

## Farming Newsletter – May 2018

### FARM ACCOMMODATION



With 1 June looming and shifting of farm employees, contractors, sharemilkers and landowners onto new properties, it's timely to revisit the requirements around providing accommodation.

- The accommodation provided must be at a likeable standard as per the Residential Tenancy Act and the Health and Safety Act, so ensure your accommodation is in a good state and ready for your new employee
- Complete a thorough property inspection with your employee before they move in, accurately documenting the condition of the property. Take photos as an easy record.
- Complete regular reviews /property inspections – there are rules around the notice and timing of these inspections. If you find inspections of your employee's house difficult, you might think about using a third (independent) party to do the inspections on your behalf, such as a neighbour.
- You have until July 2019 to meet the new insulation standards. There are heavy fines for breach of these standards
- Key requirements – carpeting, drapes, no cooking areas in sleeping areas, smoke alarms (watch the change in regulations around the new type of smoke alarms)
- Sharemilkers are landlords for purpose of the Residential Tenancies Act and can be held liable for damage done by tenants.
- If a house is not up to standard, then the tenant, (say an employee) can take action against the landlord (usually their employer) in the Tenancies Tribunal which may result in compensation. In the case where the employer is a sharemilker or contract milker they in turn could bring an action against the farm owner in the tribunal.

We encourage the use of Federated Farmers employment agreements as they contain provisions covering the house in their agreements. [www.fedfarm.org.nz/](http://www.fedfarm.org.nz/)

DairyNZ also has some great pointers for following best practice in providing accommodation to employees - see their website [www.dairynz.co.nz/people/employer/starting-employment/accommodation/](http://www.dairynz.co.nz/people/employer/starting-employment/accommodation/)

Don't forget that IRD require a fair market rental to be charged for the accommodation provided to farm employees and the provision of accommodation should be part of their total gross income.

Please contact us if you need assistance with how to deal with the rental value or how it is taxed.

The Tenancy Services Website now contains a link to assist in estimating market value:

<https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/>

## **CHANGES AND ADVANCEMENTS IN THE AGRI-SECTOR**

Maree and Trish have recently attended two major farming conferences which have discussed the changes that are happening now in the agri-sector and what the future may look like. The sector is undergoing major change with the rapid advancement of science and technology impacting on the agri-sector's core product of food. We want all our farming clients to be kept abreast of these changes and to be resilient and flexible enough to be able to adjust and change their business models to adapt to the global changes occurring.

These forums are a primary source of information for decision-making when formulating future goals and strategies for your farming businesses.

### **Farmers Forum 2018 held at Mystery Creek on 8<sup>th</sup> and 9<sup>th</sup> May**

This forum is put on each year by Dairy NZ and is funded by the levies paid by dairy farmers, so is free for dairy farmers to attend. The caption below is the 2018 conference introduction summary.

**What does the future hold for New Zealand's dairy sector? That question was front and centre at this year's Farmers' Forum, which tackled everything from climate change to synthetic food products.**

There was a wide selection of topics and speakers who presented and we found it very interesting. **We highly recommend that all farmers listen to at least some of these presentations** – there is an audio available of all the presentations on the website or you can just select those you want to listen to (just click on the link below).

<https://www.dairynz.co.nz/about-us/event-presentations/farmers-forum-2018/>

Alternatively you can go to our website [www.cowleystanich.co.nz/](http://www.cowleystanich.co.nz/) to find the link.

### **National Primary Sector Conference for Rural Professionals**

The theme for this conference was on how science and innovation is transforming the future of agri-business, emerging technologies and their practical applications, current and future state of the economy and critical issues facing the sector today.

Things we thought you as farmers might be interested in:

## **RED MEAT PARTNERSHIP ACTION NETWORK (RMPP)**

<http://www.rmpp.co.nz/>

For the red meat sector, RMPP provides an opportunity for red meat farmers to improve their business by working in farmer-led, well facilitated small groups utilising appropriate industry experts.

Each farmer is eligible for kick-start funding from RMPP (\$4000 per farm), pooled to pay for a facilitator and expert advice. The idea is for the group to come up with a topic or area that they want to invest further time and access expertise in.

We will shortly be contacting our beef and sheep farmers individually to talk about this opportunity.

## **AGRI WOMENS DEVELOPMENT TRUST (AWDT)**

The AWDT provides unique development programmes which equip and support women to generate social, economic and environmental progress. It is a critical partner to NZ's primary industries and its programmes develop the skills, capabilities and confidence of women.

The programmes they provide (at little or no cost) address the specific circumstances and needs of rural women – from grass roots farmers to employees of large companies. Take a look at the website by clicking on the link below

<http://www.awdt.org.nz/>

## **SHAPING THE FUTURE FOR PRIMARY SECTOR**

Primary sectors are in the midst of major and rapid transition to a low carbon, renewable and more circular economy.

As the date that agriculture will be included in the ETS looms, it is timely to consider options for minimizing or mitigating the cost. Investment into some type of forestry - the government has grants available for new tree plantings.

Will PKE be a sustainable feed for the future? Already we are seeing the UK ban this product. Protix Company is using a special insect chain to process into a high quality protein for animal feed.

The future will see new markets for land-owners, such as carbon. Air NZ is expanding into forestry to offset their carbon costs.

Farmers need new low impact systems and this will require redesign and transition pathways - farming of the future will look very different but must start today.

## DAIRY NZ FARM GAUGE

This is a new product developed by Dairy NZ and available on their page <https://www.dairynz.co.nz/farm-gauge//> . The purpose is to identify areas across the farm business that could be developed to further enhance your business - be it a riparian planting plan; risk management plan for your business; optimising genetics etc.

The gauge is a series of questionnaires across 8 areas, takes around an hour to complete and gives you results highlighting the areas you could develop.

It's a great tool and one we'd encourage all our dairy farmers to use - if we can help in any of the areas you identify that we specialise in, please get in touch.

## SYNDEX EXCHANGE

With the banking sector looking less favourably on the agriculture sector, the traditional paths of attracting capital have been limited. With the innovation changes discussed at the conference, farmers will be looking at ways to diversify. This is a platform for introducing private investment capital. Syndex creates the market for investors. Take a look at the website.

<https://www.syndex.exchange/>



**You can't stop change but you can change your attitude towards it.**

**"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty:"  
- Winston Churchill**

**Best wishes to all from your Cowley Stanich & Co farming team.**

For any further information about the information above contact:

Maree Richardson

[maree@csla.co.nz](mailto:maree@csla.co.nz)

Trish Foy

[trish@csla.co.nz](mailto:trish@csla.co.nz)

### ***Disclaimer:***

***This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation***