

# CONNECT

Updating shareholders about their co-operative

## Record rebate paid and prices capped for spring



### Strategy pays off

**Ravensdown's strategy and its focus on strengthening its balance sheet has allowed Ravensdown to pay a record rebate of \$50 per tonne and cap superphosphate at today's prices until the summer.**

The co-operative has paid out all operating profit in rebate to farmers who bought fertiliser in the year ending 31 May 2015. These payments should already be in bank accounts compared to last year when they were paid on 24 September.

In the second year of our more focused strategy, we again made significant progress on the balance sheet front, so we were in a position to support those customers who need the cash and capital more than us right now.

This is why our co-operative exists; to run an efficient, value-adding business so that we can help our shareholder owners when they are facing tough times.

### Highlights of 2014-15

- No New Zealand debt. Over \$100 million cashflow for second year running.
- Over \$33 million invested in capital improvements.
- Decade-high equity ratio.

While there remains much to do and many areas that can be improved, this result was satisfying and showed how many farmers stuck with their co-operative.

Many in farming see the exchange rate and are asking when is the price of fertiliser, which is bought on the world market in US dollars, going to be rising?

While that pressure does exist, we wanted to support those investing in their soil fertility to plan with more certainty in what could be a challenging spring for some customers.

### Superphosphate price cap

**Prices for superphosphate will be capped at today's prices until 30 November 2015.**

So while there is a slight possibility that, until then, superphosphate may be less than \$320 per tonne, it will not cost more.

We are a buying co-operative with good relationships with global suppliers, efficient worldwide logistics and a healthy balance sheet. When we can pass on value in the form of lower prices, we will. When we can delay any possible rises, we will. After all, this is what we're here for.

I'd like to thank all those customers who bought from us. As last year showed, if you haven't become a shareholder yet, it's definitely worth becoming one!

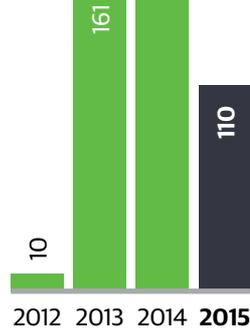
We all appreciate your support!



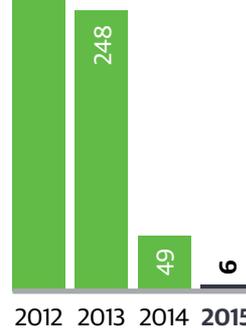
Greg Campbell, Chief Executive



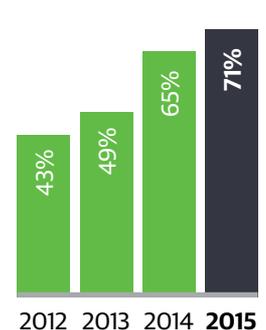
**Shareholder return (\$/t)**  
*(including tax credits)*



**Operating cashflow (\$m)**



**Net bank debt (\$m)**



**Equity ratio (%)**  
*(including hedging reserve)*

## Inside

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Spring is a great time to talk about what's new at Ravensdown. CEO, Greg Campbell gives an update.

## In with the new...

### New N-Protect combats volatilisation

**Ravensdown is introducing N-Protect coated urea which is a new tool in the pasture and crop growth toolbox available from your co-operative.**

For those farmers concerned by nitrogen loss due to volatilisation, N-Protect's coating is a proven nitrogen stabiliser.

When combined with good practice to combat N-loss to the atmosphere, N-Protect will increase pasture yields because more of the nitrogen is available to the plant especially under warm and dry conditions.

Volatilisation has been overstated as a problem by some, for example in the winter or on the wet west coast, it is extremely unlikely you need to pay a premium for anything other than "standard" urea. Certainly it is best to discuss these coated products, and your other choices, with the Ravensdown advisory team.

New N-Protect from Ravensdown is a free-flowing and granular product which is easy to apply because you don't have to wait until rain is imminent.

N-Protect is currently priced at \$625 per tonne, but current prices are always kept up-to-date on the website.

Talk to Ravensdown if you think N-Protect might be right for you or learn more on our website.

### New store for New Plymouth Ravensdown has started the complex consenting process to build a new 14,000 square metre purpose-built storage facility in New Plymouth.

The current site has been supplying Western North Island farmers since 1925, but is unsafe and too expensive to maintain.

The new environmentally-compliant store will eventually hold approximately 52,000 tonnes of bulk product and up to 2,000 tonnes of bagged product. Its intake system will be capable of handling 450 tonnes per hour.

