

An aerial photograph of a drone flying over a vast green agricultural landscape. The drone is positioned on the left side of the frame, flying towards the right. Below the drone, a large, semi-transparent heatmap is overlaid on the field, showing various shades of green, yellow, and orange, indicating different levels of vegetation health or crop maturity. The background shows rolling green hills and a clear sky.

AGMARDT

ENABLING TRANSFORMATIONAL
INNOVATION

**ANNUAL
REPORT**
2016/17

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ABOUT AGMARDT

VISION

Enabling Transformational
Innovation

VALUES

Respected, independent,
responsive, connected,
proactive partner

MISSION

To foster the development of
innovation and capability with
New Zealand's Agribusiness
sectors to meet the
opportunities of tomorrow's
markets

The Agricultural and Marketing Research and Development Trust, better known as AGMARDT, strategically invests in programmes that enable integration with customers in the global marketplace, encourage innovative ideas, promote and build research capabilities and support future leaders within the agribusiness sectors.

AGMARDT is an independent, not-for-profit Trust that was established by the Government in 1987 with funds of \$32 million, which came 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 future of the agricultural, horticultural and forestry sectors by:

- 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.
- Enabling New Zealand Agribusinesses to integrate with customers in the global marketplace to:
 - Gain consumer insight and understanding of a specific international marketplace;
 - Foster deeper relationships with their customers;
 - Target potential collaborative partners and alliances in key markets; and
 - Develop capability and understanding of the global market place and global trends
- Supporting future leaders and capability programmes for individuals and groups to grow their potential through domestic and international management and leadership training opportunities including experience and exposure to global markets.
- 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.

Our Trustees



Tony Egan
Chairman

"This year AGMARDT pushed the boundaries of innovation and leadership approving over 100 grants to make a difference for New Zealand. In a world full of challenges, we responded to make things happen. Our grants helped nurture and create the future potential of our Primary Industries by backing those prepared to have a go. We are open for business, ready to do our part in shaping the future... So are you that next disruptive person prepared to challenge our thinking?"



Barry Brook
Trustee

"Agriculture and forestry need a continuous supply of new leaders. Current leaders also need training and development to keep abreast of emerging trends and new technology. At AGMARDT we pride ourselves in participating in this space with support for the Nuffield and Kellogg programmes, Young Farmers and Young Horticulturalists, the Te Hono movement and the Agricultural Womens Development Trust."



Sarah von Dadelszen
Trustee

"It has been rewarding seeing the innovative ideas that our applicants have. And being able to advance them the necessary funds to enable those ideas to come to life in the commercial world."



Richard Green
Trustee

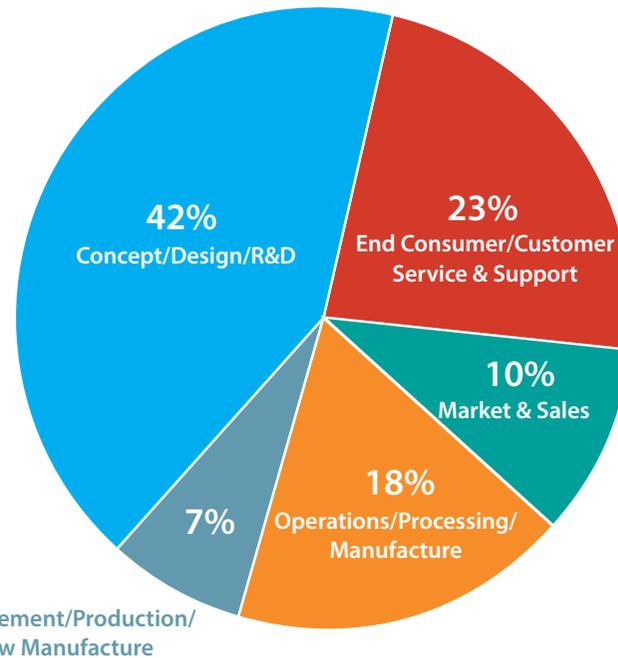
"My sense over the past year is that the applications we are starting to see coming into AGMARDT are becoming more "transformational" in nature. The NZ agri-sector is quickly realizing we need to move from a selling product volume to marketing value. This will take new business models and different skill sets to capture more profit for NZ farmers. AGMARDT has a critical role in supporting and accelerating these initiatives"

