after the crop has been removed. This is in addition to the normal farm maintenance fertiliser requirements.

#### Crop Removal

The amount of nutrients removed by a hay or silage crop yielding 5t/ha is shown above:

N	P	K	S	Ca
180	20	75	15	20

Recommended Fertiliser	Rate Required	Comments
30% Potash Superten	350-400 kg/ha	Ideal where paddocks have previously been well maintained.
15% Potash Superten	500-750 kg/ha	In low fertility situations, or where maintenance plus hay/silage fertiliser is applied.
30% Potash Sulphur Super	350-400 kg/ha	Ideal in areas where Sulphur levels are low and require elemental Sulphur.

NB:

The fertilisers recommended above must be applied in addition to the normal farm maintenance fertiliser. The optimum time to apply fertiliser to hay or silage paddocks is immediately after the crop has been removed - even if conditions are dry. Every farm system is different and may require a different fertiliser recipe to suit.

**James Parsons**  
**Ballance**

## FARMLANDS WAIPUKURAU NAMED BEST NORTH ISLAND BRANCH

Farmlands Waipukurau was recently crowned best North Island branch and was judged 3rd overall - out of 80 Farmlands stores country-wide.

Local Business Manager, Brent Fell, attended the awards celebration in Auckland as the leading (and only) manager to represent the Hawke's Bay/East Coast region. Judging criteria included: sales vs. budget, shrinkage (stock loss), health and safety (lost time injuries) and customer satisfaction. This was a great result for Brent and the entire Waipukurau Farmlands team. The winning branch was Otautau, Southland.

Congratulations to Brent and his team from all of us at BEL Group!



## THE FESTIVE SEASON IS HERE

As we come up to the Christmas period I start to think of a lot of things....

**Family:** whether your with them or without them on Christmas Day, there is something special about family this time of the year and we count our blessings whatever shape and location our new modern families take.

**Food:** planning for eating too much and paying some consideration to whether I should diet in advance or just leave the pain until the New Year so that my New Year's resolution will have some real substance.

**Presents:** mostly buying / making and hoping that you'll satisfy the seemingly always escalating expectations of children.

**Father Christmas:** have I been good enough this year to warrant a call from the jolly man in red? Just so you know, I always have a couple of reserve 'self-presents' so that on the off chance I don't make Santa's present cut I still don't go completely without.

And then I try to think of the New Year and I think:....

**New Year Resolutions:** the ones I made this year that I stuck with and won; and the couple that I will carry forward to 2015 and really nail this time!

**Friends:** it's so easy to put off making time for friends. The truth is that I work with most of my friends in one way or another – the trick is to also make time outside of work for these important relationships.

**Work:** what I want to achieve in 2015 and how I'm going to go about it....sometimes these things are big things, and sometimes they are little things that will make a big difference.

As we go into the festive season please remember – there will only be one 2015 – make the most of it!  
Wishing you all a happy and safe festive season...

From Lee Astridge and the team at No8HR

## STAY HEALTHY AND SAFE THIS SUMMER

The temperatures are rising and the days are getting longer. It's summertime once again. Here are some tips to help make your summer the best, and healthiest, one yet.

### GRILL AND CHILL

Whether you prefer burgers off the grill or a picnic in the park, one thing you don't want on the menu this summer is food-borne illness. Take these steps to help keep germs at bay.

- Wash your hands before and after handling food.
- When taking foods off the grill, do not put cooked food items back on the same plate that previously held raw food.
- When grilling foods, preheat the coals on your grill for

20 to 30 minutes, or until the coals are lightly coated with ash.

- Use a meat thermometer to ensure that food reaches a safe internal temperature.
- Never let raw meat, cooked food or cut fresh fruits or vegetables sit at room temperature more than two hours before putting them in the cooler or refrigerator.
- Make sure to pack plenty of extra ice or freezer packs in your cooler to ensure a constant cold temperature.

### BEAT THE HEAT

Heat-related illnesses claim the lives of hundreds of people each year, so it is important to take these precautions when working or playing outside during the hot summer months.

- Drink plenty of water or other non-alcoholic beverages.
- Wear lightweight, loose-fitting clothing that is light in colour.
- Reduce strenuous activities or do them during the cooler parts of the day.

### FUN IN THE SUN

Your summer plans may include hitting the beach, or just spending more time outdoors. Make sure you plan to avoid sunburn, which can increase your risk of skin cancer.

