

IN-MARKET

Philippines Market Survey
New Zealand Functional Foods: Dat
Milk Asia Market Assessment and
Development
Kiwigarden entry into China
and South East Asia

RMA Waste Water Discharge parameter
template for Glasshouse Operations

Sheep Milk Market Research

Developing Asian Markets for New
Varieties of New Zealand Apples and
Squash

NZM Acceleration in Strong Wool
Markets

Research Delegation Hong Kong &
China

LEADERSHIP

Strategic Partnership
Associate Trustee - Pattie Boyle
The Queenstown Agribusiness Symposium
Young Country Apprentice
UK Forestry Trip
NZ Bootcamp 2014

Technology Transfer Award
Intensive Semester of Chinese Study
Young Horticulturist of the Year 2015
AGMARDT Technology Transfer Award 2015
IFAMA Student Case Study Competition in USA
INSEAD Asian International Executive

Luxury New Zealand Leather - China
Wool Innovation Summit Programme
High Value Marlborough Food and
Beverage Tailored to East Asian
Preferences
Super White Super Bright Spectra Wool
Market Development

AGMARDT

THE AGRICULTURAL AND MARKETING
RESEARCH AND DEVELOPMENT TRUST

Programme, Singapore
Sponsorship
Leaders attending Strategies for Market
Shaping for Primary Industries

AIGs

Hyperspectral Sensing of Pastures and
Forages using Unmanned Aerial Vehicles
Optimising By-Pass Protein from Rape
Oil Press
Matching Elite High Value Eucalypts to
Productive Drylands

Sustainable Food Production Book
One Pass Machine for Row Crops
High Throughput Diagnostic Testing
for Johne's Disease
Hop Revolution - Small Scale Hop
Growing in Non Traditional Hop
Growing Regions of NZ

ANNUAL REPORT 2014/15

Bovine Immunoglobulin Isolate for
Improved Intestinal Health

Extension and Transfer of U.S.
Process Raspberry Production
Technology and Practices to NZ

Protecting Dairy Farmers and their
Stock against Leptospirosis

Developing Kamokamo as a NZ Export
Opportunity

Fence Fast, Innovative Wire Tensioning
System

Developing an Instinctive Diet for a Dog

Industrial Hemp: Cash Cropping for a
Better Environment

Kale Yield Scanner

AERU "The Land And The Brand" Project

Biological Control For TPP, Whitefly
and Thrips in Covered Crops
Field Trial For Remote Monitoring
System for Beekeepers
Achieving Market Access for Organic
Gold3 Kiwifruit
Chemical Resistance in the Honeybee
Mite Varroa - Celia Maria van Velsen

Transformational New Uses for NZ
Wool in 3D Products
Next Generation Supply Chain Systems
to Overcome Perishability Impediments
for Capsicum Exports
Markers for Organic Authentication
and Verification
Kiwiberry, Can Store, Will Travel!

Investigating Silicon Mediated Insect
Resistance in Tamarillos
Established Endophytic Tricoderma
Isolates for PSA V Control
Improving Feed Digestion using Rumen
Microbe-derived Enzymes
Industrial Olive Usage in NZ

Winter/Spring 2015 R&D for
Low Cost Disposable Electronic
Reproduction Management Tool for
The NZ Dairy Industry
Storage Protocols for Managing
Disorder Risk In 'Scilate' (Envy
Brand) Apples

Induction of Immune Cell
Transformation by Manuka
Molecules
Efficacy of Trans-calamenene
on Cytokine Chemokine Release
from Epithelial Cells
Forestry Export Supply Chain
Integrity

AGMARDT ANNUAL REPORT

About AGMARDT	2
AGMARDT Trustees	4
The Chairman and General Mangers Report	5
Programmes	7
In-Market Grants	8
Agribusiness Innovation Grants	14
Leadership & Governance Programme	19
Fund Performance	21
Funding Allocation	23
Summary Financial Statements	29
AGMARDT Trust Directory	38



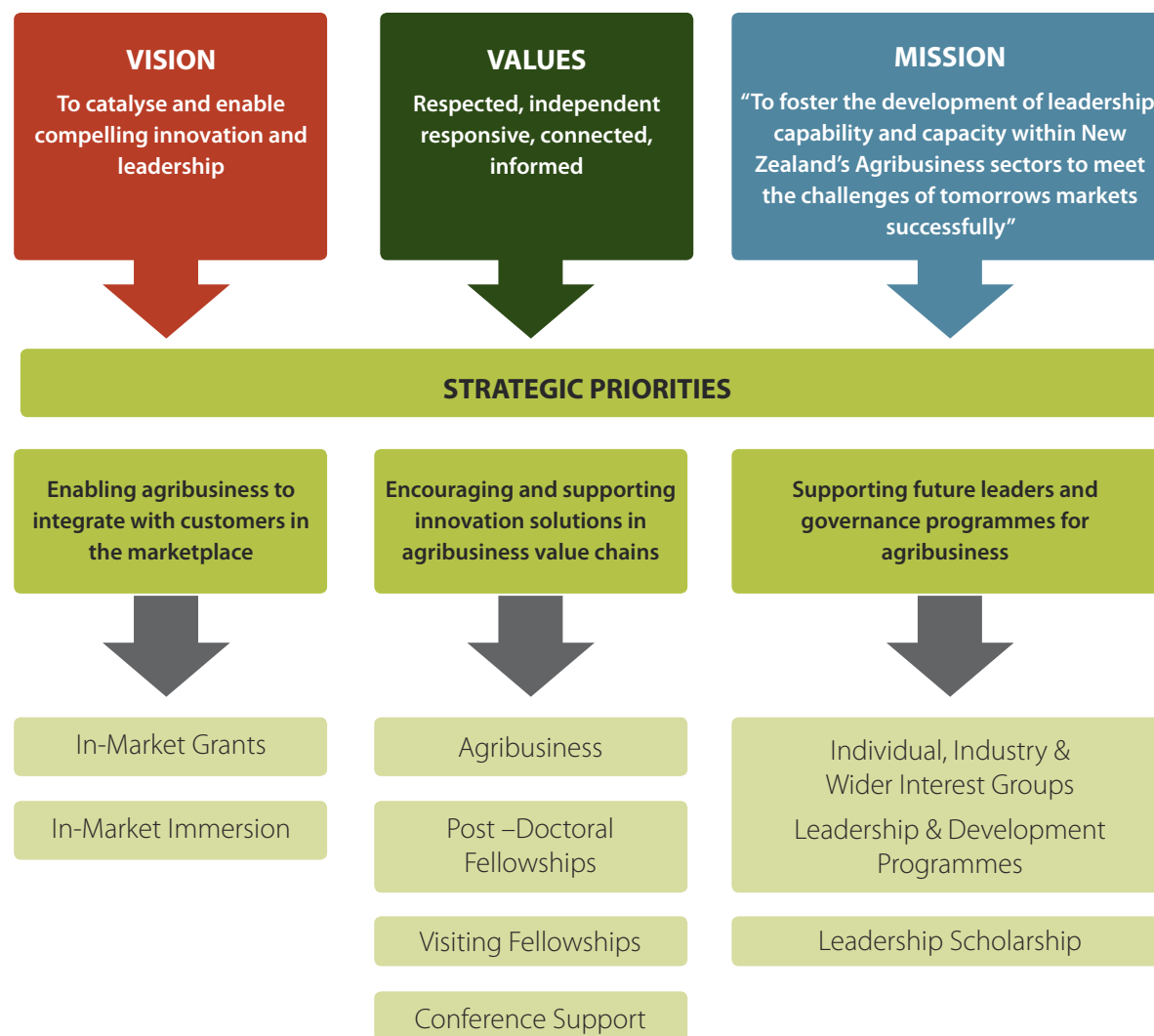
About AGMARDT

The Agricultural and Marketing Research and Development Trust, better known as AGMARDT, strategically invests in programmes focused on exploring market opportunities, encouraging innovative ideas and developing future leaders within the agribusiness sectors.

AGMARDT is an independent charitable Trust set up by the Government in 1987 with initial funding of \$32m from the wind up of the British, Christmas Island and New Zealand Phosphate Commissions.

AGMARDT has a proven track record of making targeted investments that aim to make a positive contribution to the agricultural, horticultural and forestry sectors by:

- Supporting business and industry groups to gain a deeper understanding of their markets and identify and exploit potential opportunities, as well as providing funding assistance to industry groups and businesses for international keynote speakers and experts to come to New Zealand and speak at conferences and forums.
- Encouraging and supporting industry sectors and businesses to develop and implement innovative solutions to assist with transformational change within agribusiness value chains
- Building research capabilities within New Zealand science community in new and expanding areas of research
- Supporting initiatives that develop future leaders and improve the leadership and governance skills of individuals involved in agribusiness





Highlights at a Glance

**\$89.4
million**

The value of the AGMARDT Trust funds was \$89.4 million at 30 June 2015 compared to \$83.6 last year

97

AGMARDT approved 97 grant applications

33%

The number of Agri-business Innovation grant approved increased by 33%

**\$5.8
million**

The AGMARDT Trust funds grew by \$5.8 million

16%

In-Market grant value increased by 16%

**\$1.8
million**

AGMARDT approved \$1.8 million more in grants

9.7%

The fund returned 9.7% for the year against benchmark of 9.4%

**\$4.7
million**

The Trust approved \$4.7 million in grants

33

33 more grants approved during 2015

**\$1.2
million**

AGMARDT approved \$1.2 million in Leadership & Governance grants during the year

54%

The number of Leadership & Governance grants approved increased by 54%

AGMARDT Trustees



Barry Brook
Chair

"It has been a real privilege to be an AGMARDT Trustee for the past 5 years and experience the organisation going from strength to strength. The 2014-15 year was one of the biggest years yet with close to \$5 million in grants invested across a broad set of projects and activities in agribusiness and forestry and making a real difference."