Enclosed operation will cut dust emissions and the whole building will be constructed to minimise future repair and maintenance expenditure.

With reduced waiting times, enhanced product quality, greater efficiency and improved health and safety, this rebuilt store will be a flagship store that staff and customers can take pride in.

Improved access, automated loading and reduced operating costs mean the rebuild will deliver long-term returns.

### New spreading venture

**Ravensdown has formed a joint venture with Mainland Groundspread in Oamaru.**

Merging Advanced Spreading and Spreading Southland with Mainland will mean precision application services from Rangitata to Invercargill.

### New capabilities for Smart Maps

**Smart Maps continues to lead the field. Thousands of farmers now have their farm loaded on our award-winning Smart Maps system and are benefitting from convenient and visual control of their input information.**

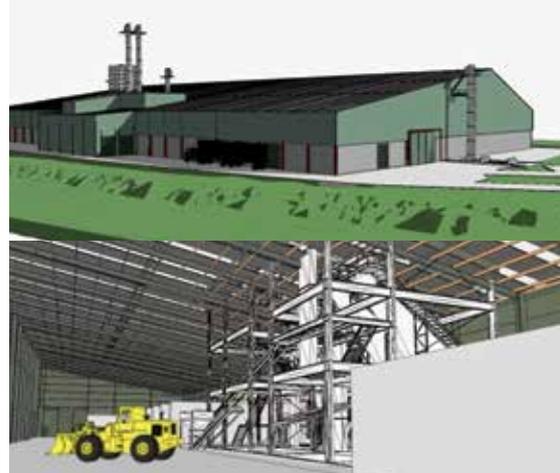
New pasture tools will help our farmers look to, and plan for the future, including a predictive feedwedge, developed through a new collaboration with Farmax.

The upgrade also includes a strategic feed budget for monitoring seasonal highs and lows, as well as demand tracking for animal feed required.

*Top Left:* N-Protect will be one more way to combat nitrogen loss to the atmosphere.

*Bottom Left:* Smart Maps continues to benefit from new development and collaboration.

*Right:* Ravensdown acquired the New Plymouth store when it merged with FERNZ in 1987. The new facility will be a flagship for the Western North Island.



## 96% rate fertiliser quality as good or higher

*Customer Survey 2015*

**New custom-batch production  
Hornby will be the first Ravensdown  
site to offer custom-batch blending  
so customers can receive the right  
product for their agri-nutrient  
“prescription.”**

The new high-speed precision blending tower is flexible enough to blend exact formulations and effectively combine ingredients such as nitrogen stabilisers and liquid micro nutrients and coatings to each batch.

At a rate of 250 tonnes per hour, the new plant will be efficient and product quality will be enhanced - all with minimal operator input. The plant is scheduled to be operational in early 2016.

**New roles for field-based support  
As a farmer-owned co-operative,  
shareholders count on our people to  
keep the latest industry knowledge in  
mind and their interests at heart as we  
help them to achieve their goals.**

Over the year, we restructured the regional teams to deliver more local technical support out in the field. Animal Health Technical Managers and Agronomists complemented the Agri Managers throughout the country. This was so customers could receive “joined up”,

value-adding advice on animal health, agrichemicals, seeds and fertiliser as well as quality products shipped direct to farm.

We expanded our dedicated environmental consultancy which helps farmers grapple with emerging compliance and regulatory frameworks.

The nutrient stewardship of New Zealand farmers is second to none and, in a competitive global market for food, Ravensdown has a role to play in keeping it that way. More certified nutrient management advisors work for Ravensdown than any other company. We continue to help customers with their nutrient budgeting needs and the satisfaction survey shows we are on the right track.

**New logo and design matches new  
ambition  
At Ravensdown, we’ve already started  
delivering on real changes; to improve  
service, efficiency and product  
quality.**

We also needed to modernise how we present ourselves to reflect the real change already taking place.

That is why the logo and marketing materials such as the website, newsletters and signage are changing in a phased rollout over the next few years.

The Ravensdown name has a long and proud heritage. The founders of Ravensdown were innovators and we wanted to show that pioneering spirit and a sense of progress. As well as a heart-swell of pride within the team and shareholders, there is a hunger to improve and ambition to succeed.

The new “leaf” symbol is about growth, progress and our contribution to New Zealand. Overall, this symbol connects with what we do, where we’re going and what we’re like as a company to deal with and work for.

Behind the scenes, we are putting each and every employee; from manufacturing to “back office” functions on specialist training, so that everyone in your co-operative’s team is becoming even more customer focused.