- Seek shade, especially during midday hours (10 a.m. to 4 p.m.), when UV rays are strongest and do the most damage.
- Cover up with clothing to protect exposed skin. A long-sleeved shirt and long pants with a tight weave are best.
- Wear a hat with a wide brim to shade the face, head, ears, and neck.
- Grab shades that wrap around and block as close to 100% of both UVA and UVB rays as possible.
- Rub on sunscreen with sun protective factor (SPF) 15 or higher, and both UVA and UVB protection.

### SWIM SAFE

Swimming is a fun way to stay cool and be active. Before diving in, make sure you know these tips for staying healthy and safe while swimming.

- Avoid swallowing pool water or even getting it in your mouth.
- Shower before swimming and wash your hands after using the toilet or changing diapers.
- Take children on bathroom breaks or check diapers often.
- Keep an eye on children at all times. Kids can drown in seconds and in silence.
- Never swim alone or in unsupervised locations.
- Teach children to always swim with a buddy.
- Don't use air-filled swimming aids (such as "water wings") with children in place of life jackets or life preservers.

# Economic Update

**ASB**

## Fonterra 2015/16 Milk Price Forecast Update

### Key Results

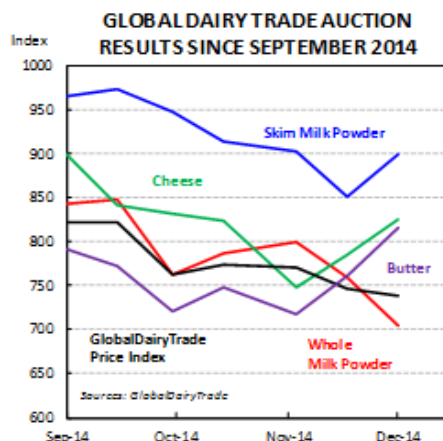
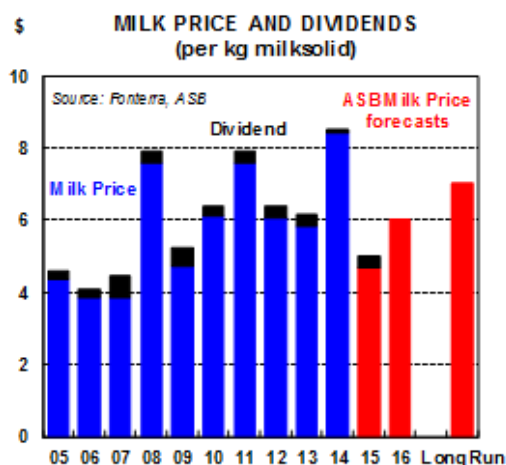
In line with our expectations, Fonterra has lowered its 2014/15 farmgate milk price forecast by 60 cents to \$4.70/kg of milk solids.

While maintaining its full-year dividend forecast at 25 to 35 cents per share.

In light of the more prolonged dairy weakness we (ASB) have shaved back our 2015/16 milk price forecast to \$6.00/kg – we will provide more details on this change very soon.

Farmgate Milk Price Forecasts*			
Season	Fonterra	ASB	Informal Market Median
2014/15	\$4.70	\$4.70	\$4.80
2015/16	N/A	\$6.00	N/A
Long run	N/A	\$7.00	N/A

\* per kg of milk solids



### Comment

All up, Fonterra's 2015/16 milk price forecast update was in line with expectations. Today's revision by Fonterra to \$4.70/kg 2014/15 milk price forecast was in line with our own forecast, although it was marginally on the weak side of weak expectations.

The revision follows overall dairy auction prices falling by 10% since the Fonterra's previous forecast update in September, and key WMP prices by 17%. Moreover, it's not yet clear that prices have reached a floor, particularly while milk production remains strong and demand soft.

In Fonterra's words: "Right now we are seeing a number of factors that are delaying a sustained return to higher global prices."

And Fonterra pointed out the drivers for the downward revision were "Falling oil prices, geopolitical uncertainty in Russia and Ukraine, and subdued demand from China as it continues to work through inventory are all contributing to ongoing volatility and weak demand." Adding, "there is still considerable volatility in global dairy markets."

All of which, we concur.

On the dividend front, Fonterra maintained the dividend forecast for the current season at 25 to 35 cents. We had hinted that this could lift, but it appears any lift will have to wait until Fonterra's interim results announcement.