Tony Egan
Trustee

"At AGMARDT we are learning all the time. By understanding the various NZ Primary Industries better, we can channel our resources to best effect. We look for innovators and leaders who will make a difference and take NZ to the world. AGMARDT could be just the catalyst you need to get those disruptive thoughts into action."



Sarah von Dadelszen
Trustee

"Our unique organisation allows great concepts to gain momentum and make a positive contribution to NZ. As such it is rewarding to see the inspiring ideas that are presented and to be able to deliver to them the financial assistance that is required to make it happen."



Richard Green
Trustee

"My highlight for the 2015 year was joining AGMARDT as a Trustee at the end of the 2015 year. It is extremely rewarding to see the number of people and organisations that AGMARDT has benefited over the year whether it be for funding conference speakers, leadership programmes, in market or innovation grants. I believe that AGMARDT is a key catalyst for innovation within the agri-business sector."



Pattie O'Boyle
Associate Board Member

"As the new associate board member I have been amazed at the variety and level of innovation that is continually demonstrated when financial support is sought via AGMARDT. It is heartening to know that AGMARDT's support of these innovations will often mean they are "fast tracked" and NZ agribusiness benefits sooner."

The Chairman and General Manager's Report

It is with pleasure that we report another very successful year with a positive financial performance, a significant contribution to the growth and development of the New Zealand primary sector and a strengthened funding platform to support the strategic aspirations of the AGMARDT Trustees.

Having entered a challenging period of volatile and uncertain investment returns, it is pleasing to report a year of sustained growth and a very positive contribution to the New Zealand primary sector through a substantial increase in grant funding allocations.

This increase in grant funding is a result of a focused strategy to improve the market awareness of AGMARDT and the funding opportunities that AGMARDT provides.

Financial Performance

In spite of investment market uncertainty, AGMARDT has again exceeded expected returns for the AGMARDT Trust Fund. The fund performed well with an overall return of 9.7% for the year against a benchmark return of 9.4%. This solid performance has enabled reinvestment, resulting in capital growth of the fund of \$5.8 million to \$89.4 million at year end.

On the back of this positive performance it is with great pleasure that we report a significant increase in the level of grants approved for the year from \$2.9 million in 2014 to \$4.75 million this year. This increase represents a record level of grant funding and reflects both the positive financial performance of the Trust Fund and a strong desire by the Trustees to support the increased number of quality applications received.



Barry Brook and Malcolm Nitschke

While future investment returns are expected to come under downward pressure, the Trustees are committed to maintaining the highest level of grant funding that the economic climate will allow, with a forecast of \$4.0million in grants for the year ending June 2016.

Operational Activity

AGMARDT achieved a significant milestone in May 2015, when the new AGMARDT website went live. All applications are now received electronically through the online portal. This process has been well received by applicants and the efficiency gains from an administrative perspective have exceeded expectations.

The significant increase in grants approved in the 2015 year, from 62 in 2014 to 97 this year, confirmed the value of improving the grant application and management process. The new website exhibits a fresh modern look and feel with leading edge enhancements developed in the backend to assist with the management of individual grants.

AGMARDT's aspiration to be nationally recognised as a high profile funder of Agribusiness drives a strategic focus to improve the awareness of the AGMARDT brand and the grant options available. Management recognises the importance of an effective social media presence and the impact this can have on brand profile and awareness. A social media communications plan was initiated in 2015 focusing on the new website and the use of Facebook. Results to date have been encouraging and further enhancements in 2016 will provide improved outcomes.

Challenges & Priorities

Investment returns are expected to remain uncertain in the medium term and the Board has taken a cautious approach to managing investment return expectations. The Trustees continued to maintain a conservative bias, retaining the AGMARDT Trust fund strategic asset allocation at 50:50 ratio of growth to income assets for the 2015 year.

During the year reviews were conducted of both the Statement of Investment Policy and Objectives (SIPO) and the Foreign Exchange Hedging policy to ensure they represented Trustee requirements of best practice in the current economic environment. External expertise was engaged to provide advice during the process resulting in a coherent SIPO clearly articulating the AGMARDT investment strategy.

A continued strategic focus on the market end of the value chain resulted in a number of significant investments through In-Market Grants, many of which had a strong focus in South East Asian markets. Highlights included Farmers Mill Ltd investigating markets across South East Asia for a range of low

GI flour and grain based bakery mixes; NZ Functional Foods for the market assessment and development of Oat Milk products across the Asian region; Kiwigarden Ltd to commission reports on distribution channels, regulatory requirements and taste profiling in China and South Korea for their natural and healthy freeze dried snacks for children; Spring Sheep Dairy NZ Limited Partnership for the development of niche opportunities for sheep milk; and Virtuo Design Ltd to initiate a Wool Innovation Summit with some Fortune 100 companies in North America.

Encouraging and supporting innovative and transformational solutions in agribusiness value chains is another key strategic focus for AGMARDT. Agribusiness Innovation Grants exhibited the greatest lift in funding this year with a 33% increase in grants allocated. Highlights included Kaka for the development of unmanned aerial vehicles for hyperspectral sensing of pastures and forages; Scion for research into improving forestry export supply chain integrity; University of Canterbury School of Forestry for research matching elite high value eucalypts to productive dry land; and assistance to the Farmer Leptospirosis Action Group to pilot a study to improve understanding of the disease.

Developing future leaders through improving the leadership and governance skills of individuals involved in agribusiness is the third strategic priority for AGMARDT. Significant grants made this year included support for the combined Nuffield and Kellogg Joint Venture; NZ Te Hono Bootcamp 2014; St Pauls Collegiate School to assist the development of an agricultural curriculum for secondary schools; renewal of the Young Farmer Contest sponsorship; Young Horticulturalist of

the Year competition; continued support for the Agr-Womens Development Trust and support for a number of individuals to attend leadership programmes both in New Zealand and internationally.

The Future

Looking to the future, a new initiative is being introduced to reinforce the importance of an increase in focus at the market end of the value chain for New Zealand agribusinesses.

The initiative is the introduction of an In-Market Immersion Programme which will enable placement of individuals, with recognised potential, in a chosen international marketplace for up to 12 months to develop their understanding and skills at the market end of the value chain. Trustees believe there is a shortage of New Zealanders involved in agribusiness who have experienced serious involvement in the markets that we serve and the In-Market Immersion programme is targeted at emerging leaders who will benefit from such experience at an early stage in their careers.

Another initiative is to make greater use of the positive experiences AGMARDT has had with innovative New Zealand agribusinesses in recent years. There are numerous positive stories to be told and we intend showcasing the innovation success stories where AGMARDT funding has made a significant contribution to the outcomes.

Governance

As previously reported, Dean Nikora resigned from the AGMARDT Board to take up an overseas appointment in August 2014. Dean served as a Trustee for 4 years and was


Chairman for the 2013-14 year. Dean played a valued role since joining AGMARDT as a Trustee in 2010.

Following an extended period managing with a Trustee vacancy, we welcomed Richard Green to the Board. Richard will add considerable value with his broad range of governance and primary industry experience.

The Associate Trustee position was created to provide an emerging leader with the opportunity to experience governance in action. James Allen completed his term in December 2014. His contribution to Board discussions and activities was very well received and we wish him success with future governance roles. In February 2015, Trustees welcomed Pattie O'Boyle to the Board as the new Associate Trustee for an 18 month term.

Finally, we would like to thank Trustees and all staff for their commitment and valued contributions over the past year.


Barry Brook
Chairman


Malcolm Nitschke
General Manager

PROGRAMMES



Strategic Priority: Encouraging agribusiness to integrate with customers in the marketplace

IN-MARKET GRANTS

Indigenous NZ Cuisine

The Indigenous NZ Cuisine cluster now known as the Haukai Coalition was formed by Maori Business Enabler Poutama Trust to bring together approximately 35 Maori food and beverage companies for mutual benefit. The Coalition companies produce a wide range of products including seafood, honey and wine.

Poutama used the AGMARDT In-Market grant to co-fund the appointment of a Hong Kong based sales and marketing manager for the Coalition. During the course of the year the in-market representative made a large number of connections in a range of Asia markets. The Representative also participated in trade missions, coordinated producer participation in trade shows and developed and organised an in-market programme

for the Miere Coalition (a Coalition of Maori entities engaged in the honey industry).

Support was also provided to help Coalition members become 'Asia Ready'. This included the provision of advice on IP issues, packaging, branding, supply capabilities and market access issues.

Successful results on behalf of Coalition members include confirmed or pending orders with retailers and distribution partners in Hong Kong, Taiwan and Mainland China.