Grants Approved

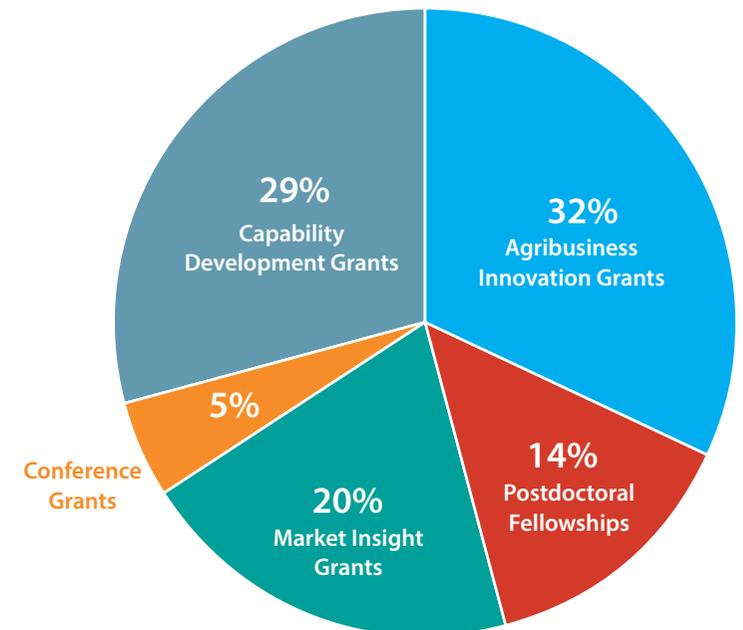
	2017	2016	2015	2014	2013
Agribusiness Innovation Grants	\$1,251,127	\$2,218,447	\$1,613,814	\$1,016,078	\$635,836
Postdoctoral Fellowships	\$570,000	\$665,000	\$760,000	\$665,000	\$475,000
Visiting Fellowships Grants	\$0	\$0	\$10,366	\$8,948	\$20,000
Market Insight Grants	\$800,176	\$666,227	\$1,080,430	\$928,555	\$795,152
Conference Grants	\$193,786	\$163,090	\$80,493	\$89,855	\$85,700
Capability Development Grants	\$1,160,386	\$281,152	\$1,211,697	\$215,459	\$280,145
Total Grants Approved	\$3,975,475	\$3,993,916	\$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 segmented by impact on the Agribusiness Value Chain



Grants Approved 2017



Procurement/Production/
Raw Manufacture

GRANTS AT
A GLANCE



HIGHLIGHTS AT A GLANCE

**\$88.5
million**

The value of the AGMARDT Trust funds was \$88.5 million at 30 June 2017

8.2%

The fund returned 8.2% for the year against a benchmark performance of 6.5%

41%

The value of funding given for Capability Development Grants has increased by 41% since 2012

**\$3.9
million**

The Trust approved \$3.9 million new grants during 2017

**\$1.2
million**

The trust granted \$1.2 million of Agribusiness Innovation grants during 2017

**\$2.4
million**

AGMARDT has approved \$2.4 million more grants in 2017 than in 2012

29%

29% of the total grants approved in 2017 were Capability Development Grants (previously Leadership & Governance Grants)

32%

32% of the total grants approved in 2017 were Agribusiness Innovation Grants

20%

The number of Market Insight Grants (previously In-Market Grants) increased by 20% from 2016

The Chairman and General Manager's Report 2017

It is with pleasure that we report on a successful year to June 2017 with an improved financial performance, a significant contribution to the development of innovation and capability within the New Zealand Agribusiness sector and rejuvenated growth of the investment fund as we weathered the challenges of a volatile investment market.

Financial Performance

The well-diversified and conservative investment position adopted by the Trustees, has served AGMARDT well and it is pleasing to report a solid improvement in investment performance this year, returning 8.2% for the year ended 30 June 2017, significantly outperforming the benchmark returns of 6.5% over the same period. Longer term investment returns have also exceeded benchmark performance, with 5 year average returns achieving 9.7%pa compared to benchmark returns of 9.3%.

At 30 June 2017, the Trust Fund stood at \$88.5 million, up from \$86.04 million at the start of the year and remains well ahead of the real capital level of \$61.9 million and above the upper Investment Reserve level of \$77.4 million.

