

ACCELERATE

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OUR NEWSLETTER FOR GROWING BUSINESSES



As we head into winter, we tip our hats to the Kiwis working the land. The 83,000+ workers who face a unique set of unpredictable and uncontrollable challenges. We look at budgeting tools, Three Waters Reform, weather worries, technology, and the mental health crisis.

Developing habits to keep costs under control and your business in order are just as important as your own physical and mental wellbeing and that of your employees. When you look after yourself, you're ensuring the success of your farm.

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If you're feeling uncertain about your next year of farming, you're not alone. Farmer confidence is at its lowest point in 13 years with more than 11% of respondents to a Federated Farmers survey expecting a drop in profit over the next 12 months. On a more positive note, when Federated Farmers asked members about their relationship with their bank, 67% of the 900+ respondents were satisfied.

Whatever your position is, it's always beneficial to talk about managing farm debt.

How you handle cash flow is important to your suppliers and lenders, so even if you have a great accountant, make sure you personally have a grasp on your finances. You could ask your business banker for a budget template or jump online.

DairyNZ has handy budgeting tools on [its website](#) that will take some of the head scratching out of the equation. It provides templates and guides you can print and work through, as well as 'opportunity calculators', including:

- The Contract Milker Premium Calculator, which compares the profitability of contract milking with managing a farm.
- The Variable Order Sharemilking Calculator, which gives an overview of the income and expenditure you can expect in your first year.
- The Herd-owning Job or Sharemilking Calculator, which helps you understand how much money you'll need and how you can fund a herd-owning job.

DairyNZ budget templates include a sensitivity table to help you assess risk from changes in pay out, production, and farm working expenses.

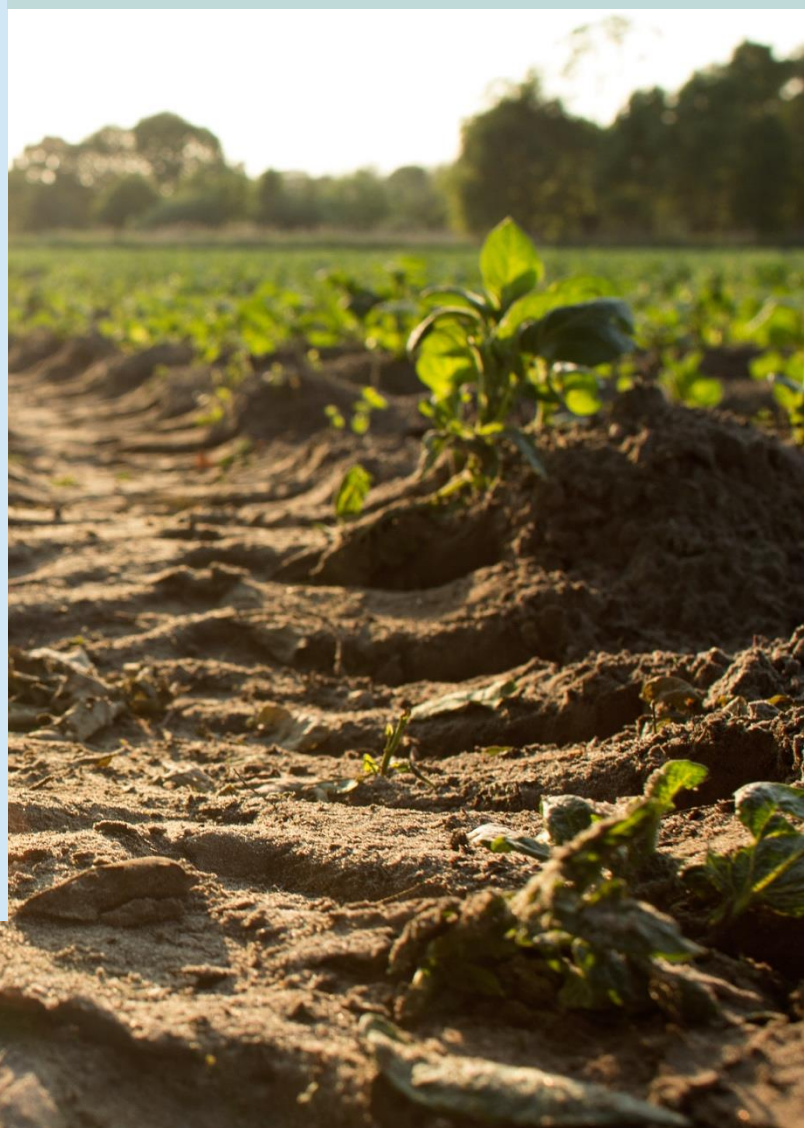
Lincoln University also has [budget templates](#) for farmers, and ASB Bank suggests a cloud-based budget system called [Figured](#) that plugs into Xero.