Since Fonterra's last update, the currency has played ball to a degree, partially offsetting some of the dairy auction price falls.

### Implications

The announcement was marginally below market expectations, and the NZD fell around 25 pips from US\$0.7710 to US\$0.7685 following the forecast update.

Beyond the current season, our long-term positive view for dairy prices still holds. We expect global dairy production growth to moderate and for Chinese demand to rebound heading into 2015. A lower NZD over 2015 and 2016 should also be supportive of the milk price.

Following on from our \$4.70/kg milk price for 2014/15, we still expect a lift to \$6.00/kg in 2015/16. Although notably, this lift isn't as big as we had factored in previously. We do however maintain our view of \$7.00/kg on average over the long run.

## BEL GROUP CHRISTMAS PARTY 2014

The Kiwiana-themed Christmas function was held on December 11<sup>th</sup>, at the Waipukurau Golf Club. After some fiercely fought battles (including egg-and-spoon racing, sack racing and a Kiwiana quiz), once again the Business Services Team came out winners. We hope everyone enjoyed their night and wish you all a very Merry Christmas!







## DAIRY OPERATIONS TEAM UPDATE

### ASHCOTT ROAD

Crazy wind sums up the last couple of months down here. Irrigation is in full swing but struggling to keep soil moisture levels up with most days having some variation of wind speed. Consequently pasture covers have fallen significantly on both farms. December rains and front ending the planned December fertiliser will help get us back on track, fingers crossed.

Step one in spring mating is now complete with both farms just finished 46 days of AI. Bulls are now out having their way with the remaining 25% of cows yet to get in calf (I hope).

There is a couple of new faces around with Cameron, a casual, joining Fairlea as a newbie to farming, also Ian Wessels is Ashton's newbie, both touched their first teats all of a month ago and have really impressed and reminded everyone of what youthful enthusiasm looks like. Ashton has also appointed Rhys Spooner as Managers Assistant, and Brent Leach is our new Feed Pad operator.

Most staff have leave organized over Dec/Jan.

All crops have come through the wind well and are looking good, Calves are tracking well with very few under 100kgs as of 1<sup>st</sup> December.

Production is still behind on both farms mainly due to some over estimating in the FMP last year, but the team have solid plans to get back on track in the early autumn.

Doug Dolan  
Operations Manager Ashcott Road

### ASHLEY CLINTON

As we approach Christmas, AB has been completed and bulls have been in the herds for some weeks. After a relatively fast calving, with a mean calving date of 30th July giving cows ample time to cycle before AB started, it has been a somewhat disappointing mating - not what I was hoping for after the ground we have made in recent years. Don't get me wrong, it hasn't been a disaster, S.R 83% and 71% at 21 days. But it could have been a lot better, I can't

quite put my finger on it. We will PD the herds prior to Christmas so fingers crossed for that. Bull management will be critical for the remainder of mating. A lot has been talked about in the lead-up to mating, so now is your chance to put that knowledge into practice. From what I have seen so far this is happening, with a lot less lame bulls on farm. Good work teams - keep it up.

Calves will be another focus area over the festive season until they go off in mid January. They are looking good, a majority of them weaned. Keep them going, you have worked hard to get them to this point. Look after the tail-end Charlies.

Enjoy the festive season, set your rosters to suit everyone and book in your summer break.

MERRY XMAS BARRY FARMS!

P.S. Haven't mentioned the payout I am sure everyone else will!

Anthony Williams  
Operations Manager Ashley Clinton

### DAIRY SUPPORT

The busy spring cropping season is finally coming to an end. Once again, a big thank you to Jim Barnes for the long hours he has spent in the tractor seat.

The service bulls are out doing their job, and silage has been harvested on some support blocks and sold to the dairy farms.

A lot of time has been spent cleaning up fallen trees after high winds hit the support blocks earlier in November.

Pete Kroot  
Dairy Support Manager

### BUSINESS SERVICES OFFICE CHRISTMAS HOURS

The office will close at **3pm on December 24<sup>th</sup>** and reopen on **January 5<sup>th</sup>, 2015 at 8am.**

*Wishing you all a very Merry Christmas and best wishes for an excellent year ahead.*

*From the Business Services Team.*

## PAGET ROAD

The spring has been trying but generally kind to the Paget Rd farms. Overall production is up about 3% at the time of writing, with most of that coming from Springfield.