This investment buffer, above real capital levels, has provided Trustees with the confidence and commitment to consistently maintain a high level of funding of quality applications that help shape the future of the primary sector.

It is also pleasing to report that, given the balance of investment funds continue to track above the Investment Reserve level, Trustees have committed to raising the level of grant investments, budgeting an increased funding level of \$5 million for the year ending June 2018.

Operations

With a focus on preserving the value of the investment portfolio, the Trustees continued to maintain a well-diversified but conservative investment bias for the medium term. Investment returns remain challenging in the short to medium term and the Board will continue to review the strategic asset allocation regularly to manage and optimise investment returns.

Grant funding highlights from 2017 include a considerable lift in funding for capability and leadership development which represented 29% of the total grants allocated. This is a result of longer term commitments to the Rural Leadership Consortium for their Nuffield and Kellogg programmes, the Agri-Women's Development Trust and the Royal NZ Institute of Horticulture Education Trust as well as a significant increase in support for the 2017 Te Hono Stanford Boot Camp.

Market Insight Grants:

During the year, Trustees undertook a strategic review of the effectiveness of In-Market Grants and the In-Market Immersion programme. As a result, the Trustees moved their strategic focus to understanding consumers and integrating with customers in the market place. In-Market Grants were replaced with Market Insight Grants and due to a disappointing lack of uptake, the In-Market Immersion Programme was discontinued.

Understanding the consumer and producing what the customer wants is considered pivotal in being successful in our export markets. Customer insight programmes therefore received and will continue to receive priority consideration by the Trustees.

Highlights for 2017 included the NZ Sock Co Ltd, a purpose led, innovative design and manufacturing business, to enable promotion of their new compression and high tech merino sock products to global customers; The Primary Collaboration New Zealand Ltd for a second executive immersion programme to gain further insights into the Chinese consumer; Animal Health Direct Ltd, to understand the potential for animal bedding in North Asia; Landcorp Farming, to identify opportunities with Deer Milk; LANACO Ltd, Nth East Asian in market collaboration for woollen face masks/air filters; Biophive Ltd, developing NZ meat based dog food for Asia and Beef & Lamb NZ, understanding the consumers of red meat.

Agribusiness Innovation Grants:

Encouraging and supporting innovative and transformational solutions in agribusiness value chains, is fundamental to AGMARDT's mission. Agribusiness Innovation Grants accounted for 32% of total grant allocations for 2017.

Highlights included MyApiary Ltd who has harnessed the power of technology by developing HiveMonitor™ which monitors and collects remote data from beehives to enable better management and decision making; STIMBR who completed a feasibility study and developed an exciting alternative for Methyl Bromide as a phytosanitary treatment for timber and Pastoral Robotics Ltd who has developed a technology (Spikey®) to address nitrate leaching through the detection and treatment of cow urine patches in the paddock.

Capability Development Grants:

Supporting the development of future leaders through providing capability programmes that improve management, leadership and governance skills in agribusiness, has been a priority, committing in excess of \$1.1million in funding for 2017.

One key strategic investment has been partnering with the Te Hono Stanford Bootcamp movement. AGMARDT has been a principal sponsor from inception, and has seen the Te Hono movement gain a momentum of its own, bringing NZ primary sector leaders together in a forum to learn the process of and apply design thinking to their businesses, engage with others and seek collaborative opportunities.

The broad goal of Te Hono is to lead and encourage the diversification of the primary sector by developing companies who can add value to volume, as we transform from commodity price takers, to market shapers and create transformational change.

The theme for the 2017 Te Hono Stanford Bootcamp was "Creating a Vision for the Future" with a different format this year that focused on companies working on value creating / transformational and collaborative projects to accelerate New Zealand towards the goal of becoming the global exemplar, environmentally, economically and socially.

AGMARDT once again jointly funded the Primary Industries Emerging Leaders Scholarship, initiated by MPI. The scholars that attended the 2017 Bootcamp were Julia Jones and Jason

Te Brake. Both recipients gave testimony to the inspiration, motivation and trust that developed as a result of their week at Stanford.