Many of the changes to materials will occur as routine replacement and maintenance to minimise waste and cost.

The whole team knows that the sign on the door matters less than all the action being taken behind the scenes. It’s all part of the real difference and optimism that we trust you will experience every time you encounter Ravensdown.



*Left:* Hornby Project Manager Paul Ratford inspects the new precision blending plant under construction.

*Bottom Left:* The agronomists can advise on seeds, fertiliser and agchem issues.

*Right:* Our new Ground Effect magazine and new website are the first of the changes to be carefully phased in over time.

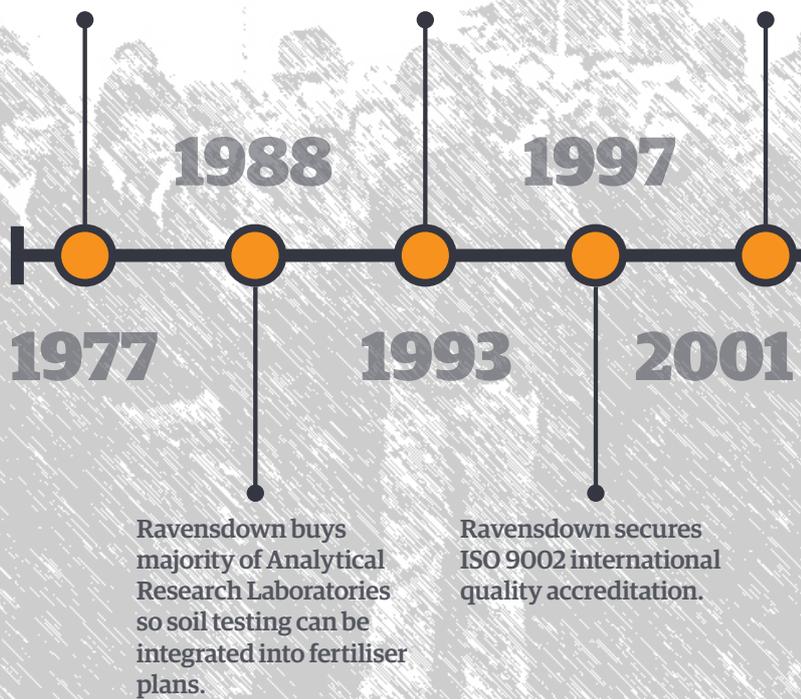
# Pioneering and pulling together

# Ravensdown

Farmers band together to create Ravensdown and secure their fertiliser business into the future.

Fertmark scheme is set up to give quality assurance on one of farmers' essential inputs.

Ravensdown Direct is launched with Customer Centre set up to help shareholders.



Like-minded farmers started Ravensdown in 1977 with a pioneering spirit and a belief that strength comes from pulling together. Today our team is still driven; to provide exceptional service to customers and contribute to their success.

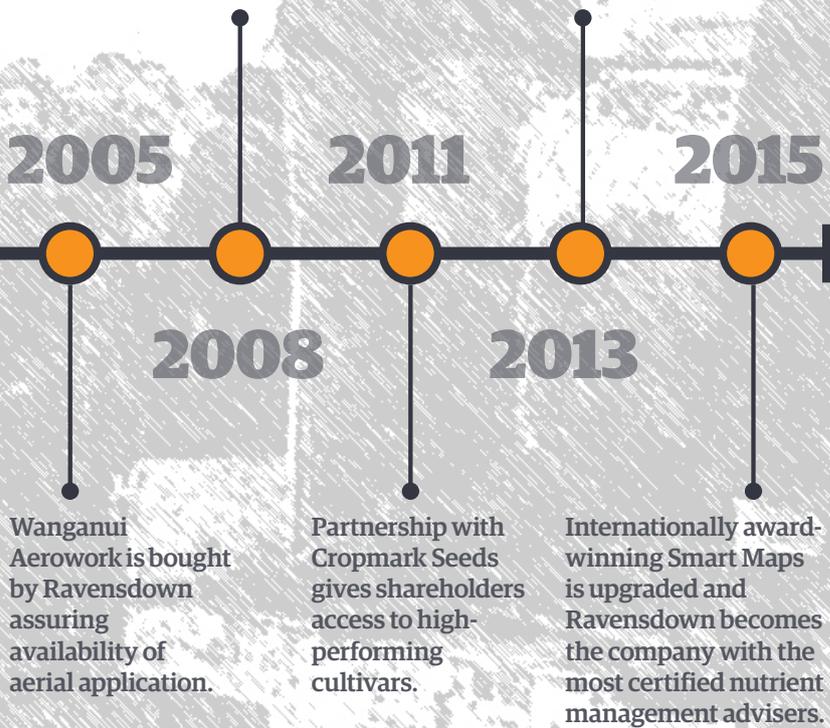
Ravensdown also works with others so that agriscience is perpetually moving forward.