With over 100 meetings carried out on behalf of the Coalition with potential retailers, distributors, government contacts and

marketing specialists, a strong foundation has been built for year two of the programme which, based on learnings from 2014, has been broadened to include New Zealand based capability support and primary sector initiatives (including in the red meat, seafood and dairy sectors). The Haukai Coalition has now been recognised as a formal coalition under NZTE's Coalitions programme, and will be co-funded by Poutama and NZTE in 2015.

"AGMARDT's support for the Coalition has given confidence for organisations such as NZTE, Callaghan Innovation, Treasury, Te Puni Kokiri and Plant & Food Research to provide assistance to the efforts of the Haukai Coalition."

CEO Richard Jones, Poutama



Farmers Mill Ltd - Product & Market Development of Specialty Flours

Farmers Mill received funding to explore market development for a range of low GI flour and grain based bakery premixes. The AGMARDT In-Market grant allowed Farmers Mill to comprehensively identify specific markets across South East Asia in advance of spending time in-country tailoring the product accordingly. What this meant was that the effort made in regards to end product was market relevant as opposed to being predicated on a series of home grown assumptions. The best example being the interpretation of flavour profiles, specifically sweet flavours across a variety of cultural demographics.

Desktop market research culminated in visits to Singapore, Vietnam, Indonesia and Malaysia with customers secured in both Malaysia and Vietnam. So often smaller companies are unable to facilitate the investment necessary in completing qualitative market research and as such lose both time and money in pursuing dead ends.

The AGMARDT funding allowed Farmers Mill to establish products that will offer a unique point of difference across all markets.



CEO, Grant Bunting with first export order



Sugar free and Low GI products Farmers Mill have developed and used in the Marketing in South East Asia



Farmers Mill Products

"The AGMARDT grant made available to Farmers Mill proved invaluable in securing resource capable of assisting with market research and definition"

CEO Grant Bunting, Farmers Mill Ltd

NZ Functional Foods - Oat Milk Asia Market Assessment and Development

New Zealand Functional Foods is a company established by Southland's regional development unit, Venture Southland. With only 2% of the nation's population, but contributing 14% of our tradable exports, the region has an extraordinary dependence upon overseas markets, particularly markets for agriculturally based products.

Oats is a traditional cereal crop and Southland excels in its production, its land and climate being ideally suited to the crop. Oat milk is a super human food and for a given output, requires one quarter to one third of the inputs of livestock farming. The product has particular appeal in Asia, where up to 90% of some populations are lactose intolerant.

The grant from AGMARDT enabled NZ Functional Foods to gain access to the services of Andee Gainsford, formerly of Quality Foods and a person with long experience and success in trading food products into Asia. It also allowed

four representatives from the company to attend a seminar hosted by Tetrapak, who made available the very best of their marketing expertise right across the Asian region. Ten key markets have been identified and assessments have been completed and are now under peer review.

A major outcome from the AGMARDT funded work has been a shift in focus from a dairy alternative based upon step change in food production efficiency, to a focus on the Health and Well being market sector. There the production efficiency can be levered into a fast growing, high value, discerning market sector.

"The grant from AGMARDT enabled us to gain access to the services of Andee Gainsford, formerly of Quality Foods and a person with long experience and success in trading food products into Asia"

NZ Functional Foods Limited



Kiwigarden Limited - Kiwigarden Entry into China and South East Asia

Kiwigarden is a Hastings-based producer of natural and healthy freeze-dried snacks for kids. These include apple slices, yoghurt drops and sweet corn kernels. Set up by the Randells two years ago, it sources local fresh food for its widening range of products, 85% of which are exported.

With the help of an AGMARDT In-Market grant, Kiwigarden directors Taine and Jo Randell were able to fast-forward the development of their business into Asia.

The In-Market grant was used to commission reports on distribution channels and regulatory requirements and carry out market research including taste profiling in China and South Korea.

A key part of this work was meeting distributors and new buyers at trade shows and exhibitions in Beijing, Singapore and Shanghai. Based directly on taste profiling and feedback from these shows, Kiwigarden is about to launch four new variants to its product range.

“The AGMARDT funding has massively fast-forwarded our business in Asia to a much larger scale than we had originally forecast. The packaging machine has given us the flexibility to fulfil customer orders. AGMARDT have been the best. They were very helpful and pragmatic.”

Kiwigarden Director, Taine Randell

The grant enabled Kiwigarden to look carefully at the distribution model it wanted to use. As well, they found opportunities for expanding their range of brands into other supermarkets.

Since the AGMARDT grant was approved in late 2014, Kiwigarden now has a master distributor based in Qingdao, is due to release a new range of 20g pouch baby products in China, is supplying a Chinese infant formula brand with product, a USA children's snack food company and a New Zealand infant formula and children's snack food supplier. Kiwigarden is now stocked in Singapore supermarkets, and is also available on-line, and is also stocked in South Korean department stores.

As part of the business expansion, AGMARDT also made available to Kiwigarden a loan to buy and build additional packaging machinery from Italy, a move which has enabled employing an extra eight fulltime staff.



Virtuo Design Ltd – In-Market Wool Innovation Summit Programme

In early 2015 an opportunity was created to run a “Wool Innovation Summit” with some Fortune 100 companies in North America, starting with Nike. With AGMARDT assistance, Virtuo Design Limited took a small group of key individuals from the NZ wool industry to the US where they were immersed within development and various innovation teams within Nike. The group ran a series of interactive sessions and experienced firsthand Nike’s own challenges. They gathered insights towards what could be solved with natural technologies from New Zealand.

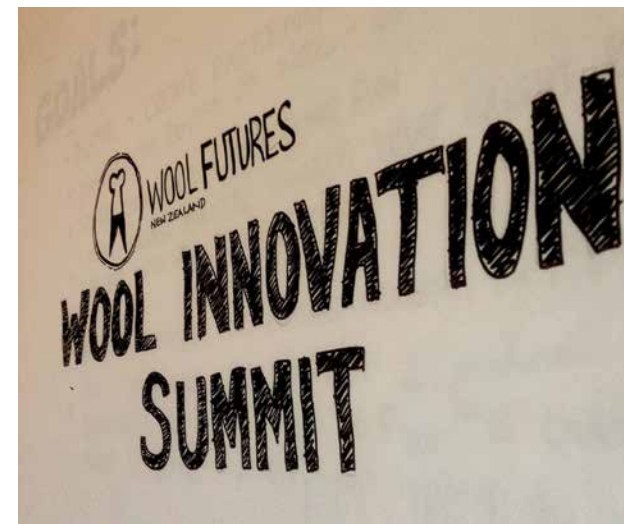
Virtuo Design Limited are now developing the Wool Innovation Summit into a pop-up design and innovation programme that can be transported around the world and dropped into companies at an early ‘discovery’ stage at the front-end of their own innovation projects.

AGMARDT funding helped to foster collaborative relationships on projects with real scale. The funding enabled the group to foster greater collaboration with the NZ wool industry. The ability to spend time within the development teams of successful international brands has helped Virtuo Design Limited to better understand how best to communicate and encourage the use and uptake of wool for the future benefit of the industry.

This opportunity has created a platform to learn and gather in-market insights around the requirements and opportunities for wool tied directly to customer needs.

“The AGMARDT In-Market grant has enabled us to design and build the Wool Innovation Summit; a high-impact insightful experience presenting our wool story and some of the best minds in wool to global brands - from the inside out.”

Virtuo Design Ltd



Marlborough Research Centre of Excellence Trust - High Value Marlborough Food and Beverage Tailored to East Asian Preferences

The Honey Company, Sanford, Marlborough Garlic and The New Zealand Dessert Company, joined forces with the objective of developing channels to high-value consumers in China. A three-pronged strategy to capture this opportunity and manage the pitfalls has been implemented with the appointment of an experienced market development manager to be based in Tianjin. Dr James Li is a qualified clinician who has worked for a number of pharmaceutical companies in China including Johnson & Johnson, and has been a market development manager in Asia for PGG Wrightson.

The primary objective of the project is to enhance the conventional and e-commerce channels for the companies' existing products in the first instance, with the intent of refining and tailoring various products to suit the demand

from high-value consumers. In-market focus groups and in-store promotions are part of this effort, and the strategy is supported by building a database of project knowledge as it unfolds. Market information and company responses is a daily interchange that will build a wealth of valuable information for future business decisions.

Joint marketing collateral and attendance at trade shows are also part of the strategy.

The unique aspects of this project include leveraging the information and experience of four companies with the market connections and activities of Dr James, building up a database of knowledge and customers to the benefit of all parties.

"AGMARDT support has enabled MRC's Food and Beverage cluster to bring together companies to collaborate in the Premium Foods to China initiative, enabling the sharing of resources and knowledge for mutual benefit."

Gerald Hope, Chief Executive



Strategic Priority: Encourage and support innovative solutions in agribusiness value chains

AGRIBUSINESS INNOVATION GRANTS

Kākā - Hyperspectral Sensing of Pastures and Forages using Unmanned Aerial Vehicles

Unmanned Aerial Vehicles (UAV) are a rapidly emerging technology with significant practical benefits for farming in New Zealand, and globally. The AGMARDT innovation grant enabled three separate agribusiness firms to join forces to explore the potential of combining hyperspectral sensing technology with UAVs to remotely measure pasture quality and quantity on New Zealand farms.