The ongoing equinox winds have caused a few concerns with some roof damage to Kowhai Terrace and at the Longrow quarters - which needs a full replacement as a result.

As with most other farms there has been the odd tree blown over but by far the worst damage has been felt by our fodder beet crops with 100% of our planted area suffering damage; some areas being hit twice. Plans are underway to deal with the latest damage.

Growth has been varied over the last two months with supplement being made on-farm at Springfield and Cloverlea, while Parkhill and Kowhai Terrace remain pretty well on top of their feed.

The Longrow water gallery was completed by Mike Palleson and Barry Neville in late November and they immediately moved on to the gallery at Springfield - this should be completed by the time you are reading this.

We welcome Kris Warby to the Paget Rd teams.

Paul Hippen  
Operations Manager Paget Road

## ELLINGHAM GOES FOR GOLD

Congratulations to everyone on the team at Ellingham. Once again they achieved the Gold level for the Dairy Compliance Recognition Scheme awarded by the HBRC.

This is an excellent achievement - and great recognition of the consistent effort put in by the team.

Peter Borges attended the awards celebration and BBQ, hosted by the HBRC, earlier this month in Hastings.

## MOVEMBER WINNERS...

The good-looking crew from Parkhill took out this year's Movember competition. BEL Group raised around \$100 to support awareness for men's health, specifically prostate cancer, testicular cancer and mental health. As Movember winners, the team enjoyed morning tea delivered to them at work, in December.



Sporting the winning moustaches are: Ben Edgeworth, Shane Moses, James Mudge and Rudda Wijensinghe.

## OTHER NOTABLE MOVEMBER ENTRIES:



## A WORD FROM PAYROLL



There are **four official Statutory Holiday Days** over this year's Xmas and New Year period:

Thursday 25<sup>th</sup> of Dec : Friday 26<sup>th</sup> of Dec Thursday

1st of Jan : Friday 2nd of Jan

MAKE SURE THAT YOU HAVE COMPLETED YOUR LEAVE FORMS FOR ANY DAYS IN LIEU OR ANNUAL LEAVE YOU WISH TO TAKE OVER THIS TIME, OR IN THE NEW YEAR.

### Changes of Details:

Just a reminder that if any of your details change – like contact numbers, addresses, bank accounts, e-mail addresses, next of kin etc. There is a 'Change of Details' form on the website (or available from the Business Services office) that must be filled out so we can keep a current file, this is important to make sure you are paid correctly if anything happens at work and we need to contact someone we have the right person on your file to contact. In early 2015 we will send you the current details have on file for you for you to check so that we can update our database. But in the meantime, if you think that we may not have correct details for you, please use the Change of Details form to inform us of any changes.

### *Yet More Money Advice from a Business Services Bean Counter*

## Going Crazy with Multiple Bank Accounts!

**Multiple Bank Accounts:** Having more than one bank account means that you can put money aside to make sure you have enough money for your normal bills, and a bit of savings put aside for a 'rainy day', or for a special dream or wish (maybe a holiday, or deposit on a car for example), and of course whatever is left over is for general spending. My family has 6 bank accounts. This may seem excessive, but there is reason behind this madness. So, once I have worked out a yearly budget, and how much is required to cover bills etc on a fortnightly basis (see the previous newsletter), I use multiple bank accounts to manage the money that we earn each fortnight. **These are the accounts that we use to manage our money:**

Bank accounts 1 and 2: One for ME, and one for my partner. The funds in these accounts are for each of us to spend on ourselves however we like, without impacting on the money we need to pay any bills, or causing any arguments. *A set amount is put into these accounts every fortnight.*

Bank account 3: For the kids' expenses, and is an account designed for kids which incurs no monthly fees, and earns a bit of interest every month. The money going into this account covers things like school fees, sports fees, uniforms, school books, clothing etc. This account ensures that we have enough money for everything that the kids need, and again, without impacting the money that we need for bills. *A set amount is put into this account every fortnight.*

Bank account 4: Is an 'online' savings account with small fees, good interest (as long as you don't make too many withdrawals, and keep a decent amount in there), and is not able to be spent using a debit or bank card. This is where we put money aside for 'wish' items, and for a 'rainy day' (such as when the dishwasher dies). It is our safety net, and can also be used for a treat or family Christmas present, or for something we want to save up for. *We put a set amount in here fortnightly, and sometimes top it up with extra funds we end up with, either unexpectedly (we are still waiting for a lotto win), or if we have an extra amount in our number 5 account (due to bills coming lower than budgeted for).*