# 150

Ravensdown becomes the largest spreading company and invests in precision application.

Ravensdown announces multi-million dollar research programme into aerial soil testing and spreading and launches environmental consultancy service.



Wanganui Aerowork is bought by Ravensdown assuring availability of aerial application.

Partnership with Cropmark Seeds gives shareholders access to high-performing cultivars.

Internationally award-winning Smart Maps is upgraded and Ravensdown becomes the company with the most certified nutrient management advisers.

**As a co-operative, everything we do and everything we have is dedicated to growing the prosperity of our shareholders and ultimately New Zealand.**

\* Situation and Outlook for Primary Industries report, MPI to 2014-15

Annual export dollar value\* of dairy, meat, wool and arable products is approx. 10% of GDP

> 23,000,000,000

Tonnes of fertiliser nourishing NZ soils, replacing extracted nutrients

> 1,000,000

Soil tests carried out by our dedicated laboratory, ARL

71,000

Proof of placement maps for accurate spreading

29,545

Shareholders who benefit from service and quality fertiliser, agchem, seeds and animal health products

25,000

Farms loaded into Smart Maps for visual, interactive tracking of inputs and results

7,778

Trained and driven employees devoted to shareholders' success

675

Stores for convenient access to a large range of products

91

Groundspreading trucks complemented by 20 aircraft for accurate application

67

Lime quarries for affordable access to this soil health necessity

10

Manufacturing plants making superphosphate which powers pasture growth

3

Customer Centre for the convenience of a direct relationship

1

# Ravensdown backs OVERSEER overhaul

## OVERSEER revamp

**Ravensdown welcomes the news that the owners of the OVERSEER nutrient modelling tool are setting up a new company to manage, develop and license the software.**

As part of the transition, funding for OVERSEER will increase substantially to at least \$2.25 million per year over the transition phase.

Through the Fertiliser Association of New Zealand (FANZ), which is one of the owners, Ravensdown has already invested millions of dollars into the world-leading software over the years. "All certified nutrient management advisors at Ravensdown are given advanced training in using OVERSEER among other technologies," said Greg Campbell who, as Ravensdown's Chief Executive, is also on the board of FANZ.

"The team here are key users of this vital decision-support tool and our shareholders have benefitted from us supporting it with funding and scientific input over the years. Countless nutrient budgets have been organised, scenarios considered and environmental mitigations planned as a result of this tool," said Greg.

"But it's fair to say that there are several ways that the tool can be improved and setting up a business that is solely focused on quality and funding is an important step forward."

The new business will be tasked with:

- Improving customer service (including improving the helpdesk)
- Setting up a formal quality assurance programme
- Fast-tracking critical maintenance and testing work



## Foresight programme

**State-of-the-art laboratories, award-winning mapping technology and laser-tracking measurement of grass growth, nutrient modelling software, GPS-controlled application and algorithms to help calculate soil nutrient status from the air, are just some of the tools available to our customers.**

Ravensdown's Foresight Programme is about Growing NZ prosperity through collaboration and science. Foresight covers our research and development projects,

our scholarships to develop young talent and the many sponsorships and partnerships with those supporting sector innovation.

## Research farms sign up for aerial precision

**The Primary Growth Partnership continues to press on at pace with a second plane now equipped to deliver aerial precision application services.**

Ravensdown launched its service over a year ago enabling hill country farms to place the right amount of fertiliser in the right place.

With the recent signing of four pilot farms, there are now eight large farming operations across the country trialling the new technology.

## Backing Wire Strike campaign

**Chief Helicopter Pilot at aerowork Dean Lithgow has been leading a wire strike prevention campaign to educate farmers about the dangers of wires and cables on their land (see below).**

Dean is a farmer himself and an aerowork pilot who has hit a wire and lived to tell the tale. Ravensdown is supporting his awareness campaign as well as working with the NZ Agricultural Aviation Association to develop an industry-wide health and safety management system.



# In Brief

## Items from around the traps



### Out and about

Shareholders came to learn from Ravensdown experts like Teresa Tarr in Te Kuiti, Dr Ants Roberts in Putaruru and Mike Davey in Okato.