Further leadership funding this year included continued support for the combined Nuffield and Kellogg Joint Venture; the Agri-Women's Development Trust; seven winners of AGMARDT Leadership Scholarships; the Careers Hub at Mystery Creek Fielddays 2017; the 2017 FMG Young Farmer of the Year contest including the very successful AGMARDT breakfast; Young Horticulturalist of the Year competition; and the Young Viticulturist of The Year Competition 2017.

The Future

Trustees have increased the expected level of investment in grants for the 2018 year to \$5 million. This is a reflection of the solid improvement in investments returns experienced through 2017 and the desire to make a substantive contribution to the development of transformational innovation and capability within the New Zealand and shape the future of the agribusiness sector.

Thought leadership is a strategic focus for the Trustees and will involve initiating and funding research and activities that highlight serious issues likely to impact the primary sector and which warrant wider public debate. Examples of such issues are the current urban / rural divide and genetic modification.

Governance

The AGMARDT Board comprises a group of dedicated Trustees that have exceptional and very diverse primary sector experience and broad range of governance skills, coupled with absolute commitment to the values and vision of AGMARDT. This has provided an invigorating learning platform for the current Associate Trustee, Dr Joanne Kerslake whose term finishes end of 2017.

During the year, Barry Brook completed six years of outstanding contribution to AGMARDT both as Trustee and latterly Chairperson from August 2014. Barry was re-appointed by Minister Guy for a further term and Tony Egan was duly elected to the Chair.

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



Tony Egan
 Chairman



Malcolm Nitschke
 General Manager

An aerial photograph of a large container ship's deck, viewed from a high angle. The deck is densely packed with colorful shipping containers in shades of red, blue, yellow, and orange. The ship's superstructure and various pieces of equipment are visible on the right side. In the upper left corner, there is a blue circular graphic with a white border containing the word "PROGRAMMES" in white, bold, uppercase letters.

PROGRAMMES

CAPABILITY DEVELOPMENT GRANTS

UNLOCK YOUR
POTENTIAL

Associate Trustee – Dr Joanne Kerlake

The Associate Trustee position was established to provide an emerging agribusiness leader with an opportunity to experience governance in action. Jo Kerlake was appointed in 2016 and is about to complete her term in December 2017.

“I have always wondered what goes on behind the closed doors of a board room, and if I had the opportunity, could I cut the mustard. Because I have always learnt best through observation, and then giving things a go, the Associate Trustee position has been an amazing opportunity for me. It has been an absolute privilege to be part of a professional board that governs to make a difference. I got to see first-hand the power of having a diverse team at the table and the effectiveness of open and candid discussion. Not only was I expected to contribute in strategy and decision-making sessions, I was also encouraged to extend networks in areas of interest, by attending AGMARDT supported events and via introductions to other experienced Directors. I was also fortunate enough to be supported to attend the Institute of Directors Governance programme.

The Associate Trustee experience has been an amazing first step into governance. It has broadened my understanding of how a professional and effective board works and has highlighted for me personally, potential strengths, and key things to work on, to effectively contribute at a governance level”.



Dr Jo Kerlake



Barry Brook, Nigel Woodhead, Malcolm Nitschke & Tony Egan

The 2017 ANZ Young Farmer Contest

The 2017 FMG Young Farmer Contest was a significant milestone for AGMARDT. The contest embodies the desire of Trustees to develop the capability of our future leaders and AGMARDT is proud to have been a strong supporter of the contest for 20 years.

The Trustees wish to congratulate Nigel Woodhead, the 2017 FMG Young Farmer Contest Champion.



The AGMARDT Agribusiness Challenge was won by Hamish Best who received a career development package worth \$15,000.

AGMARDT Agribusiness Breakfast

The 2017 AGMARDT Agri-Business Breakfast was another great success this year, it was a great opportunity to hear from successful business leaders as they shared their insights and perspectives on the theme for this year "Call to Action".

The panel speakers included Gabrielle Simpson, The New Zealand Sock Company, Nadine Porter, Nuffield NZ Scholar 2017 & Stu Bradbury, Sprout Business Strategy Adviser.

The event was well received as reflected by comments on the high calibre of speakers and timeliness of topic.



"The New Zealand Young Farmers Grand Final has become synonymous with the AGMARDT Breakfast, where thought provoking speakers strut their stuff in front of blurry eyed young farmers, politicians and those in need of some stimulation first thing in the morning... apart from coffee that is! It is not surprising that this has become a popular event in the annual calendar for young and old alike!"

