Keeping farm inputs competitive
As summer kicks into gear, it’s great to report that Ravensdown has had a busy year so far.

Reaction to our superphosphate cap at $310 per tonne and our early spring urea price initiatives was positive. Our sales started strongly this financial year, but the wet weather has played havoc with farmers’ plans – especially in some parts of the North Island.

The year ending 31 May 2016 proved to be another very strong year. The trend continued with $44 million returned to farmers in the form of a $41 per tonne cash rebate in addition to returning value to shareholders throughout the year.

In addition to a $33 million invested in infrastructure, we committed $4 million to research and development. We ended the year net debt-free and even retained earnings of $10 million in order to keep building a resilient business, better able to serve our shareholders over the long term.

Financials not the only measure
In our new-format annual report, we started addressing our progress on several other fronts.

This included our environmental performance, our community engagement and the development of our people.

We’re really proud that 98% of our customers rated our fertiliser quality as good-to-excellent, evidence of our commitment to quality product. We are also focused on providing high quality services to our customers and we are still the largest employer of certified nutrient advisors in New Zealand. Morale across the whole team is very high.

Positive signs in current year
The all-year value philosophy of technical advice, product quality and competitive pricing proved to be a winner.

Ravensdown is becoming an integrated solutions provider that can help customers get more from their land and livestock as well as achieve their environmental goals. We achieve this through the integration and innovation across our primary solution areas (see the diagram on pages 4 and 5).

The Ravensdown team’s focus is building a sustainable future and growing prosperity: for our owners, for our agri-sector and for our country. In 2015 and 2016, we moved closer to that goal. Thanks to your support, we progress into 2017 in good heart.

Greg Campbell, Chief Executive

Inside
If you have any suggestions of items to include in Connect, then please email Newsletter@ravensdown.co.nz

A word from the Chairman ... 2
Innovations coming your way ... 2
Photo round up ... 3
How Ravensdown’s activities fit together ... 4
The Gumboot Takeover retold ... 6
Aglime in the headlines ... 8
Annual Meeting allows feedback
Chairman reports progress

Further growth expected
Ravensdown’s Chairman, John Henderson, explained the reasons for the co-operative’s strong 2015-16 performance at the latest Annual Meeting in Pukekohe.

“Our co-operative belongs to its shareholders and the suggestions and ideas that they have expressed to Board and management have been extremely helpful in helping us improve our business.

Given the recent results of a number of other companies in the agri-sector, the shareholders that attended our AGM indicated that they were very happy with last year’s achievement and were keen to hear our plans for the current year,” added John.

A resolution to increase the number of independent directors from two to three was carried. This recommendation resulted from an independent review that identified advantages that could accrue to the Board if its elected directors were complemented with particular specific skills from an independent director.

A shareholder initiated non-binding resolution asking Ravensdown to consider email remittance of invoices was also passed.

John continued: “We are seeing solid demand for the agronomy solutions that we provide and a number of growth opportunities for our spreading and environment ventures, as well as with animal health products.

The technology side of our solutions strategy will increase value for our shareholders in the years ahead. This includes developments such as soil testing from the sky, predictive feed wedge tools, whole farm soil analysis, custom-blended formulations and improved mapping capabilities.

We also expect to see further growth in our environmental consultancy as more and more farmers are faced with consenting and compliance issues and seek our help in resolving those issues and developing environmental mitigations.”

The Annual Report 2016 is available online via the website. If you would like a printed copy, simply adjust your preferences in MyRavensdown.

New products keep coming
Fertiliser
The first new product generated by the Precision Blending Plant in Christchurch is superphosphate coated with molybdenum. It is the first of a new Surflex™ range which coats each and every granule with an even coating and also adds strength through the hardeners in the polymer coating.

N-Control™ 75 is a new coated urea product that delays the release of nitrogen across a 75 day period. N-Protect, which reduces N-losses to the atmosphere, is proving popular in hot and dry conditions.

Agronomy
Endure™ slugbait, which has done such a good job protecting New Zealand’s pasture and crops, can now be applied via a seed drill. New Endure™ Mini can stop slugs that enter the seed slot to feast on the seed before it germinates. Endure™ Mini can be mixed with a choice of seed and fertiliser which is a real time saver.

Animal Health
New Moximax® Pour On will help battle the problem of worms and lice. It has no meat or milk withholding period and is rainfast with long-lasting persistence.
In brief: Photos from around the traps

**Testing times**
Rebecca Withnall manages Analytical Research Laboratories which continues to be exceptionally busy, conducting 80,000 tests last year, including soil, water plant tissue and feed quality analysis.