### Good sorts

Aerowork helped out during the Manawatu floods and won a Service IQ award for their training systems.



### Supporting farming excellence

Sponsorship at the grass roots: National Sheepdog Trials in Taupo (top).

Justin and Melissa Slattery won the 2015 New Zealand Sharemilker/Equity Farmers of the Year and the Ravensdown Pasture Performance Award.



### Supporting farming excellence

Ultimate fans support ANZ Young Farmer Contest in 2014.

Ravensdown is proud to continue its contest sponsorship for the 30th year. If you support young farming too, check us out on Facebook.



### Rewarding excellence

Braydon Schroder (top) won the Hugh Williams Ravensdown Memorial Scholarship, Roland Taupara Brown (right) was awarded a Mangatu Blocks Incorporation/Ravensdown Scholarship and Massey University Pro Vice Chancellor, Professor Ray Geor presents doctoral students (bottom) with Ravensdown scholarships of \$5,000 for their studies into nutrient loss beyond the root zone.



**If you know of anything that you think fellow shareholders could do with seeing, please send in your photos or ideas to [Gareth.richards@ravensdown.co.nz](mailto:Gareth.richards@ravensdown.co.nz) or share them on facebook**



# A year in the words of others

  
**ravensdown**

"The Customer Centre is really good – we call and they deliver. **It's very helpful!**"



*Taranaki shareholder  
Rob Willcox on the direct-to-your-farm model.*

"It's not always about selling product. Building **long lasting relationships** can be just as important."



*Dairy farmer Kirsten Watson on what she wants from her co-operative.*

"The efficient use of fertiliser is a huge issue for New Zealand and Ravensdown's expertise and **advice is vital** in this area."



*Kate Alexander new director and Northland dairy farmer outlines Ravensdown's connection to NZ performance.*

"I saw it as a **great opportunity to learn** from and work with the leaders in their particular field of the primary sector."



*Te Reimana Marumaru on receiving his Ravensdown/PKW university scholarship for sons and daughters of the Taranaki-based Maori Incorporation Parininihi Ki Waitotara members.*

"Smart Maps is helping make sure we **improve grass performance.**"



*Canterbury farmer Scott Lovelock on the internationally award winning tool.*

"It's really great to have somebody with that **enthusiasm involved in your business.**"



*Eketahuna sheep and beef farmer Doug McKenzie on his Agri Manager.*

"The research we are doing will **improve grazing and stock management** strategies for hill country farmers."



*Pip McVeagh, PhD student at the Precision Agriculture Centre in Massey University comments on the importance of Ravensdown's Primary Growth Partnership.*

"He has the **expertise to help make decisions** and it's all part of the service."



*Shareholder Mohi Aupouri comments on his Agri Manager.*

"We've gone through soil tests paddock by paddock, so I'm comfortable that the money I'm spending now is **adding to my bottom line.**"



*Dairy farmer Brendan Attrill on the financial benefits of knowing their nutrient status.*

"Donations like Ravensdown's were very generous and **absolutely essential** to help get and keep the trucks moving."



*Julie Jonker of the Northland Rural Support Trust on the co-operative's support for the Northland Flood Relief effort.*

"We know this **will spark an interest** in science and agriculture."



*Chair of the Fertiliser Quality Council Anders Crofoot on an educational resource for children in year 5 - year 8 which Ravensdown is supporting.*

"Maintenance fertiliser is important. It can take a long time to **get your NPKS levels right.**"



*Invercargill farmer Tony van Gool on the long-term importance of nurturing soils.*

"One of the best changes has been where you used to have to type certain information in, like who you wanted to transport the product **now you click and go.**"



*Sheep and beef farmer Daniel Newport on the drop down menus in MyRavensdown's online ordering.*

"They have an **excellent understanding** of environmental and regulatory constraints and deliver reports which are well respected by Regional Councils."



*Beef & Lamb NZ Director, Phil Smith, on Ravensdown's specialist environmental team.*

"I like going and seeing monthly spend and **details of quantities.**"



*Farmer Grant Early on using MyRavensdown as part of a 'no surprises' policy.*

"Ordering through **MyRavensdown is getting easier.** If I can do it, anyone can."



*Shareholder Leanne Browne on giving online ordering a go.*

"**Smart Maps is straightforward** without being too technical."



*Gisborne shareholder Jackie Hair.*

Visit our new website to find out what others are saying...

**Driven. For your success.**  
0800 100 123 [ravensdown.co.nz](http://ravensdown.co.nz)

