



Brief Bytes

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



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Alliance Group Shareholder and Supplier Roadshow meetings

The annual Alliance Group roadshow is now underway with meetings held so far in Darfield, Waiau and Omihi. It's been a pleasure to talk to farmer-shareholders and share the latest information and exchange views on the co-operative's performance and new initiatives. The feedback has been valuable. I look forward to meeting more farmer-shareholders next week, starting out with Masterton, Feilding and Dannevirke on Monday. The roadshow runs through until 27th October so please check our website for details on dates, times and your local venue. Please feel free to bring along friends, neighbours or your rural professional adviser if they're interested in finding out more about the co-operative. They would be very welcome.



Darfield Roadshow meeting



Mez and Richard Power speaking with Murray Taggart at Waiau Roadshow meeting



Scargill Roadshow meeting



Tom & Hamish McFarlane, Craig Shearer, Don Morrison Alliance Director and Ritchie Ormond at Waiau Roadshow meeting

New appointment

We are very much looking forward to Heather Stacy joining us next month in the role of General Manager Livestock and Shareholder Services. Heather has extensive experience as an agribusiness leader and in the meat and processing retail sectors, having held senior roles with Fonterra, United Dairy Farms, Australia's Metro Meat company, and with Meat and Livestock Australia. She has a strong track record of building and developing high performing teams that provide value added services to farmers. I'm sure you will join me in welcoming Heather to the co-operative. I'd also like to take this opportunity to thank Murray Behrent for his contribution. Murray is stepping down from his role as General Manager Livestock to pursue an outside business interest. He will remain employed with the co-operative and take up a new role in the livestock division. Murray has led Alliance Group's livestock division for eight years and is respected throughout the industry so it's great he has chosen to stay involved with Alliance.

New partnership



Another positive new development is the announcement of our partnership with the New Zealand Merino Company (NZM) to further build the Silere alpine origin merino meat brand. Our market reach, supplying customers in more than 65 countries, provides a strong position to accelerate Silere's growth. Silere is a prime example of creating brand value in market to drive higher prices for farmers.

This partnership is another step in the transformation of Alliance Group co-operative. The Alliance team is keen to adopt SILERE as a key part of their new value add strategy.

Nominations for Alliance Group director positions

Nominations are now open to fill two vacancies for the office of Director of Alliance Group Limited.

Don Morrison and Murray Taggart are retiring by rotation and both are standing for re-election. Nominations must be made on the official form, which can be obtained from:

Warwick Lampp

Returning Officer – Alliance Group Limited

Phone: 0800 666 029

Email: iro@electionz.com

Address: PO Box 3138, Christchurch 8140

Each nomination form must be signed by the nominee. **Nominations must be received by the Returning Officer by 3pm on Tuesday 25 October 2016.**

Completed nominations can be emailed to nominations@electionz.com.

Farewelling familiar faces

John Crawford, Area Manager Southern, and Space Co-ordinator Barry Cornelius, both retired last week. John after 37 years' service and Barry having completed 26. Meanwhile, Craig Carson, who has worked with Alliance for 36 years in various sales/shipping roles, is also retiring later this month. I would like to thank John, Barry and Craig for their commitment and contribution to supporting the company's success and wish them the very best for their retirement.

Russell Drummond – perspectives on Asia

Alliance Group Chairman Murray Taggart, Chief Executive David Surveyor and Director Russell Drummond recently returned from visiting our key markets in Asia. Here Russell shares some perspectives from the visit.

Our major focus of the trip was how to move our products' prices up the value chain and explore new opportunities. We visited a number of supermarkets and were pleased to see a considerable amount of Pure South and Grand Farm co-branded product. Our challenge will be ensuring we get up the value chain, rather than feeding the masses. The scale and technology at processing facilities, including Grand Farm's new plant at Xilinhot, is impressive. Xilinhot will be capable of processing 10,000 lambs and 1,000 cattle daily. We also visited Grand Farm's Zhaodong plant which processes flaps into rolls and cubes for hotpots.



We visited the Henan Prosper plant, where 8,000 workers process 40 million pelts annually, and came away with useful feedback on some things that could be done both on farm and at plant to increase returns for pelts including lifting the quality of product further around butchers' faults and belly crutching. We enjoyed a fascinating trip to several Mongolian farms. The sheep are the goat-like Fat-tailed breed, with 1 to 1.5 per hectare. Average rainfall is 300-400mls but farmers are currently experiencing severe drought. They farm on a thin layer of topsoil over sand and are not allowed to cultivate. Farmers are getting a similar price to New Zealand farmers per lamb - and most said that's below break-even. Overall a very interesting, useful and informative visit.

Market update

Lamb

Christmas production for chilled UK lamb is underway at improved levels to last season. In Europe, chilled Christmas demand for legs are steady with levels on a par with last year. Demand is likely to exceed supply but it is not likely the market will be willing to pay more for increased supply. The North American market remains firm for all cuts, particularly middles. The Middle East remains firm on limited supply. There has been some price improvement in China on selected cuts but the market is still generally quiet, due to high domestic production.

Mutton

Demand for mutton remains firm in all markets, on limited supply.

Venison

Demand for venison also remains firm on limited supply with strong demand for chilled and frozen cuts and most customers concerned about potential forward shortages.

Beef

The US market continues to underwhelm with limited interest and low bids. Prices are well back on this time last year with much of the issue revolving around weakness in US domestic meat pricing – a 50cl trim is now 30 per cent lower year on year. Large autumn cattle kills, combined with near record hog kills are resulting in consumers having plenty of protein options and low prices. Other markets are also relatively subdued although China has shown some strengthening recently with New Zealand and Australian beef offers quite limited.

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



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