**Cream of the Cropmark**
Stephane Montel joined Cropmark nine years ago after arriving from France and enjoys his plant breeding role and research into endophytes. It’s all about higher yields, improved forage quality, improved persistence and higher livestock performance to benefit NZ Inc.

**Ship trip**
Several employees toured a Ravensdown Shipping Services ship as it docked in Dunedin and Christchurch to unload phosphate rock.

**Air repair**
Work continues at the CAA-accredited maintenance facility to keep Aerowork’s topdressing fleet in tiptop condition. The IntelliSpread enhanced aerial precision spreading system depends on computer-controlled doors to deliver the fertiliser at the right rate in the right place.

**Shed skeleton**
The bin walls for the giant New Plymouth store are placed in a row. Each concrete panel weighs 22 tonnes (including eight tonne of steel) and there are 312 to erect. That’s as heavy as the Statue of Liberty! The 14,000 square metre store is scheduled to finish in December 2017.

**Introducing Anna**
Anna Carlton is a PhD student at Lincoln University and assists the Ravensdown Environmental team. She’s researching nitrate leaching in grazed systems. “There’s a great team atmosphere and I can keep current with challenges facing NZ agriculture.”

**Healthy competition**
Always inspiring to see how many entrants put themselves forward for the FMG Young Farmer of the Year and the New Zealand Dairy Industry Awards. As a sponsor, it’s a positive sign but most importantly it shows the appetite to celebrate excellence in farming.

**Dunedin drilled**
The manufacturing plant in Dunedin recently conducted a simulation allowing fire, police, ambulance, council staff and the Ravensdown’s team to practice a response to a chemical incident. The exercise went smoothly and improvements identified.

**Enviro growth**
Ravensdown Environmental is growing nationally to meet demand with new staff in Canterbury, Manawatu and the Waikato. Pictured here are Andree Callaghan, Clare Buchanan, Nicole Wheason and Arron Hutton, all based in Christchurch as part of the Canterbury team.
Ravensdown values
We are driven to challenge and improve, to provide exceptional service to customers in the New Zealand agri-sector and contribute to their success. We take care of each other and keep each other safe. Here are the five values underpinning all our actions.
Customers get more from their land and livestock, achieve environmental goals and can farm with greater certainty through

**Value through Connection**

**Solution**
- Make / Store
  - Stores Network
  - Manufacturing Capability
  - Lime Quarries
  - Precision Blending
  - Convenient On-farm Silos
  - Fertiliser, Agchem, Seeds and Animal Health Products
- Spread / Spray
  - Ground and Aerial Spreading
  - Farmer Spreading and Spraying System
  - Precision Application
  - Placement Verification (under development)
  - Aerial Soil Sensing (under development)
- Measure / Map
  - Decision Support
  - Proof of Placement
  - Mapping Technology
  - Pasture Management Tools
  - Integrated Reporting Tools

**Enablers**
- Employee Relationships
- Partner / Supplier Relationships

**Capabilities**
- Innovation

**External Factors**
- Environmental performance
- Social expectations
- Emerging technologies
Ravensdown’s birth was a traumatic one. Between July 1977 and August 1978, it was touch and go as farmers banded together to finance a company that would mount the biggest takeover in New Zealand corporate history at the time.

By the end of Ravensdown’s beginning, two of New Zealand’s largest companies would be delisted from the stock exchange – an unheard of precedent.

It’s a story of political intrigue, corporate arrogance, sheer determination and the power of collective action. By the end of a turbulent year, a small band of far-sighted pioneers had wrested control of four fertiliser factories and nine stores from a commercial entity that had fought them tooth and nail.

The co-operative spirit of those early pioneers prevailed – and Ravensdown was here to stay.

A year of struggle

1977 was not an easy year to be a farmer. Inflation back then was running at 15% and prices for farm outputs were falling well behind the costs of necessary inputs like soil nutrients. After the UK entered the European Economic Community in 1974, the market for sheep, wool and beef had fallen away badly.

Rural communities were suffering. Fertiliser was supplied by a few private companies whose only goal was to maximise profits. In order to pay shareholder dividends and bolster their value on the stock exchange, these private companies delivered variable product quality and atrocious service as well as charging over the odds.

The battle begins

Kemphorne Prosser (KP) was one of those corporate leviathans; a household name and a bluechip stock. Back in 1977, the 100-year old company was a diversified pharmaceutical and chemical business. So when KP announced they wanted to buy the superphosphate plants that belonged to Dominion Fertilisers in Seadown near Timaru and Ravensbourne in Dunedin, farmers throughout New Zealand eyed the developments anxiously. They saw the writing on the wall and what KP would do in a virtual monopoly position. Many farmers were angry, more felt powerless but a few felt determined that this should not stand.