Once this technology is perfected it has the potential to revolutionise the way pastures are measured and managed on all farms in New Zealand, opening the door for significant gains in farm productivity and profitability. While the research and testing is still ongoing, the initial results have demonstrated the feasibility of the concept and cemented the desire to take this concept to market.



“We acknowledge the significant contribution AGMARDT has made by contributing to this research and development programme”

Lochie MacGillivray

Scion - Forestry Export Supply Chain Integrity

The value of forestry product exports from New Zealand has risen substantially over the past two decades. This growth has been mostly driven by the expansion of roundwood exports to China, which in 2014 reached 11.5 million m3 and more than \$1.5 billion in value. Log exports to China represent approximately two thirds of all log exports and one third of the total value of all forestry product exports out of New Zealand. New Zealand is now the largest log exporter in the world.

Although logs may be regarded as simple commodity goods, the supply chains that deliver them from the forest to the overseas customers involve a range of log preparatory and handling processes. SCION identified a need to review whether these value chains operate efficiently when it comes to transactions, product valuation, meeting phytosanitary requirements, general logistics and last but not least; meeting the customer's demand.

The project involves a range of activities including a trip to China, interviews with key stakeholders and the development of a comprehensive supply chain calculator that considers the physical and transactional integrity of the supply chains. Where needed, plausible alternative business and operational models will be developed and tested to save costs, better aligned incentives, smoothen transactions and better meet the customer demands.



“AGMARDT’s contribution to this project complements funding by MBIE that was set aside to investigate the log supply chains to both domestic and international processors.”

Drs Carel Bezuidenhout and Csaba Pusztai (Value Chain Optimisation Group, Scion)

University of Canterbury School of Forestry - Matching Elite High-Value Eucalypts to Productive Drylands

CCA-impregnated pine wood is commonly used for posts, exposed wooden structures and poles, but after use CCA-treated wood is a hazardous waste and there is some market resistance to goods that arise from CCA use; such as wines that are produced using CCA-treated wooden vine supports. Eucalypt species being explored by the New Zealand Dryland Forestry Initiative (NZDFI) produce naturally durable heartwood. Moreover, these Eucalypts grow well in dryland regions close to New Zealand's vineyards, but their site tolerances and productivities have not been previously quantified.

Staff from the NZDFI and the New Zealand School of Forestry, University of Canterbury are creating models that can help wood growers match species to the right sites and also estimate

volumes of wood that are likely to be produced on their sites. Tree survival and growth data obtained from tree breeding experiments and trials established throughout dryland parts of the country are being combined with intensive local climate and soil evaluations to provide a basis for models. These models will be built using a combination of elements of tree physiology and statistical analysis. The study will contribute to exciting new species choices for tree growers.

Many of these species have been overcut in Australia because of their superior wood qualities, but most have been neither bred nor extensively planted until now.



Locating a meteorological station adjacent to a trial site in Southern Marlborough as part of the study

"AGMARDT is funding a key part of a project aimed at delivering ground-durable Eucalypt species as a replacement for radiata pine treated with copper chrome arsenate (CCA)."

University of Canterbury School of Forestry



Paul Millen, from the NZDFI, discusses dryland Eucalypt species at a site adjacent to Blenheim with two students from the School of Forestry who are involved with the AGMARDT project.

Farmer Leptospirosis Action Group (FLAG-Dairy) - Protecting Dairy Farmers and Their Stock Against Leptospirosis

The overall objective of this Farmer Leptospirosis Action Group (FLAG) study is to protect dairy farmers and their stock against leptospirosis. This is the most important zoonotic disease for dairy farmers and their families and for others handling stock, including meat workers, veterinarians and dry stock farmers. Since the availability of leptospiral vaccines and with a much better understanding of the disease, huge gains have been made over the last 40 years in reducing the number of human cases from the alarming 700 per year in the 1970s to a steady

100 per year today. However, despite vaccination being widely practiced on perhaps 90% dairy farms (no hard data on this), new findings suggest that this may not be fully effective in all herds.

A recent limited Massey University pilot study supervised by Prof Peter Wilson and colleagues gave the surprising indication that a percentage of supposedly properly vaccinated cows may still be shedding leptospires.

“We need to expand this pilot to a NZ wide study with sound scientific parameters and the AGMARDT grant will assist greatly in doing this. This grant will help us in continuing to reduce the risk of illness and debilitation caused by Leptospirosis in people working on dairy farms.”

Farmer Leptospirosis Action Group (FLAG – Dairy)





POST-DOCTORAL FELLOWSHIPS

Post-Doctoral Fellowships build research capabilities within New Zealand's science community in new and expanding areas of research within the agricultural, horticultural and forestry sectors.

During the year we received 26 applications for two Post-Doctoral Fellowship positions. All applications were of a very high standard, making the decision to award fellowships very difficult. Post-Doctoral fellowships were awarded in:

- The potential for failure of pest biocontrol in NZ pasture; mechanisms and how to protect the biological control resource;
- Biobeads displaying *Mycobacterium avium* subspecies paratuberculosis (MAP) antigens for producing protective immunity against MAP infection without inducing positive tuberculin skin test responses.



VISITING FELLOWSHIPS

Visiting Fellowships enable visits by recognised international experts to New Zealand to share their global expertise with researchers, farmers, industry groups and agribusinesses. Visiting Fellows usually come to New Zealand for two to three short visits over 12 to 18 months to look at a specific area of strategic interest to agribusiness and the scientific community.

One request was received this year to assist with the development of the new Forest Health Monitoring System and the continued promotion of Bayesian networks for risk analysis in NZ.



CONFERENCE SUPPORT

AGMARDT provides funding assistance for businesses or industry groups to bring international keynote speakers and experts to New Zealand to facilitate the early adoption of innovative ideas and improved business practices.

AGMARDT provided assistance to 18 industry groups and other organisations to the value of \$80,493.

Strategic Priority: Supporting future leaders and governance programmes for agribusiness

LEADERSHIP & GOVERNANCE PROGRAMME

AGMARDT supports initiatives that develop future leaders and improve the leadership and governance skills of individuals involved in New Zealand agribusiness.

During 2014/15, AGMARDT made 22 grants under its leadership development programmes with total investment of \$1,211,697. Some of the grants given include:

The 2015 ANZ Young Farmer Contest

The Trustees wish to congratulate Matt Bell, the 2015 ANZ Young Farmer Contest Champion.

The AGMARDT Agribusiness Challenge was won by Sully Alsop and he received a career development package worth \$15,000 for the second year in a row. Trustees continue to be impressed with the calibre of the finalists in the competition and encourage all to aspire to future leadership positions within our primary industries.

AGMARDT Agribusiness Breakfast

The AGMARDT Agribusiness Breakfast held at the Wairakei Resort in Taupo. This year the theme was 'From a trading nation to a market innovation nation. From volume to value'.

Tony Egan Managing Director of Greenlea Meats Limited facilitated the proceedings. Guest speakers included: Traci

Houpapa, Chair of Landcorp; Steve Allen, Chairman Tatua Co-operative Dairy Company Limited; Nick Aubrey, NZ Light Leathers and Craig Adams, NZ Merino Co Limited.

This event was very well received and comments received on the high calibre of speakers and timeliness of the topic.



AGMARDT Associate Board Member



The Associate Board Member position was established to provide an emerging agribusiness leader with an opportunity to experience governance in action. Pattie O'Boyle was appointed in 2015 and her term will last until end of 2016.

"AGMARDT's contribution to the development of future governors and industry leaders in agribusiness is further demonstrated through the unique opportunity that the AGMARDT Associate Trustee position provides. Not only have I been able to learn, work and network alongside a group of very experienced and professional Directors, I am also well supported to boost my knowledge and skill in agribusiness and in "best practice" governance.

After graduating from Massey University in 1998 with a Bachelor of Business Studies (VPM), I joined the ANZ Bank for a career in commercial and rural banking. Further finance experience was gained with Swiss bank (U.K.), StockCo (Hastings) and BNZ Partners. I recently graduated from the AWDT's (Agri Women's Development Trust) "Escalator" programme and from there actively sought out an opportunity such as this to observe good governance in action

I am currently a Farmer Councillor for B&LNZ, a Trust Board Member for Wairarapa's REAP (Rural Education Activities Programme) and a critical farming partner in a Wairarapa sheep and beef family farming business. This year has also seen me co-facilitating modules for AWDT's (Agri Womens Development Trust) "Understanding Your Farming Business".

During my time as Associate Trustee I have been thoroughly immersed in refreshingly real governance, including setting strategy, making prudent and well-considered decisions, whilst always ensuring the values of the organisation and any statutory requirements are upheld.

I have been fortunate to participate in QAS (Queenstown Agricultural Symposium), attend an Agri-Industry Summit, and undertake some more in-depth personality profiling. Later in the year, I will benefit from attending the Institute of Director's Governance programme. If time and resources allow, there is also the possibility of experience in an international market place where our high quality NZ product competes for attention.