Also [income equalisation schemes](#) provided by Inland Revenue may allow for some cashflow flexibility on tax payments arising from income fluctuations.

Talk to us about which options might best suit your business.

If you've been adversely affected by this year's wet weather, the Foundation for Arable Research (FAR) can help you figure out how to make the most of your damaged crop. FAR Board Chair Steven Bierema and CEO Alison Stewart met with grower representatives in May for a post-harvest look at grain drying and seed cleaning facilities. These short on-farm meetings provided an opportunity to share information about grain and seed drying and cleaning options.

The advice from FAR is that sprouted grain is unsuitable for use in the milling, brewing, and food industries, but it can be fed to livestock. The feeding value of the sprouted grain is not greatly reduced. In some cases, it appears sprouting may actually improve the feeding value. Sprouted wheat should be processed similarly to non-sprouted wheat, but it may have a higher moisture content, which can lead to spoilage and mould growth during storage. If there is any question about the presence of moulds or toxins, have the grain screened. Interested in a workshop with FAR? Keep an eye on [their website](#) for future dates.



Keeping tabs on stressed staff and why you need to check in

A Southland counsellor researching mental health issues facing young men in the rural sector has confirmed what she suspected: there's a perception of shame in speaking up.

"Young rural men don't seek help," says Kathryn Wright. "They suffer in silence."

As the wife of a Te Anau deer farmer and mother of a shepherd, Kathryn's always been aware of stress in farming. As part of her master's degree research, she conducted a survey of more than 300 men aged 16 – 30.

"Unsurprisingly, the number one reason young men don't speak up when they're struggling is a feeling of shame and embarrassment," she says.

Kathryn is encouraging farm owners and managers to check in with their workers and give them the opportunity to raise concerns.

"If you have a young man straight out of school or home, have them over for a meal and bring them into your fold," suggests Kathryn. "Also, ask open-ended questions like 'How are you doing today?' rather than 'How are you?'. You will reap the benefits of having happier staff who feel supported."

Five signs your employee could be stressed

1. Working longer hours or through breaks could mean a staff member is struggling with their workload.
2. Increasingly irritable or over the top reactions could be due to stress.
3. Visible tiredness or a lack of energy could indicate sleeping issues.
4. Shying away or isolating may be cause for concern.
5. Memory and concentration lapses could be an indicator of distraction caused by stress.



Tough choices under proposed water reforms

Changes proposed to drinking water, wastewater, and stormwater legislation are ruffling feathers in rural communities. If adopted, the Three Waters Reforms could mean water systems, currently owned and originally set up by locals to supply each other with water, will be run by four new entities and regulated by a new authority, Taumata Arowai.

What does this mean for you?

Many schemes currently operate on goodwill amongst neighbours and as soon as regulations come into play, those relationships could sour. On top of all the paperwork, finding up to \$5,000 to meet regulations and provide evidence they're supplying clean water will be too much for some and they'll opt out to escape the bureaucracy. Federated Farmers Senior Policy Advisor Nigel Billings says the non-financial cost will be the strain on relationships between landowners and that's the real loss for the farming community.

What can you do?

