



**McGregor Bailey**

CHARTERED ACCOUNTANTS  
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# BOTTOM LINE

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OUR NEWSLETTER FOR GROWING BUSINESSES



Agricultural sustainability continues to be a hot topic, with the Government, the corporate sector, conservation groups and local farmers taking our country's environmental footprint more and more seriously.

From the Government's \$8.5m budget investment in reducing and mitigating agricultural emissions plus \$25 million into the Agricultural Climate Change Research Platform, to Ballance's Farm Sustainability Scheme and a range of sustainability and young farmer awards - we're moving in a positive direction.

By working together, there's hope we'll reduce our environmental impact dramatically over the next few decades. In the meantime, let's celebrate the progress we're making - and the people behind that progress.

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# Proof you can profit from going 'eco' on your farm

**Sustainable business practices are good for the planet and its people, but can you make money from it? Here are three of the 2019 Ballance Farm Environment Award winners, who say - yes you can.**

For Dannevirke's Simon and Trudy Hales, being sustainable is about future-proofing their 970ha beef and sheep farm near Weber. As the fourth generation to work the farm, the Hales strive to build annual equity to ensure profitability - all while improving the land using environmentally friendly initiatives.

They have removed stock from most of the Akitio River to maintain a healthy waterway, developed a robust plan to ensure the health and safety of farm workers, and propagated native seedlings using locally sourced seeds, which will be planted to promote shrub growth and enhance the health of the ecosystem in riparian areas. Further native planting is on the cards to improve the farm's aesthetics and reduce soil loss caused by erosion.

## Small and savvy in the Naki

For internationally renowned biointensive gardening educator and restoration grazing consultant, Jodi Roebuck - it's all about respecting the environment to yield results - both for the farm and financially.

Roebuck Farm, located 11.6km south-west of New Plymouth, is a sustainable and profitable small scale working farm boasting a thriving market garden loaded with lettuce, rainbow microgreens, rocket, kale, mustard, carrot, radish and more. It's intensive, chemical free and bringing home the bacon to Jodi's family of four.

Jodi and his wife Tanya Mercer specialise in biointensive farming - growing more food in less space. The couple's three hectares produces high-value, fast-growing greens with short days to maturity, achieving more return per hectare. They also run educational opportunities, including interactive on-farm activities for people interested in sustainable food production on limited land.

For this Taranaki couple, soil health and quality are top priority with all growing, harvesting and pasture management undertaken with this in mind. They've planted companion crops between varieties of cash crops to lighten the pressure from insects and pests. Weeds are removed by hand with help from a range of different tools, and not a spray in sight. There's also a large amount of shelter planted on the hillside to help protect the farm from wind and reduce erosion.



## Leaders in the field

Taking an eco-friendly approach has reaped environmental, social and economic benefits for the owners of Tirau's Dennley Farms. With their sights set on a low input, low footprint farm and animal welfare at the heart of everything they do, owner-operators Adrian and Pauline Ball aim to improve people's perception of the dairy industry by leading by example on their 194ha Waikato dairy farm.

By closely studying crops and soils using best practice agronomy, the couple optimises crop and animal yields without compromising environmental health. They work with nutrient suppliers to make sure fertilisers are applied, and soil is tested, at appropriate times.

The dry stock farm is completely off-grid, using solar power, a deep well water supply and solar electric fencing. The cropping and finishing farm, which runs along the side of the Waihou River, has 20m or more fencing setbacks to encourage revegetation of the river banks. Future plans include fine-tuning farm grown feed requirements, trialling crops and practices that reduce the farm's footprint further year-on-year, introducing more energy-saving and cost-effective infrastructure to the asset base, and maintaining growth across the dairy platform and beef breeding enterprise.

# Agricultural apprenticeships - are they fruitful?

*A Q&A with Mike Stephens, General Manager, Primary ITO*

Struggling to recruit ambitious workers? Find out how two new apprenticeships, developed by Primary ITO and Federated Farmers, could help you tackle your skill shortage.

**How does the Federated Farmers Apprenticeship Dairy work?** We match apprentices to relevant farms where they can 'earn while they learn', develop their skills on-job and grow their careers. Employers enjoy motivated staff, and learn and grow throughout the apprenticeship too.

**How does an employer get involved?** Farms wanting to take on an apprentice in the programme sign up to a farm charter to ensure they provide the best work environment, on-job training and career development for their apprentice. Since it launched two years ago, nearly 180 farms have signed the charter. This means the farming community is willing to invest to bring people on and put them on a premium pathway to farm management and even ownership.

**How many apprentices are signed up?** There are now nearly 100 apprentices in the programme throughout New Zealand. This number is building and we're working first on identifying people whose interests match the sector, like working outdoors and with animals, then helping match them with the best dairy farmers.

**What are the main benefits to employers?** Employers are matched with employees who have a long-term commitment to the industry. Employers recognise that by leading the training of an apprentice it adds value to their farm with motivated staff and will support them in a career with a recognised learning pathway to farm management.