Pattie O'Boyle

"My ability to better contribute, influence, and help shape good governance and leadership in NZ's agribusiness sector has been significantly assisted by my role as AGMARDT's Associate Trustee"

FUNDS PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2015

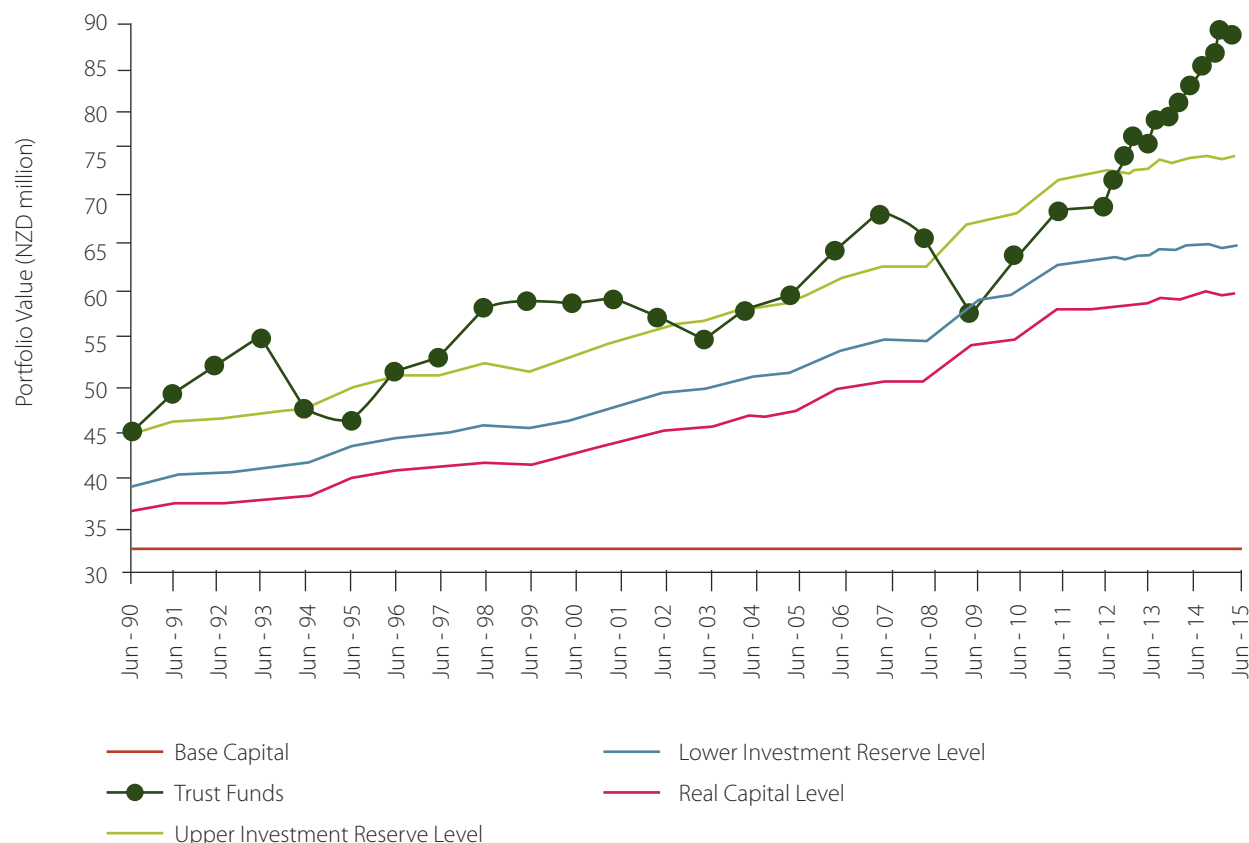
AGMARDT's Trust fund enjoyed a strong year of growth for the financial year ending June 2015. The fund returned 9.7% for the year against a benchmark performance of 9.4% over the same period. The fund performed well during the financial year as the major developed economies continued to recover slowly despite global economic and geopolitical uncertainty causing some short term disruption.

The Trust's underweight position to Global Fixed Interest and an overweight position to Global Equities provided strong contributions to the overall return over the period. The New Zealand equity market continued to grow with the NZX 50 reaching a March peak of c.15% growth. Towards the end of the financial year, the index fell back to deliver a return of 11.6% over the financial year. The global equity markets have also performed strongly over the financial year returning 7.8% in local currency. The Trust's investment in Global Equities has also benefitted from a strong decline in the New Zealand Dollar (NZD) compared to the US Dollar (USD) and the Australian Dollar (AUD). The MSCI World ex Australia (unhedged in NZD) returned a remarkable 32% growth for the financial year.

With a strong return for the financial year, the AGMARDT Trust Funds totalled \$89.4 million as at 30 June 2015, up from \$83.6 million at the end of June 2014. As illustrated in the chart below, the Trust's Funds remains well ahead of the Real Capital Level of \$60.6m and above the Upper Investment Reserve Level of \$75.8m.

AGMARDT Real Capital Level and Trust Funds

(June 1990 to June 2015)



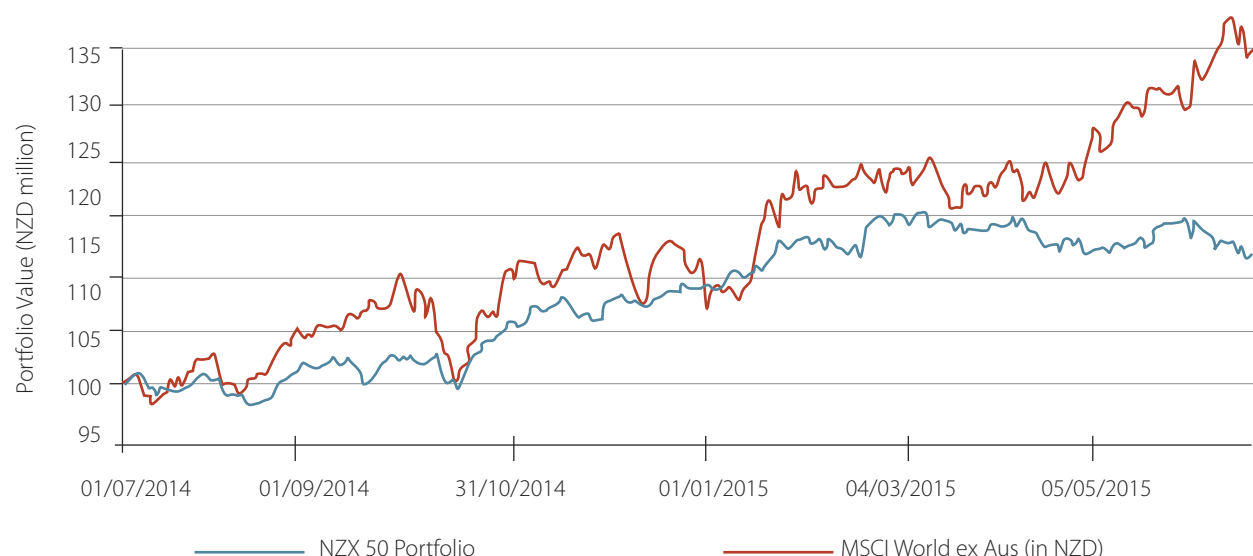
The New Zealand economy enjoyed a strong period of growth and peaked in March 2015. This was driven by strong growth in consumer and business confidence over the period and annual migration reaching an all-time high in early 2015. However, the strength of the economy was offset by weakening commodity prices (most notably the plummeting dairy prices) and a high NZD. The equity losses in the final quarter of the financial year were in spite of the Reserve Bank of New Zealand (RBNZ) cutting the Official Cash Rate by 0.25% to 3.25% in June 2015.

Investment Strategy

During the financial year, the JANA Advisers closed the Triplepoint Fund and transitioned the funds into the JANA Low Correlation Strategy Trust. Investments into Hastings UTA Infrastructure Fund was also added to the portfolio mix to diversify the AGMARDT investment portfolio. Trustees have also terminated Milford Asset Management in favour of ANZ Australasian Equities Fund

The resultant portfolio is more defensive when compared with the longer term Strategic Asset Allocation (SAA), which was agreed to in 2012, to be invested in 60% growth assets and 40% defensive assets. Trustees consider that the asset allocation of 50% Growth Assets and 50% Defensive assets is prudent for the medium term.

NZX 50 vs. MSCI World ex Australia (in NZD)



	Long Term Asset Allocation % (LTAA)	Strategic Asset Allocation (%) (SAA)	SAA Ranges*
New Zealand Equities	10	8	0 – 16
Global Equities (Partially Hedged)	30	28	18 – 38
Property	10	8	0 – 16
Growth Alternatives	10	6	0 – 12
Total Growth Assets	60	50	35 – 65
Defensive Alternatives	5	8	0 – 18
Global Fixed Interest	25	30	20 – 40
New Zealand Fixed Interest	10	12	0 – 24
Total Defensive Assets	40	50	35 – 65

AGMARDT's investment managers at the end of the year were JANA Investment Advisers, ANZ, Bentham Asset Management and Hastings Fund Management.

