

## **MEDIA STATEMENT**

**14 December 2017**

### **ALLIANCE GROUP WELL-PLACED TO DELIVER FURTHER GAINS TO FARMERS**

Alliance Group is exceeding its target for achieving gains from its business strategy and forging ahead with plans to further lift the co-operative's performance, farmer shareholders were told at the co-operative's Annual Meeting in Te Anau today.

Murray Taggart, chair of Alliance Group, said the co-operative's ongoing programme of strategy projects captured \$48.8 million in value this year.

"The value captured from our strategy projects is a major factor driving our ability to offer competitive farm gate pricing and invest in the company.

"Alliance's improved profitability means we will be distributing \$11.4 million in pool payments to our farmers' bank accounts this week

"Once again, this demonstrates the fundamental benefit of a co-operative, where every dollar we make is either reinvested for the future or returned to farmers."

The company experienced a more positive trading environment during 2017, said Mr Taggart. "Although market volatility and weather events remain a constant threat, the level of supply and demand for our farmers' produce look set to underpin strong pricing, particularly for sheepmeat and venison.

"However, we are acutely aware of the impact the drier conditions are having on our farmers' businesses and we've responded by bringing on additional processing capacity across our plant network."

Alliance Group Chief Executive David Surveyor said the co-operative is moving steadily in the right direction, but the company would not be resting on its laurels.

"We have successfully navigated the first phase of transforming the business and we are now focused on stage two to ensure this transformation is sustainable.

"We recognise there is a lot of hard work ahead of us to lift the performance of the co-operative to the level our shareholders expect. The good news is there are a number of exciting and innovative initiatives in the pipeline."

The key priorities next year would be growing the value add part of the business and capturing more value from the co-operative's global markets, said Mr Surveyor.

Alliance Group has already invested in developing a food service business in the UK and purchased the Goldkiwi Asia business in Singapore, now known as Alliance Asia.

"Strengthening Alliance's in-market presence is vital if we are to capture greater value and these investments are only the first steps down this path."

Alliance is also exploring opportunities to capture more revenue from co-products.

“Our \$800,000 investment in a new blood processing facility at our Mataura plant is just the start. We have a number of other exciting value capture projects underway.”

The pool distribution payments will be paid into farmer shareholder’s accounts on Friday 15 December.

The distribution will be as follows:

Lambs: \$1.80/head  
Sheep: \$1.00/head  
Cattle: \$10.00/head  
Deer: \$7.50/head  
Calves: \$1.00/head

Directors Dawn Sangster and Russell Drummond were re-appointed to the Board unopposed in October.

#### **NOTES TO EDITOR**

Alliance Group is a co-operative owned by approximately 5000 farmer shareholders and is the world's largest processor and exporter of sheepmeat.



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