Bank account 5: Is a 'current/everyday account'. This is where all of our monthly and fortnightly regular bills are paid from (most are direct debits). Rates, Car Expenses, Insurances, Electricity, Phone/Internet, Sky TV, Firewood, Hire Purchases etc. all come out of this account. It is also designed to accumulate some funds to cover Xmas and Birthday Presents, Vet Bills etc. which are more 'random' in their payment times. *A set amount is put into this account every fortnight.*

And lastly – Bank account 6: This account is another 'current/everyday' account where the balance of our earnings is paid into. This account covers our Mortgage, Groceries, Petrol, and miscellaneous spending. Once the mortgage is paid, we can adjust our grocery, petrol, and miscellaneous spending to suit what money is available in the account.


If you wish to have your money going into multiple bank accounts, you can either transfer the money yourself through internet/ phone banking, or we can direct set amounts into separate accounts for you through the payroll system. If you wish this to happen through the payroll process, complete a change of details form (or come in to the Business Services Office), and we can set it up for you.

## ON FARM WORKPLAN

ACTIVITY	DECEMBER	JANUARY
<b>EFFLUENT (RECORD USE OF APPLICATION IN EFFLUENT DIARY)</b>	Effluent Irrigation Scheduled - pond stirrer rotated	Effluent Irrigation Scheduled - pond stirrer rotated
<b>FARM BUILDING MAINTENANCE</b>	Dairy water blasted	Quality Assure changes diarised
<b>FINANCIAL</b>	Ops manager review Farm management plans drafted OM/GM Farm budget update	Farm management plans drafted OM/GM Farm budget update
<b>HOUSE AND SECTIONS</b>	Mow lawns weekly Wash house exterior and clean gutters	Mow lawns fortnightly Check smoke alarms
<b>MILK AND COLostrum SUPPLY</b>	Review dairy routines	
<b>PEOPLE</b>	KOT Review 3 Review on-farm training manuals	Discuss plans for next season Plan annual leave for April & May Advertise June 1st vacancies
<b>RAINFALL AND SOIL TEMPERATURE</b>	Daily soil temp and rainfall	Daily soil temp and rainfall
<b>REPAIRS AND MAINTENANCE</b>	Check water system supplies on hand Water maps completed (3 people) Fencing gear organised	Hazard review farm— general Fencing Tanker tracks/driveways graded Irrigation tracks filled
<b>STOCK RECORDS</b>	Death reports Each week managers to sign off full record of ALL stock on farm Natural mating records Herd Test BCS herds Natural mating #s 1st round PD	Death reports Each week managers to sign off full record of ALL stock on farm  BCS herds Natural mating #s 1st round PD
<b>SUPPLEMENT AND FEEDING</b>	Review silage volumes on farm Draft autumn feed plans	Turnip crops fed Review autumn feed plans
<b>WEEDS (FLUSH GEAR WEEKLY WHEN IN USE)</b>	Gorse/blackberry Organise crops for next year Spot spray	Spot spray
<b>EVENTS/MEETINGS/REVIEWS</b>	Farm manager's meeting On-farm Plan update Advisory Board DOT SLT	On-farm Plan update  DOT SLT
<b>CALVING</b>	Clean calf sheds Weaning Check calving spread on WMF	Calves at home, 2-day breaks behind wire Spray sheds with eco-safe
<b>MASTITIS &amp; SCC</b>	Teat spray manually	Teat spray manually If SCC <150 no teat spray
<b>MINERALS</b>	Stop all minerals	Zinc in troughs from 10th
<b>TREATMENTS</b>	Circulation of DCT Plan	
<b>REPRODUCTION</b>	Bulls in herds, check bull soundness Bulls out of heifers Dec 20th Record cycling cows!	1st PD @ 6wks from PSM (Spring) Bulls removed from herds 15th Jan and bulls off farm. RECORDS!!
<b>SEASONAL RISK</b>	Ryegrass staggers Heat stress	Ryegrass staggers Heat stress Facial eczema
<b>STOCK MONITORING</b>	Old cows/High SCC/Repeat mastitis discuss with GM for possible cull???? Monitor LW of heifers at grazing BCS profile	Monitor LW of heifers at grazing BCS profile