FUNDING ALLOCATION

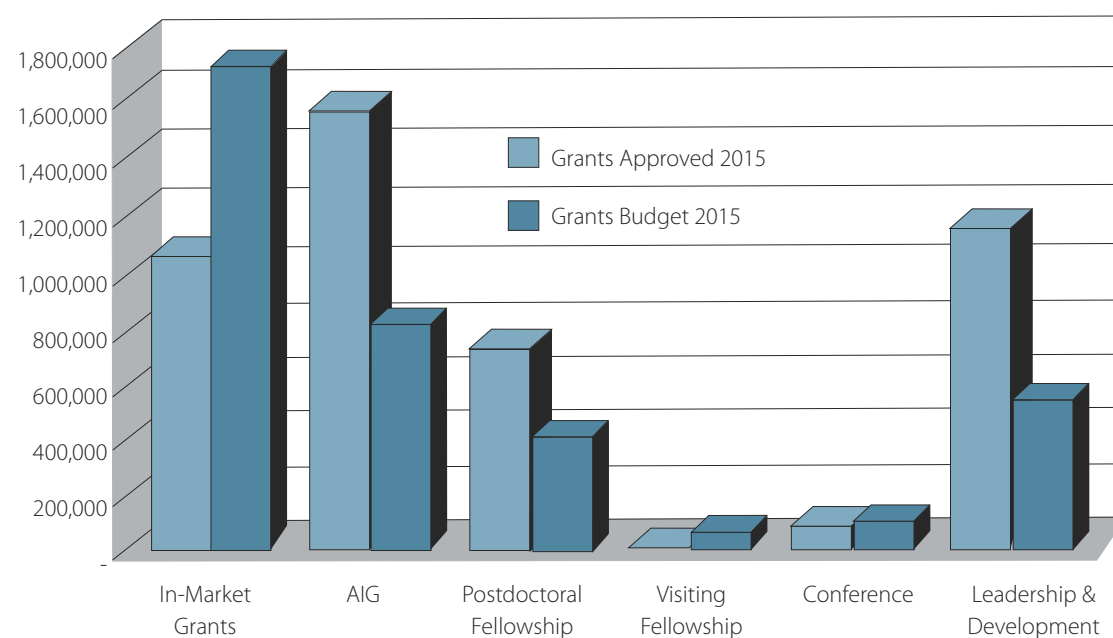


2015 Grants at a glance

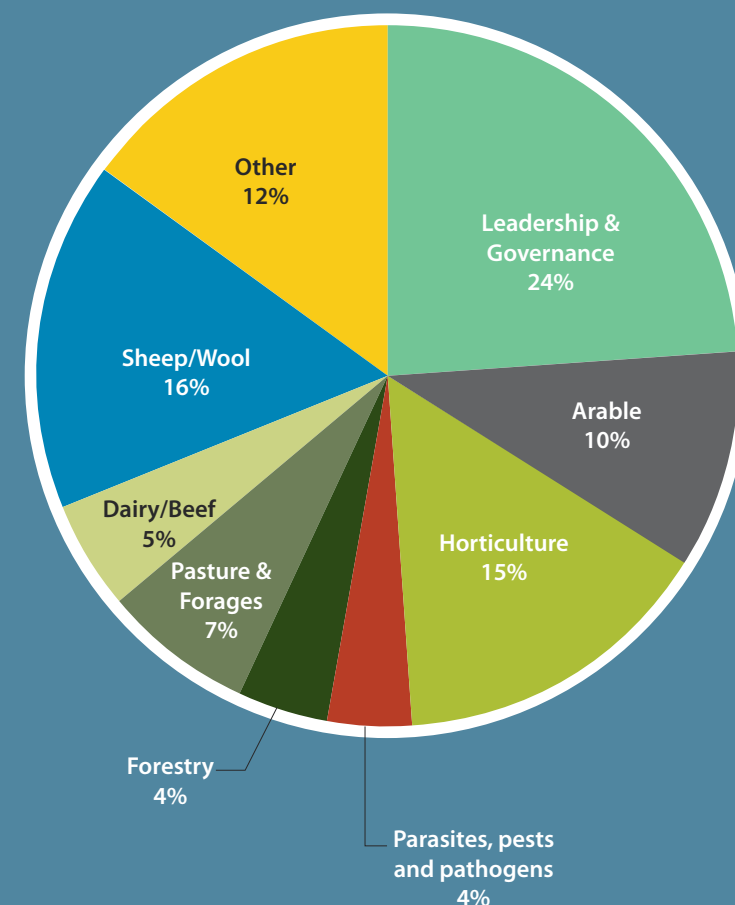
	2015	2014	2013
In-Market Grants	\$1,080,430	\$928,555	\$795,152
Agribusiness Innovation Grants	\$1,613,814	\$1,016,078	\$635,836
Post Doctoral Scholarships Grants	\$760,000	\$665,000	\$475,000
Visiting Fellowships Grants	\$10,366	\$8,948	\$20,000
Conference Grants	\$80,493	\$89,855	\$85,700
Leadership & Governance Programme Grants	\$1,211,697	\$215,459	\$280,145
Total Grants Approved	\$4,756,800	\$2,923,895	\$2,291,833

The figures above include grants awarded. Any adjustments to the grants will not be reflected in the above table

Grants Approved



2015 AGMARDT Grants by sector



Grants Approved for the year ending June 2015

IN-MARKET GRANTS

Gallagher Group Limited: Philippines Market Survey

Grant M15001: \$9,000

New Zealand Functional Foods: Oat Milk Asia Market Assessment and Development

Grant M15002: \$47,847

Kiwigarden Limited: Kiwigarden entry into China and South East Asia

Grant M15003: \$49,000

New Zealand Light Leathers: Luxury New Zealand Leather - China

Grant M15004: \$31,500

Virtuo Design Limited: Wool Innovation Summit Programme

Grant M15005: \$49,175

Marlborough Research Centre of Excellence Trust: High Value Marlborough Food and Beverage Tailored to East Asian Preferences

Grant M15006: \$93,348

The Merino Company Ltd: Super White Super Bright Spectra Wool Market Development

Grant M15007: \$169,914

Vegetables NZ Incorporated: RMA Waste Water Discharge Parameter Template for Glasshouse Operations

Grant M15008: \$40,000

Spring Sheep Dairy NZ LP: Sheep Milk Market Research

Grant M15009: \$211,000

The Fresh Fruit Company of New Zealand Limited: Developing Asian Markets for New Varieties of New Zealand Apples and Squash

Grant M15010: \$250,000

The New Zealand Merino Company Limited: NZM Acceleration in Strong Wool Markets

Grant M15011: \$100,000

New Zealand Buttercup Squash Council Inc: Market Research Delegation Hong Kong & China

Grant M15012: \$24,646

AGRIBUSINESS INNOVATION GRANTS

Kākā: Hyperspectral Sensing of Pastures and Forages using Unmanned Aerial Vehicles

A15001: \$90,000

Lincoln University & Pure Oil NZ Ltd: Optimising By-Pass Protein from Rape Oil Press

A15002: \$16,500

Canterbury University School of Forestry: Matching Elite High Value Eucalypts to Productive Drylands

A15003: \$112,700

Dr F Scrimgeour: Sustainable Food Production Book

A15004: \$47,000

Agrilink Contracting: One Pass Machine for Row Crops

A15005: \$40,000

Otago University DRL: High Throughput Diagnostic Testing for Johnes Disease

A15006: \$79,350

Susan Wheeler: Hop Revolution - Small Scale Hop Growing in Non Traditional Hop Growing Regions of NZ

A15007: \$20,000

The NZ Institute for Plant and Food Research Ltd: Biological Control For TPP, Whitefly and Thrips in Covered Crops

A15008: \$77,165

Hivemind Ltd with Lincoln University: Field Trial For Remote Monitoring System for Beekeepers

A15009: \$15,000

COKA: Achieving Market Access for Organic Gold3 Kiwifruit

A15010: \$139,825

Massey University: Chemical Resistance in the Honeybee Mite Varroa - Celia Maria van Velsen

A15011: \$30,000

Radford Holmes Ltd: Fence Fast, Innovative Wire Tensioning System

A15012: \$30,000

K9 Natural Food Ltd: Developing an Instinctive Diet for a Dog

A15013: \$57,960

Massey University & Hemp Tech Ltd: Industrial Hemp: Cash Cropping for a Better Environment

A15014: \$20,000

Lincoln Agritech Ltd: Kale Yield Scanner

A15015: \$20,000

AERU, Lincoln University: AERU "The Land And The Brand" Project

A15016: \$20,000

Proliant and AgResearch Ltd: Bovine Immunoglobulin Isolate for Improved Intestinal Health

A15017: \$20,000

Ibala Trustee Ltd & The NZ Institute for Plant and Food Research Ltd: Extension and Transfer of U.S. Process Raspberry Production Technology and Practices to NZ

A15018: \$10,000

Farmer Leptospirosis Action Group (FLAG): Protecting Dairy Farmers and their Stock against Leptospirosis

A15019: \$80,000

The NZ Institute for Plant and Food Research Ltd: Developing Kamokamo as a NZ Export Opportunity

A15020: \$10,000

Naturesclip: Transformational New Uses for NZ Wool in 3D Products

A15021: \$25,000

Southern Paprika Export Peppers: Next Generation Supply Chain Systems to Overcome Perishability Impediments for Capsicum Exports

A15022: \$57,500

Organic Food Authentication Research Group: Markers for Organic Authentication and Verification

A15023: \$15,000

Kiwiberry Postharvest Research to Extend Storage and Expand Exports: Kiwiberry, Can Store, Will Travel!