Federated Farmers wants anyone supplying fewer than 50 people to be exempt from the regulations. However, the government insists every water supplier become registered and meet new requirements under its legislation. The lobby group is calling for feedback from rural landowners in June. It continues to engage with Taumata Arowai on a constructive basis and intends to raise the issues brought up by its members.

Take action: call Federated Farmers and have your say.

Supplying drinking water to your neighbour?

If you're providing drinking water to another rural property, you have 13 months to register with Taumata Arowai or risk a \$50,000 fine. The Water Services Act, an element of the Three Waters Reforms already passed through Parliament, aims to define more clearly who is a water supplier. Under the new system, which could impact up to 75,000 water suppliers from July, landowners will be held accountable for the water they supply to other dwellings.

Fewer accidents = less financial strain

New Zealanders are among the best in the world at looking after their livestock and crops, but are we missing something when it comes to looking after our people?

In 2020, there were more than 22,700 farm-related ACC injury claims, which came at a recovery cost of \$84 million. That's over 60 farmers injured every day, not to mention the ripple effect on their families and communities.

In fatal farm accidents, there's almost always a farm vehicle involved, so it's important to remember the simple measures you can take to avoid unnecessary injury and financial strain.

- Use the right farm vehicle for the job. It may not be the same one you used yesterday if the conditions have changed.
- Take a moment to consider the terrain, the job it's needed for, the load you'll be transporting, and whether the weather calls for a change of plan.
- Make sure both the vehicle and the driver are up to the job.
- If a seatbelt is fitted, use it. Wear a helmet when required and watch where you are going. It might sound silly but when you're busy, tired, or stressed, it's easy to become distracted.

Raise your farm's value by reducing its environmental impact

The Ministry for Primary Industries is funnelling money into technology research with a focus on fast tracking the delivery of a digital solution for Farm Environment Plans (FEPs).

FEPs help to identify and act on environmental risks on-farm and show progress on environmental objectives. It's hoped that by monitoring our standards with high-tech solutions, farmers can build export value by satisfying global consumer expectations.

Agricultural products make up around 80% of the country's total exported goods, so 'smart farming' to lead the world in environmentally friendly practices is a logical move.

Let's talk tax: changes to GST and KiwiSaver

GST

Goods that are exported from New Zealand can be zero-rated, with GST being able to be claimed on purchases or expenses incurred in providing those exports. Recent changes to the GST rules which impact the export of goods include:

- where goods are imported or exported, the domestic (New Zealand) transport portion of the goods can also be zero-rated
- goods provided 'free on board' to both resident and non-resident can be zero-rated, provided the goods are entered for export by the supplier and the recipient physically exports the goods from New Zealand (previously this only applied to supplies of such goods to non-residents)

While not affecting New Zealand farmers directly, non-residents can now claim import GST (NZ GST levied at the border) provided the imported goods are sold to GST registered persons in New Zealand. This will allow for more efficient processing of GST costs on imports where this applies.

KiwiSaver

If you have employees signed up to KiwiSaver, let them know they can now request changes to their rate through their myIR account or by contacting their KiwiSaver scheme provider.

Dairy Women's Network Awards - calling for nominations

The Dairy Women's Network (DWN) is calling for nominations for its Regional Leader of the Year award. The award celebrates its volunteers who host gatherings, organise workshops, offer support and keep rural women connected. Head to the DWN website for details.

KEY TAX DATES – JUNE 2022

Date	Category	Description
7 June	PAYE	Large employers PAYE payment for May. File employment information within two working days after payday.
20 June	PAYE	Small and large employers PAYE payment for June. File employment information within two working days after payday.
20 June	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during May.
20 June	NRWT / Approved Issuer Levy	Payment and return due.
28 June	GST	Payment and return for May.
28 June	Provisional Tax	Instalment due for May balance date taxpayers

Note: the provisional tax due dates apply to those clients who have a May balance date. Different dates will apply for those clients who have a standard March balance date or a different balance date to May.

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.