**BEL GROUP****General Information**

	<b>BEL GROUP CONTACTS LIST</b>			
		PHONE	FAX	EMAIL AND POSTAL
Business Owner & Chair	Andrea Barry Office	021 759 170 06 855 6596		andrea@belgroup.co.nz
BEL Group CEO	Justine Kidd	021 895 878	06 858 8921	justine@belgroup.co.nz
PA to BEL Group CEO	Karin Klevfors	021 759 825	06 858 8921	karin@jmkconsulting.co.nz
Business Manager	Toni Goodlass	027 254 6814		toni@belgroup.co.nz
General Manager- Farms	Campbell Chard	021 285 2629	06 858 9538	campbell@belgroup.co.nz
Finance Manager	Rachael Riddell	021 759 178	06 858 8921	rachael@belgroup.co.nz
<b>Business Services</b> All Invoices to PO Box 63, Waipukurau, 4242				
Business Services Administrator	Holly Gough	06 858 8921	06 858 8921	holly@belgroup.co.nz
Business Services - Finance	Nikki Johansen	06 858 8921	06 858 8921	nikki@belgroup.co.nz
Engineering	Shane Mackie	021 285 3011		shane@belgroup.co.nz Deliveries to: Ashton Farm, 901 Burnside Road, Takapau
Veterinary Services	Hamish Quinlivan	021 759 784 0274 866 984	06 855 8975	hamishq@inspire.co.nz
<b>Dairy Farms</b> All Invoices to PO Box 63, Waipukurau, 4242				
<b>47414 Reigate (Longrow Dairies Ltd)</b>				
525 Snee Road 340 Ha - 1075 Cows	Mike Oakly	021 759 156		reigate@belgroup.co.nz
<i>Operations Manager Ashcott Road</i>	Doug Dolan	021 759 165		dougsfarm@farmside.co.nz
<b>47478 Ashton</b>				
901 Burnside Road 600 Ha - 2400 Cows	Doug Dolan	021 759 165		ashton@belgroup.co.nz
<b>47477 Fairlea</b>				
1056 Ashcott Road 464 Ha - 1300 Cows	David Mochrie	021 759 154		fairlea@belgroup.co.nz
<i>Operations Manager Ashley Clinton</i>	Anthony Williams	027 627 8677		antwilliams99@hotmail.com
<b>47640 Hedley</b>				
Ashley Clinton Road 200 Ha - 680 Cows	John Leech	021 759 173	06 855 6442	hedley@belgroup.co.nz
<b>47641 Ellingham</b>				
Ellingham Road 115 Ha - 380 Cows	Peter Borges	021 759 174		ellingham@belgroup.co.nz
<i>Operations Manager Paget Road</i>	Paul Phippen	021 759 162 0274 732 026	06 855-8062	paulhippen@gmail.com
<b>47426 Springfield</b>				
408 Paget Road 310 Ha - 1050 Cows	Michael Dillon	021 759 164		springfield@belgroup.co.nz
<b>47422 Cloverlea (Longrow Dairies Ltd)</b>				
680 Paget Road 260 Ha - 835 Cows	Jared Pink	021 759 616		cloverlea@belgroup.co.nz
<b>47423 Kowhai Terrace (Longrow Dairies Ltd)</b>				
603 Paget Road 180 Ha - 600 Cows	Reetesh Prasad	021 759 163		kowhaiterrace@belgroup.co.nz
<b>47421 Parkhill (Longrow Dairies Ltd)</b>				
680 Paget Road 230 Ha - 780 Cows	Shane Moses	021 759 161		parkhill@belgroup.co.nz
<b>Dairy Support</b> All Invoices to PO Box 63, Waipukurau, 4242				
<i>Dairy Support Manager</i>	Peter Kroot	021 759 172		pete@belgroup.co.nz
<i>AgWorks Manager</i>	Jim Barnes	021 759 160		jim.barnes@xtra.co.nz
<b>Dairy CHB</b>				
<b>47424 Meadows</b>				
548 Paget Road 180Ha - 680 Cows	TBA	021 759 942		
<b>47478 Turners</b>				
705 Burnside Road 78 Ha - 400 Cows	Todd Cuttance	021 759 153		caroltodd60@hotmail.com
All Invoices for Dairy CHB to be mailed to 142 Porangahau Road, Waipukurau 4200				