A15024: \$23,000

Farmshed Labs: Winter/Spring 2015 R&D for Low Cost Disposable Electronic Reproduction Management Tool for The NZ Dairy Industry

A15025: \$57,500

ENZA FRUIT NZ International Ltd (ENZA): Storage Protocols for Managing Disorder Risk In 'Scilate' (Envy Brand) Apples

A15026: \$46,000

NZ Tamarillo Growers Association: Investigating Silicon Mediated Insect Resistance in Tamarillos

A15027: \$20,000

COKA Trichoderma: Established Endophytic Trichoderma Isolates for PSA V Control

A15028: \$19,100

AgResearch Ltd: Improving Feed Digestion using Rumen Microbe-derived Anzymes

A15029: \$40,000

Telegraph Hill Olives: Industrial Olive Usage in NZ

A15030: \$2,013

Chemipreneur Ltd: Induction of Immune Cell Transformation by Manuka Molecules

A15031: \$20,000

Chemipreneur Ltd: Efficacy of Trans-calamenene on Cytokine Chemokine Release from Epithelial Cells

A15032: \$15,216

Scion Research: Forestry Export Supply Chain Integrity

A15033: \$80,500

Canterbury Precision Forage: Foragescan: Increasing Forage Grazing Profitability from Sky

A15034: \$30,000

Soil Nutrient Management Group: Soil Nutrient Management In Dairy Farming Systems 2014

A15035: \$75,000

University of Otago: Developing Novel uses for Wool Derived Proteins (WDP)

A15036: \$23,000

Stock X Ltd: Online Livestock Trading: Understanding our Farmers

A15037: \$80,000

Dynaflow Process Services Ltd: Dairy Elastomer Safety & Lifecycle Management

A15038: \$49,485



LEADERSHIP & GOVERNANCE PROGRAMMES

Agri-Women Development Trust: Strategic Partnership

L14003: \$34,500

Abacus Bio Ltd: The Queenstown Agribusiness Symposium

L15001: \$57,500

NZX Agri: Young Country Apprentice

L15002: \$7,000

Rhys Millar: UK Forestry Trip

L15003: \$3,750

NZ Trade & Enterprise: NZ Bootcamp 2014

L15004: \$138,000

The NZ Institute of Agricultural & Horticultural Science Incorporated: Technology Transfer Award

L15005: \$1,150

Young Farmer Contest: 3 year Sponsorship

L15006: \$300,000

AGMARDT Associate Trustee 2015: Pattie Boyle

L15007: \$27,900

Nuffield & Kellogg Joint Venture: 3 year Sponsorship

L15008: \$345,000

St Paul's Collegiate School: 3 year Sponsorship

L15009: \$115,000

Cameron Massie: Intensive Semester of Chinese Study

L15010: \$4,920

AGMARDT Awards: Coordinated through the New Zealand Guild of Agricultural Journalists and Communicators

L15011: \$1,575

RNZIH Education Trust: Young Horticulturist of the Year 2015

L15012: \$33,062

The NZ Institute of Agricultural & Horticultural Science Incorporated: AGMARDT Technology Transfer Award 2015

L15013: \$1,150

Massey University: IFAMA Student Case Study Competition in USA for 5 students

L15014: \$23,235

Pipfruit NZ: INSEAD Asian International Executive Programme, Singapore

L15015: \$7,500

Bootcamp - AGMARDT & Te Hono Partnership: Sponsorship

L15016: \$50,000

Texus Fibre: Leaders attending Strategies for Market Shaping for Primary Industries

L15017: \$20,000

Young Farmer National Committee: Sponsorship

L15018: \$32,775

Kellogg's Rural Leadership Programme: Clint Gulliver

L15019: \$1,000

Kellogg's Rural Leadership Programme: Chelsea Millar

L15020: \$1,680

Agcarm - Resistance Management: Sponsorship

L15021: \$5,000

POSTDOCTORAL FELLOWSHIPS

AgResearch: Prabhu Balan

P1260: \$95,000

3rd Year Extension

NZ Plant & Food Research Ltd: Jovyn Kye Tyng Ng

P1261: \$95,000

3rd Year Extension

Lincoln University: Dr Hossein Alizadeh

P1360: \$95,000

3rd Year Extension

NZ Plant & Food Research Ltd: Dr Nicholas Tabi Amponsah

P1361: \$95,000

3rd Year Extension

AgResearch: Frederico Tomassetto

P15001: \$190,000

AgResearch: Sandeep Kumar Gupta

P15002: \$190,000

VISITING FELLOWSHIPS

Dr Bruce Marcot

V15001: \$10,366

CONFERENCE SUPPORT

NZ Grasslands Association Incorporated: Conference Sponsorship

C15001: \$4,025

Olives NZ Incorporated: Olives NZ Extra Virgin Olive Oil Awards

Speaker: Franca Camurati

C15002: \$3,000

Lincoln Agritech: 5th Australian and NZ Spatially Enabled Livestock Management Symposium

Speaker: Jeffrey Bewely

C15003: \$5,000

Australian Agricultural and Resource Economics Society: AARES 59th Annual Conference

Speaker: Professor Thomas Hertel

C15004: \$4,500

Massey University NZ Ewe Milk Products and Sheep Dairy Conference

Speaker: John Ryrie

C15005: \$4,751

Massey University: Moving Farm Systems to Improved Nutrient Attenuation Conference

Speaker: Jim Wilson

C15006: \$3,450

Olives NZ Incorporated: Olives NZ 2015 Conference

Speaker: Rafael Muela

C15007: \$3,000

Waikato Branch of the National Beekeepers Association of NZ: NZ Apiculture Conference

Speaker: Dr Ben Oldroyd, Dr Fanny Mondet, Madeleine Beekman and Maryann Frazier

C15008: \$8,500

Innovatek Ltd: MobileTECH 2015: UAVs - Robotics - Automation

C15009: \$2,300

The NZ Institute for Plant and Food Research Ltd: Sterile Insect Technique for Codling Moth

Speaker: Dr Jim Carpenter

C15010: \$5,432

Better Border Biosecurity (B3): Science Partnership Forum

Speakers: Professor Anthony Clarke and Dr Dean Paini

C15011: \$4,500

Potatoes NZ Incorporated: Annual Conference 2015

Speaker: Professor Gary Secor

C15012: \$9,500

LANDWISE Incorporated: The Farm of 2030

Speakers: Robert Fitch, Tristan Perez & Cheryl MacCarthy

C15013: \$6,000

The NZ Institute for Plant and Food Research Ltd: Science and Practice Workshop on Grapevine Powdery Mildew

Speaker: Barbara Hall

C15014: \$2,200

Foundation for Arable Research: Future visions for the Arable Industry

Speaker: Dr Carver

C15015: \$7,000

Summerfruit NZ: Summerfruit NZ Conference 2015

Speaker: Allan Ryan

C15016: \$1,600

NZ Institute of Primary Industry Management (NZIPIM): National Conference

Speaker: Assoc. Prof. Bill Malcolm

C15017: \$1,710

NZ Grasslands Association Incorporated: 77th NZGA Conference

Sponsorship

C15018: \$4,025





SUMMARY FINANCIAL STATEMENTS

Prepared by

Deloitte
Wellington NZ

CONTENTS

Agricultural and Marketing Research and Development Trust For the year ended 30 June 2015

Statement of Responsibility	31
Audit Report	32
Summary Statement of Financial Performance	33
Summary Statement of Changes in Equity	34
Summary Statement of Financial Position	35
Summary Statement of Cash Flows	36
Summary of Accounting Policies	37



STATEMENT OF RESPONSIBILITY

Agricultural and Marketing Research and Development Trust

For the year ended 30 June 2015

The Board of the Agricultural and Marketing Research and Development Trust (the Trust) accepts responsibility for the preparation of the Summary Financial Statements and the judgments made in them.

The Board of the Trust has the responsibility for establishing, and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

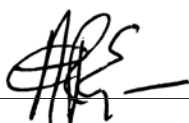
In the Board's opinion, these Summary Financial Statements fairly reflect the financial position and operations of the Trust for the year ended 30 June 2015.

For and on behalf of the Board



B Brook
Chairman

Date: 13 October 2015



A R Egan
Trustee

Date: 13 October 2015



Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of
Agricultural and Marketing Research and Development Trust's
summary annual report
for the year ended 30 June 2015**

The summary annual report was derived from the annual report of the Agricultural and Marketing Research and Development Trust (the Trust) for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 33 to 37:

- ☐ the summary statement of financial position as at 30 June 2015;
- ☐ the summaries of the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 30 June 2015; and
- ☐ the notes to the summary financial statements that include accounting policies and other explanatory information.

We expressed an unmodified audit opinion on the Trust's full audited statements in our report dated 13 October 2015.

Opinion

In our opinion:

- ☐ the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- ☐ the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the Trust.

