MPI Web Summary

July to September 2016 Quarterly report
Farm^{IQ}

Summary

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- Environment Canterbury Approves FarmIQ Environmental Plan

Key highlights and achievements

Annual highlights

The end of Year 6 provides an opportunity to reflect on some highlights of the past year:

- Turnover for Silver Fern Farms value-added range is now $68m with a range of retail and food service products in key international markets. The most recent addition has been the German retail range of lamb, venison and beef in Germany's largest retail chain EDEKA.
- The FarmIQ software now supports close to 4 million (3,937,680) stock units being run on 609,400 effective hectares.
- In April, FarmIQ commercially released two online packages, Health & Safety and Environment Planning, which each provide for the recording and reporting a farm needs to do based on industry good-practice guidelines. Also, the software now has data linkages with Farmax and Cashmanager Rural.
- The Farm Productive Capacity workstream that has been working with 11 commercial farms to test the value of measuring and monitoring has demonstrated an increase in Economic Farm Surplus $336 to $518 per hectare since the start of the programme.
- The Genetics workstream has developed a system for providing accurate and cost-effective predictions of sheep breeding values for meat quality and also supports the wider industry for productivity.

New company launched

A new farming technology company has been created to establish a sustainable future for the farm management software developed by the FarmIQ programme.

The new company was formally split from the FarmIQ programme in May 2016, and it is being launched as a commercial business with its own board.

Darryn Pegram, with extensive experience commercialising innovative technologies in New Zealand agriculture, has been appointed as CEO for the new company, and the chairman is John Quirk who has extensive business and governance experience in high-growth, high-tech companies.

Darryn says the time is right for FarmIQ Systems Ltd to continue building on the work done through the PGP. "It is clear that smart IT is going to transform New Zealand farming. It's not just about information and productivity on the farm – the right platform can connect farms up with the people who supply them products and advice and through to the markets who buy their branded products.

"There's real demand for a tool that can connect the people and information around the supply chain and that's what we've got with the FarmIQ software.

"The reality is there's a growing need for information and tools to support farm decision-making. Compliance requirements are increasing and farm management practices like budgeting, monitoring animals, applying fertiliser and product quality verification are becoming standardised and automated.

"And there's real value in being able to meet end-customer demand to underpin brand development. Consumers are demanding better understanding of their food. This means the right data, information, analysis and advice is needed every step of the way. Processors can now tell which meat will be great to eat and are prepared to pay farmers more to produce it."

"At an industry level, the whole pastoral sector would get huge value from connected information. FarmIQ provides that – for beef, sheep, deer and dairy."

John Quirk says the company plans to secure more investment and a broader base of shareholders to drive the company's growth and deliver real benefits across New Zealand agriculture.

"There is huge global interest in agtech investments because of the revolution around IT and its application to biology and farming. The potential to create a digital supply chain means all parts of New Zealand's farming industry can benefit. We could also potentially see offshore interest in this world-leading technology."

New Map from FarmIQ

FarmIQ launched the Map in August, offering farmers and land managers a set of interactive farm map features.

It provides an easy starting point that is based around seeing their land and supporting their land management.

With the Map, the user can see their land in different ways. They can select what they will or won't see – for example, they can choose to see paddock names, areas, features, blocks, hazards, crops or pastures, or soil types. It's also a good, practical tool that they can use to record some important information about what's going on the land, and measure things like fencelines, distances and areas.

The Map features come from the existing software functionality. It provides good value for money: at $180 per year the price compares favourably with most comparable software and it aligns with the other FarmIQ Packs.

In time, if a Map subscriber wants to move up to another Pack it will be a seamless transition, as they will be able to keep all their existing information.

In addition, the Starter and Land & Environment Packs have been beefed up and the Animal Pack has been withdrawn in order to keep the line-up at five, with Animal+ and The Lot the remaining two.

Environment Canterbury approves FarmIQ Environment Planning

Environment Canterbury chief executive Bill Bayfield has given approval for farmers to use the online environment plan template developed by AgFirst and FarmIQ to meet ECan consent requirements. ECan announced the approval on 16 August 2016.

Mr Bayfield says it meets all the requirements of Schedule 7 of ECan's Land & Water Regional Plan. "It is reassuring to see in this template a methodology that will enable development of plans identifying actual and potential environmental effects and risks to properties, addresses those effects and risks, and has a high likelihood of appropriately avoiding, remedying or mitigating them."

In addition, he noted that the template has been designed to handle any changes to the Plan. "We were pleased to see options for additional criteria [to be added] for future proofing."

Under the Land & Water Regional Plan, a farm environment plan needs to be produced in situations where an application for consent is required. The requirement relates to risks to water quality, Bill explains.

"Irrespective of the rules, we encourage all farmers to prepare farm environment plans. They will help identify environmental and business risks and planning for their management. International markets are increasingly demanding proven sustainability, and farm environment plans are one way to demonstrate this."

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	$2.94m	$2.08m	$5.02m
Programme To Date	$58.85m	$55.42m	$114.27m