Touch and go

The decision to band together in order to try and buy Dominion Fertilisers’ assets in Dunedin and then to go after KP was a bold one. With hindsight, it turned out to be the right thing to do, but at the time sceptics said that farmer-directors wouldn’t be able to run businesses that had been managed as stock market-listed outfits. In fact, the name ‘Gumboot Takeover’ was meant as an insult!

The Breakthrough

Peter Elworthy (the first chairman) met with then Finance Minister Robert Muldoon whose signature was needed to release the Meat Board’s funds. With five minutes to spare before the funding deadline, Peter secures the signature and the crucial backing and the rest is history.
Ravensdown gets started
The road to a takeover

KP announce bid to takeover Dominion’s assets
Otago Federated Farmers are the first to oppose KP’s bid fearing monopoly control from a private company that did not understand farming (fertiliser was only one small part of the pharmaceutical company’s portfolio).

Ravensdown takes shape
Presidents of North Otago, Otago and South Canterbury Federated Farmers decide to form a company with the single purpose to outbid KP and buy the Dominion assets. The new company’s name comes from the ‘Raven’ from Ravensbourne and the ‘down’ in Seadown. Leading farmer Peter Elworthy becomes its first chairman. The company has no staff, no assets, no office and is up against one of the largest companies in New Zealand.

KP wins the bid for Dominion’s assets
Gloating in their wood-panelled offices, KP beats Ravensdown’s offer for Dominion’s assets. KP makes two minor concessions: to allow one farmer director on the board and to start paying a small rebate.

Ravensdown switches attack
In a bold move, the farmers and their financiers who set up Ravensdown decide to go after the bigger fish and mount a takeover bid for KP. Needless to say, KP scoffs at their first offer. But Ravensdown and its allies begin buying up shares in KP to secure more control.

Ravensdown issues a prospectus as way to raise funds
Ravensdown widens its shareholder base in order to fill a warchest. Through a series of woolshed meetings, door-to-door conversations and phone canvassing, Ravensdown manages to amass 8,000 subscriptions. Farmers across New Zealand, who are facing an economically challenging time as it was, dig deep and in one weekend $350,000 is raised. Legal obstacles are overcome.

Ravensdown acquires KP fertiliser business
For a cost of $8 million, Ravensdown eventually prises the fertiliser business from KP’s hands. Ravensdown now controls the factories in Dunedin, Hérmby, Seadown and Wanganui as well as stores in Nelson, Burnside, McNab, Taihape, Rakia, Tinwald, Millers Flat, Invertiel and Clinton.

Ravensdown announces first results
Ravensdown proves the sceptics wrong. For its first seven months of trading it reports sales of 354,671 tonnes and net surplus of $2.7m. In the years ahead, farmers come to count on their co-operative doing its best to help them succeed.
People driving the business

Best and brightest keen to join co-operative

The latest batch of graduates have completed an intensive nine-month training and development programme where they learn about different aspects of the business before going on to specialise within a Ravensdown team. Over 130 Massey and Lincoln students applied for the next scheme and eight keen and eager graduates will start in February 2017.

“Best and brightest keen to join co-operative”

Aglime in the headlines

All seven Ravensdown lime quarries throughout New Zealand will meet the new health and safety requirements 2017 deadline and have confirmed their commitment to a sustainable operation that regenerates the ground as they go.

WorkSafe NZ now require all quarry managers to renew their A or B grade Quarry Managers’ Qualification by January 2017, which involves completing a number of safety training courses and renewal of managers’ Certificate of Competence for surface mining.

“All our managers have renewed well within the deadline,” said Craig Hendry, Lime Operations Manager at Ravensdown. “On top of that, we’re offering to put any staff member through the manager’s course as part of our Quarry Cadetship Programme, in order to futureproof our industry.”

Geraldine Lime Quarry Manager, Paul Johnston (right) says his staff are now much more focused on safety and what’s required to operate robust safety management systems.

“The team have given me the thumbs up and are really proactive with health and safety here. Our radio mics are busy with staff communicating their movements around the quarry. For us, it’s about ensuring we continue to provide affordable quality lime products to our shareholders without harm coming to our staff or the environment.”

Hugh Williams Scholarship changes

Applications for the Ravensdown Hugh Williams Scholarship close on 2 December and a son or daughter of a shareholder who is studying at Massey or Lincoln will benefit by $5,000 per year.

Eligibility has changed this year; it is no longer open to high school graduates and applicants need to be currently completing, or have completed, their first year of a specified agricultural/horticultural undergraduate degree. More info on our website.

The last word: Richard Townshend from Dairy Direct in Waikato said “Ravensdown’s helped us with whole-farm soil testing which has, in many cases, reduced our overall fertiliser bill.”