**How is the Horticulture Apprenticeship scheme going?** It has generated a lot of interest and there are apprentices across many types of horticulture. About 50 people have started one of the horticulture production apprenticeships launched last year with our industry partners.

**Why should an employer sign up?** Employers get improved access to skilled workers committed to their industry. With a shortage of both skills and people, attracting the smart, innovative people the sector needs is of critical importance. Primary ITO is working alongside industry to recruit motivated and career-oriented people to the sector and this helps with retention, productivity, succession planning and more.

**Why is it so important to have initiatives like these?** All of the employers we work with give us the clear message that they need skilled workers and that they will invest in training them. Across all our industries, we know that the future will be driven by value and innovation – not volume – and these apprenticeships help grow the future industry leaders to make this happen.



## Take stock and thrive

Top tips for working ON your business in 2019

When you're head down in the day-to-day running of your business, it's hard to know what needs to be done behind the scenes to ensure future success. You don't have to set aside an entire day to get all your planning, accounting and networking done. Do it in small intervals throughout the year. Choose a time when you know you're not going to be knee deep in calving or picking and make it a priority. Working ON your business is just as important as working IN it.

Whether you want to expand, develop or maintain your current activity, consider the following advice.

- **Bring in the experts.** Having a fresh pair of eyes is crucial when you're busy doing the do. Think of trusted, knowledgeable professionals who can help or give advice on monitoring your business plan, your finances, employment, environmental management, funding and networking. Getting a rural business mentor is a great place to start.
- **Connect to other farmers.** Working in a silo can be lonely and overwhelming so link up with others who share the same challenges. In the dairy industry, you can sign up to a free service called Dairy Connect, which puts you in touch with a support farmer happy to help. Look to your industry groups for networking opportunities and events.
- **Know your numbers.** Big, small, milk or fruit - when you rely on living produce it makes accounting more complex. Record your stock numbers and any land use changes, understand depreciation of machinery and equipment, stay up to date with Government subsidies, and use cloud apps for accounting, resources and bank accounts.
- **Talk it up.** Sharing key information about your business with everyone in your farm team will ensure no surprises, prevent conflict, lower potential issues, reduce wastage and give everyone a sense of ownership so they work harder, and smarter, together. Diarise regular meetings or phone calls to talk about cash management, budgets and production reports.
- **Make the most of your accountant.** To get your business and cash flow in the best position, talk to your accountant about tax planning, accounting software, and discuss your plans for 2020 to see how the numbers stack up and what you need to do to achieve your goals.



# Health and safety: Say it loud and proud to lower the risk

A 'she'll be right' attitude towards health and safety won't cut it. You've got to make a conscious decision to be safe and get everyone in your team thinking about health and safety every step of the way. Here are a few ways to do this effectively:

- **Get real.** Sit down as a team (including family) and answer these three questions and then pin them where everyone can see them.
  - "Why do we want a safe and healthy farm?"
  - "What will we do to be a safe and healthy farm?"
  - "How will we make sure everyone who comes to our farm is safe and healthy?"
- **Prioritise it.** When you meet with your team, put health and safety at the top of the agenda. Even just spend five minutes discussing any incidents, injuries or near misses, and see if anyone has any suggestions about new or upcoming seasonal risks, or new ways of doing things.
- **Keep it simple.** When you're planning the day's or season's work, take a moment to ask "What do we have to look out for?" It doesn't need to be a formal briefing, just a conscious moment to think about any risks or maintenance issues.
- **Paperwork isn't enough.** Reducing health and safety mishaps isn't about documents and manuals - it's about thinking and talking about risks and doing what needs to be done to stay healthy and safe.
- **Be vigilant.** Make sure everyone on the farm knows how the risks can change with the time of day, the season, or a person's emotional or physical state.



## Business Health Check

- Got an Environmental Plan for your business? The national goal is for every farm to have one by 2025. Now is the time to plan how you're going to introduce and maintain more sustainable practices.
- Search for networking or training events in your industry over the next six months and book yourself in.
- Check your farm's health and safety practices against the free WorkSafe self-assessment table online.
- Interested in being more sustainable at work? Be inspired by the Ballance Farm Environment Award winners.

## KEY TAX DATES - AUGUST 2019

| Date      | Category                    | Description  |
|-----------|-----------------------------|--|
| 5 August  | PAYE                        | Large employers' payment due.<br>File employment information within two working days after payday.           |
| 20 August | PAYE                        | Small and large employers' payment due.<br>File employment information within two working days after payday. |
| 20 August | RWT                         | Payment and return due.  |
| 20 August | NRWT / Approved Issuer Levy | Payment and return due.  |
| 28 August | GST                         | Payment and return for July.   |
| 28 August | Provisional Tax             | Instalment due for standard balance date taxpayers.  |

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