## NEWS AND EVENTS

### LOCAL & INDUSTRY NEWS AND EVENTS

**December 27th-28th:** Porangahau Beach Polo

**January 18th:** Tour de Beautiful Cycle Challenge, Waipukurau

**February 1st:** Opera at Oruawharo



### BEL GROUP EVENTS

#### January

12th-16th: Feeding Turnips On-Farm Workshop  
 21st: ASB Finance Workshop (Development Programme)  
 28th-29th: Tractor Skills Training  
 29th: Staff BBQ at Longrow

#### February

2nd-6th: Quarterly Housing Inspections  
 4th: Farm Manager's Meeting  
 10th-12th: Lee Astridge Workshops  
 11th-12th: BEL Board Meeting

18th: Autumn Management (Development Programme)

#### March

4th: Farm Manager's Meeting  
 11th: Fodder Beet Training  
 11th: MINDA On-the-Web Training  
 18th: ASB Finance Workshop (Development Programme)  
 24th: Feeding Supplements Workshop  
 26th: Staff BBQ at Longrow

### ACC

If you have need to go on ACC for any reason it is important that you quote "BEL Group" as your employer **HOWEVER** if you work for any of the Longrow farms - Parkhill, Cloverlea, Kowhai Terrace or Reigate you will need to quote "Longrow Dairies" as your employer.

### WEBSITE LOG-IN

All staff are welcome to access the BEL Group Website and resources. Should you require a login and password, please contact the Business Services Office on 06 858 8921.

You will need to have an email address to have this facility set up.

[www.belgroup.co.nz](http://www.belgroup.co.nz)





**BEL GROUP IS:**

Setting the standard for dairy farm business management

**BEL GROUP WILL:**

Grow our business and support the aspirations of those that work with us  
Be a strong, vibrant and reliable business in our community  
Provide secure enjoyable employment and growth opportunities through responsible and prudent business practice  
Role model ethical, relationally focused business practice bringing a family feel to a cooperate structure

PO Box 63, WAIPUKURAU 4242

[www.belgroup.co.nz](http://www.belgroup.co.nz)

**Business Owner and Chair**

Andrea Barry 021 759 170

**BEL Group CEO**

Justine Kidd 021 895 878

**General Manager– Farms**

Campbell Chard 021 285-2629

**Business Manager**

Toni Goodlass 027 254 6814

**Finance Manager**

Rachael Riddell 021 759 178

**BUSINESS SERVICES**

**Engineering** 021 285-3011

Shane Mackie

**Veterinarian**

Hamish Quinlivan 021 759-784

**BEL GROUP**

**Reigate**

Mike Oakly 021 759 156

**Operations Manager– Ashcott Road**

Doug Dolan 021 759 165

**Ashton**

Doug Dolan 021 759 165

**Fairlea**

David Mochrie 021 759 154

**Operations Manager—Paget Road**

Paul Phippen 021 759-162

**Springfield**

Michael Dillon 021 759 164

**Kowhai Terrace**

Reetesh Prasad 021 759 163

**Parkhill**

Shane Moses 021 759-161

**Cloverlea**

Jared Pink 021 759 616

**Operations Manager—Ashley Clinton**

Anthony Williams 027 627-8677

**Hedley**

John Leech 021 759-173

**Ellingham**

Peter Borges 021 759 163

**DAIRY SUPPORT**

**Manager**

Peter Kroot 021 759-172

**AgWorks**

Jim Barnes 021 759-160

**EVERYONE HOME SAFE EVERYDAY**

**BE RESPONSIBLE**

Take personal responsibility for the results and outcomes we achieve.  
Seek better ways to do things.  
When things go wrong put your hand up for help.  
Think safe, act safe, be safe.

**PERFORMANCE COUNTS**

Focus on the end point then the process.  
Monitor and respond to results.  
Know what your targets are, have a plan to achieve them, adapt the plan to get the result.



**IMPROVE AS WE GO**

Plan - Do - Review  
Seek and accept feedback about ourselves.  
Look for opportunities to do things better - more efficiently, better results, better team work.  
Don't settle for the status quo - if you have an idea, ask the question.

**WORK TOGETHER**

Share information to help each other achieve individual and collective goals.  
Be ready to help your neighbour. Assume others are doing the best they can - when it goes wrong talk it through.  
Know your job, make an effort to understand other peoples.

**TOGETHER WE ARE PROFITABLE, EFFICIENT AND SAFE**