



Brief Bytes

Email update from Alliance Group - your co-operative & partner in farming excellence



I enjoyed meeting some of our shareholders at the first of this year's Co-op to Cuisine Women's Workshops recently. We want to acknowledge the important role women play in the co-operative and strengthen the company's links with all shareholders and these workshops are a great opportunity to learn and understand more about what your co-operative is doing. It's important we provide all shareholders with information that can help you make informed decisions for the benefit of your farming businesses. Some of the feedback included:

"I think that as participants we also need to spread the word for you and communicate how valuable it is to have such wonderful industry insights and access to staff who are out there doing the job."

"One of the most amazing bits of learning is the realisation that marketing is incredibly complex in the international market."

"Thank you all for the great day you put on. We all enjoyed ourselves and all learnt a lot about marketing and boning and other facets about the co-op and our markets abroad."

"Thanks to all for a really great day, very informative and it's so good to think big picture as we so often, on the farm, get very focused on what we do day to day. Really recommend to all."

The series continues later this month so please scroll down for further details.



Sharp Black-Corey Winder, Katrina Allen and David Surveyor



David Surveyor presents to women at recent workshops



Katrina Allen during boning demonstration

Sheep Industry Awards

Congratulations to Dave Warburton of Mt Linton Station on winning the Alliance Group New Zealand Terminal Worth award in the Genetic Traits category of the 2016 Beef + Lamb New Zealand Sheep Industry Awards, for his Suftex flock. The awards celebrate the brightest and best in the industry and we're delighted to play a part in recognising Dave's important work for the sector. Congratulations also to all finalists.



Above: Dave Warburton and Murray Behrent - GM Livestock

New China retail packs dispatched

Our new range of market-ready retail packs have now been dispatched to China for launch in retail and food service sectors in August. Initially, the Pure South/Grand Farm co-branded lamb products will be targeted to the upper end of the market in Beijing, Shanghai, Guangzhou, Shenzhen and Harbin. They will be available from eight retail chains, with 200 selected outlets before being rolled out to other parts of the country. This marks both a further strengthening of our ties with Grand Farm and a major milestone in our vision to create new product forms and ranges that will be either produced from source or further processed in the market to meet the growing demands of China's food service sector. This initiative will help us build a deeper understanding of the supply and value chains and eventually secure the added value we are seeking in this market with a 'packed-at-origin' offering.



The new range of market-ready retail packs for China

Murray Taggart joins PM's high level business delegation to Indonesia

Alliance Group Chair Murray Taggart will be part of New Zealand Prime Minister the Rt. Hon. John Key's high level business delegation to Indonesia from 17-20 July. Indonesia was formerly our third largest export market for beef but dropped to ninth after the government introduced restrictions and imposed permits quotas in 2010/11. However, Alliance Group still has very good customers in Indonesia who buy what product they can based on the import permits issued. We will update you on the trip in the next Brief Bytes.

Right: Alliance Group Chairman Murray Taggart



Lorneville plant resource consents renewal application

Alliance Group's Lorneville plant currently operates under 12 resource consents issued by Environment Southland and Invercargill City Council. Six of those consents are due to expire in August 2016. Alliance Group's applications to renew those consents will be heard by Environment Southland next week. The consents sought include wastewater and air discharge resource consents and a water take consent. We are proposing a significant wastewater treatment system upgrade, reduced boiler emissions and a series of habitat enhancement projects as part of the applications to renew the consents for a further 35 years. Without the consents, the plant will be unable to operate. If the renewal applications are granted, Alliance has committed to investing approximately \$20 million in a significant upgrade of the plant's wastewater treatment system to improve water quality in the medium term. We will also carry out enhancements to local habitats including riparian environments such as whitebait spawning areas. We're aiming to not only improve the operational performance of the Lorneville Plant, but also reduce its impact on the environment. The plant will continue to help maintain low cost wastewater treatment and disposal for Wallacetown residents and businesses. For more information on the applications, visit:

<http://www.es.govt.nz/council/consultations/Pages/Alliance-Group-Ltd.aspx>



Board meeting in Dannevirke and Levin

We held our Board meeting at the Dannevirke and also visited the Levin plant this week. We took the opportunity to view the processing operations and talked with staff about health and safety.

Right: Director Jared Collie with Lindeberg Kaaka Smithfield plant



Meet us at the woolshed

Our woolshed meetings are now underway in areas requested by farmers and livestock representatives. There has been plenty of interest and some great discussions so far. If you're interested in attending a woolshed meeting in your area, please ask your livestock representative for further details.

Our rescue teams – all champions



Above: Fire Service judge (left) Bernie Miller, Judd Ani. Patrick (Lorneville plant guide) in back

Right: Judd Ani in front, David McCormack following - Lorneville plant rescue squad.



The trained rescue teams from plants at Matura, Pukeuri, Lorneville and Smithfield recently took part in the Alliance Group Rescue Challenge 2016 at Lorneville plant near Invercargill. The teams competed in nine events including dealing with fires, chemical spills and performing height rescues. They were also put through their paces on first aid and CPR skills. These skills, combined with the knowledge each and every member of the teams has of our plants, is vital. Given the size of our operations, it means that as well as being first responders, they can also act as escorts for emergency services. Defending champs Pukeuri retained their title.

Market update

Although the prospects for some product lines have improved, these gains have been offset by the level of the \$NZ, reducing the return benefit to farmers. An effective indicator is the trade-weighted index, which compares the relative value of the \$NZ versus a basket of currencies of our major trading partners.

Over the past three weeks, the trade-weighted index of currencies has dropped over 11 per cent – with the NZ dollar climbing to a 14-month high on a trade-weighted basis. This is continuing to impact on market returns.

Lamb

Demand and prices are steady in North America. French rack and loin products remain strong on the back of low Australasian supply and there is still a good option for chilled cuts. Post-Ramadan supply shortages are becoming more evident in the Middle East with demand and price improving on limited supply going forward. Post-Brexit currency fluctuations, particularly against the pound, are leading to reduced frozen supply in the UK as other market options become more attractive.

Seasonal demand means prices in Europe are firm for middle cuts but there are some concerns on leg prices going forward - due to the weak pound potentially pushing more product from the UK to Europe. There are some indications of demand and price easing in China - a seasonal issue.

Mutton

Some product forms destined for the UK are coming under pressure but sheep is generally steady on the back of low production numbers

Venison

The outlook for venison is positive but currency remains a concern along with low kill numbers predicted for the coming season.

Beef

Imported prices in the US remain firm due to a lack of production out of NZ and Australia. However, prices are still under pressure in China due to large volumes of Brazilian beef.

Register now for our Women's Workshops

Date	Time	Region	Venue	RSVP date
Tuesday, 26 July	10:00am- 2:30pm	Timaru	Sopheze on the Bay Caroline Bay Tea Rooms, Caroline Bay	20 July 2016
Wednesday, 27 July	10:00am- 2:30pm	Dunedin	Hotel Mercure Dunedin Leisure Lodge - Oast House 30 Duke Street , North Dunedin	21 July 2016
Thursday, 28 July	10:00am- 2:30pm	Gore	Heartland Hotel Croydon - Gazebo Room 100 Waimea Street, Croydon, Gore	21 July 2016
Wednesday, 3 August	10:00am- 2:30pm	Invercargill	Ascot Park Hotel - Aparima Room Corner of Tay Street & Racecourse Rd, Invercargill	28 July 2016
For catering purposes please RSVP to lisa@alliance.co.nz or phone 03 214 2714 (please note venue and any special dietary requirements)				

Warm regards

David Surveyor
Chief Executive

Your co-operative, working with you across the supply chain



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