Responsibilities of the Board of Trustees and the Auditor

The Board of Trustees is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*. The Board of Trustees is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the Trust.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

Agricultural and Marketing Research and Development Trust
For the year ended 30 June 2015

	2015 \$	2014 \$
Revenue		
Interest Income	27,154	44,101
Investment Portfolio Income	10,452,418	9,590,074
Investment Fee Rebates	48,779	35,113
Foreign Currency Gains (Loss)	2,197,150	(384,826)
Total Income	12,725,501	9,284,462
Expenses		
Other Expenses	212,061	181,289
Personnel Costs	227,628	187,400
Trustees' Remuneration	65,760	74,760
Auditors Remuneration	21,428	21,528
Depreciation	1,735	4,789
Electricity Charges	0	535
Investment Advice and Management	152,679	162,023
Professional Fees	13,446	1,322
Rent & Accommodation	10,410	26,352
Total Expenses	705,147	659,999
Surplus (Deficit) of Income over Expenditure before Allocation of Grants	12,020,354	8,624,463
Net grants allocated this year		
Grants Made This Year	4,756,800	2,923,896
Grants Relinquished	(70,456)	(205,749)
Total Net grants allocated this year	4,686,344	2,718,147
Net Surplus (Deficit) for the year	7,334,010	5,906,316

SUMMARY STATEMENT OF CHANGES IN EQUITY

Agricultural and Marketing Research and Development Trust
For the year ended 30 June 2015

	2015 \$	2014 \$
Opening Equity		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	28,473,572	27,521,232
Accumulated Income/(Deficit)	21,069,886	16,115,910
Total Opening Equity	81,543,458	75,637,142
Surplus/(Deficit) for the year		
Capital Maintenance Fund	241,894	952,340
Accumulated Surplus/(Deficit)	7,092,116	4,953,976
Net Surplus/(Deficit)	7,334,010	5,906,316
Closing Equity		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	28,715,466	28,473,572
Accumulated Income/(Deficit)	28,162,003	21,069,886
Total Closing Equity	88,877,469	81,543,458



SUMMARY STATEMENT OF FINANCIAL POSITION

Agricultural and Marketing Research and Development Trust

As at 30 June 2015

	2015 \$	2014 \$
Trust Funds		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	28,715,466	28,473,572
Total Capital	60,715,466	60,473,572
Revenue Reserves		
Accumulated Income (Deficit)	28,162,003	21,069,886
Total Revenue Reserves	28,162,003	21,069,886
Total Trust Funds	88,877,469	81,543,458
Assets		
Current Assets		
Cash and Bank	850,853	2,472,778
Trade and Other Receivables	106,932	10,500
Investments	1,262,658	527,725
Total Current Assets	2,220,443	3,011,003
Non Current Assets		
Trade and Other Receivables	344,443	0
Investments	91,241,592	81,726,374
Property, Plant and Equipment	1,114	2,850
Total Non-Current Assets	91,587,149	81,729,224
Total Assets	93,807,592	84,740,227

	2015 \$	2014 \$
Liabilities		
Current Liabilities		
Trade and Other Payables	348,887	380,459
Employee Entitlements	39,209	30,436
Provision for Grants	3,790,812	2,206,529
Total Current Liabilities	4,178,908	2,617,424
Non Current Liabilities		
Provision for Grants	751,215	579,345
Total Non Current Liabilities	751,215	579,345
Total Liabilities	4,930,123	3,196,769
Net Assets	88,877,469	81,543,458

SUMMARY STATEMENT OF CASH FLOWS

Agricultural and Marketing Research and Development Trust
For the year ended 30 June 2015

	2015 \$	2014 \$
Statement of Cash Flows		
Cash Flows from Operating Activities		
Cash was provided from:		
Interest Income	27,155	44,101
Realised Gain on Investment	246,868	925,378
Foreign Exchange Gain	0	4,239,851
Investment Rebate	48,779	35,113
Total Cash provided:	322,802	5,244,443
Cash was applied to:		
Payments to Suppliers and Employees	717,084	692,036
Payments for Grants	2,930,189	2,292,602
Foreign Exchange Loss	1,209,531	0
Total Cash applied:	4,856,804	2,984,638
Total Cash Flows from Operating Activities	(4,534,002)	2,259,805
Cash Flows from Investing Activities		
Cash was provided from:		
Maturity and Sale of Investments	5,646,000	13,915,256
Loans Repaid	0	0
Total Cash provided:	5,646,000	13,915,256
Cash was applied to:		
Purchase of Investments	2,283,923	14,598,452
Loans	450,000	
Purchase of Fixed Assets	0	2,237
Total Cash applied:	2,733,923	14,600,689

	2015 \$	2014 \$
Total Cash Flows from Investing Activities	2,912,077	(685,433)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,621,925)	1,574,372
Cash and cash equivalents at beginning of year		
Cash at bank	2,472,778	898,406
Total Cash and cash equivalents at beginning of year	2,472,778	898,406
Closing Cash Balance	850,853	2,472,778

SUMMARY OF ACCOUNTING POLICIES

Agricultural and Marketing Research and Development Trust For the year ended 30 June 2015

The Agricultural and Marketing Research and Development Trust was established by a Deed of Trust dated 20 October 1987 and the financial statement have been prepared pursuant to Clause 17 of the said Deed and the Public Finance Act 1989.

1. Statement of Accounting Policies

Reporting Entity

The Trust has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Trust are for the year ended 30 June 2015, and were approved by the Board on 13 October 2015.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement base

The financial statements of the Trust have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Expenses do not exceed \$30 million and the entity is not publicly accountable.

These financial statements comply with PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for the measurement of equity investments and derivative financial instruments at fair value.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, to the nearest dollar.

Full Financial Statements

This summary has been extracted from the full financial statements that received an unqualified audit opinion.

This summary cannot be expected to provide a complete understanding of the Trust's financial performance.

A copy of the full audited financial statements for Trust are available from the Trust's Wellington Office - see directory on page 38 or **visit www.agmardt.org.nz**

AGMARDT Trust directory

BOARD OF TRUSTEES

Mr Barry Brook (Chairman, from 26/8/14)

Mr Tony Egan

Ms Sarah von Dadelszen

Mr Richard Green

Mr Dean Nikora (Chairman, to 26/8/14)

MANAGEMENT

Malcolm Nitschke

General Manager

TRUST OFFICE

Level 1, 8 Weld Street, Feilding

PO Box 472, Feilding, 4740

(06) 323 8766

(06) 323 8767

INVESTMENT ADVISER

JANA Investment Advisers Pty Limited

AUDITOR

Audit New Zealand

on behalf of the Auditor-General

ACCOUNTANT

Deloitte

BANKERS

ASB Bank limited

Bank of New Zealand limited

SOLICITORS

Minter Ellison Rudd Watts

CHARITABLE NUMBER

CC20167

AGMARDT

THE AGRICULTURAL AND MARKETING
RESEARCH AND DEVELOPMENT TRUST



IN-MARKET

Philippines Market Survey

New Zealand Functional Foods: Dat
Milk Asia Market Assessment and
Development

Kiwigarden entry into China and
South East Asia

Luxury New Zealand Leather - China

Wool Innovation Summit Programme

High Value Marlborough Food and Beverage
Tailored to East Asian Preferences

Super White Super Bright Spectra Wool
Market Development

RMA Waste Water Discharge
parameter template for Glasshouse
Operations

Sheep Milk Market Research

Developing Asian Markets for New
Varieties of New Zealand Apples and
Squas

LEADERSHIP

Strategic Partnership

Associate Trustee - Pattie Boyle

The Queenstown Agribusiness
Symposium

Young Country Apprentice

UK Forestry Trip

NZ Bootcamp 2014

Technology Transfer Award

Intensive Semester of Chinese Study

Young Horticulturist of the Year 2015

AGMARDT Technology Transfer Award
2015

CONFERENCE

Conference Sponsorship

Olives NZ Extra Virgin Olive Oil Awards
Speaker: Franca Camurati

5th Australian and NZ Spatially Enabled
Livestock Management Symposium
Speaker: Jeffrey Bewely

AARES 54th Annual Conference
Speaker: Professor Thomas Hertel

NZ Ewe Milk Products and Sheep Dairy
Conference
Speaker: John Ryrle

Moving Farm Systems to Improved
Nutrient Attenuation Conference
Speaker: Jim Wilson

AGMARDT

THE AGRICULTURAL AND MARKETING
RESEARCH AND DEVELOPMENT TRUST

One Pass Machine for Row Crops

High Throughput Diagnostic Testing for
John's Disease

Hop Revolution - Small Scale Hop
Growing in Non Traditional Hop Growing
Regions of NZ

Biological Control For TPP, Whitefly and
Thrips in Covered Crops

Field Trial For Remote Monitoring

System for Beekeepers

Achieving Market Access for Organic
Gold3 Kiwifruit

Chemical Resistance in the Honeybee
Mite Varroa - Celia Maria van Velsen

Fence Fast, Innovative Wire
Tensioning System

Olives NZ 2015 Conference
Speaker: Rafael Muela

NZ Apiculture Conference
Speaker: Dr Ben Oldroyd, Dr Fanny
Mondet, Madeleine Beekman and
Maryann Frazier

MobileTECH 2015: UAVs - Robotics -
Automation

Sterile Insect Technique for Codling Moth
Speaker: Dr Jim Carpenter

Science Partnership Forum
Speakers: Professor Anthony Clarke and
Dr Dean Paini

ATGs

Hyperspectral Sensing of Pastures and
Forages using Unmanned Aerial Vehicles

Optimising By-Pass Protein from Rape
Oil Press

Matching Elite High Value Eucalypts to
Productive Drylands

Sustainable Food Production Book

Developing an Instinctive Diet for a Dog
Extension and Transfer of U.S. Process
Raspberry Production Technology and
Practices to NZ

Protecting Dairy Farmers and their
Stock against Leptospirosis

Developing Kamokamo as a NZ Export
Opportunity