Tony Egan, AGMARDT Chairman

New Zealand National Fieldays Society Inc. - Fieldays Careers & Education Hub

New Zealand National Fieldays Society Inc. (the Society) is a not-for-profit organisation formed in 1968 by a group of like-minded and passionate farmers. The Society's mission is to advance agriculture in New Zealand, primarily through their annual agricultural Fieldays event.

During Fieldays 2017 the Society showcased their Careers & Education Hub exhibitors through an e-learning app. This assisted pre-booked school groups and visitors moving through the hub connecting with each exhibitor, where they had the opportunity to ask questions gain knowledge, have fun and get excited about the possibility of a career in agriculture. Over four days 597 students (primarily year 12 and 13) participated in collaborative and interactive learning programmes.



“The AGMARDT leadership and governance programme grant supported us in turning up the focus on our pillar of education with the Careers and Education Hub at Fieldays”.

Peter Nation, CEO, New Zealand National Fieldays Society”



AGMARDT Leadership Scholarships



Mark Brotherston

Mark Brotherston works for The Tatua Co-Operative Dairy Company Ltd as the Business Manager - Foodservice. He was awarded a Leadership & Governance grant to attend the INSEAD - Asian International Executive Programme in 2013, he says that this programme covered areas which related directly to the requirements needed to manage a successful business unit. "Attending this course helped me to develop a wider appreciation of Asian centric business models and also methodologies for more practical and reasoned decision making." Mark was one of the 7 leadership scholarships awarded in 2017 to attend the INSEAD - Advanced Management Programme.

"I would like to sincerely thank AGMARDT, through the funding provided, for the opportunity to attend this type of international study programme".



Dale Cook

After completing the Kellogg Rural Leadership Programme in 2016, Dale applied for a leadership scholarship with AGMARDT to continue on his personal development journey and increase his knowledge and understanding of governance within the primary sector. Dale believes "it is important as farmers and shareholders to be involved in the decision making that affects our future". He has since completed training with the Institute of Directors and is currently in the Rabobank Executive Development Programme and the Fonterra Governance Development Programme. The training has given him a range of skills to apply to current leadership roles as Vice President of Taranaki Federated Farmers, Chair of the Taranaki Rural Business Network and to his farming business.

"The support from AGMARDT has given me the confidence to accept the challenge of leadership".



Sarah Tait

Sarah received support from AGMARDT to complete her studies towards a Master of Arts in Spanish and Latin American Studies. Sarah said, "I am a strong believer in language and cultural understanding forming the basis of trade relations and furthering these studies in the Latin American context, where many emerging markets await us".

These studies, along with her career in seed production agronomy with PGG Wrightson Seeds, will take her to the next level in understanding New Zealand's "brand" in Latin America.

"I am absolutely flattered that AGMARDT have chosen to back me. Thank you once again, and I look forward to proving its worth to New Zealand agriculture".



Caleb Dennis

Caleb was the 2015 winner of the NZ Young Viticulturalist and the Young Horticulturalist of the year. He is currently a Viticulturalist for LandbaseNZWine. In this role, he oversees the management and viticulture for 3 high end vineyards as well as the company growers and grape suppliers.

Caleb's beliefs align with AGMARDT objectives that the agricultural sector needs strong leaders to grow and develop the primary sector in the future.

"The scholarship was key to undertake such a well-respected leadership training experience such as the Kelloggs Rural Leadership Course".



Kristy McGregor

Kirsty is passionate about working with individuals and organisations to develop vibrant rural communities. Along with a group of local growers and producers, she recently founded the Horowhenua Taste Trail, amongst other projects.

Kristy is also studying for her Masters in AgriScience through Massey University, with her thesis looking at community engagement in the resource management policy development process.

Over the next two years she will be completing governance training with the Institute of Directors through the AGMARDT Scholarship.

"The AGMARDT Scholarship has provided me the opportunity to participate in the Making Good Decisions Course to become an accredited RMA Hearings Commissioner".



Megan Hands

Megan has a Bachelor of Environmental Management and Planning, Advanced Certificate of Nutrient Management and Certificate of Sustainable nutrient management. Megan was awarded a Leadership Scholarship to assist her in her professional development journey. She has completed the IOD Governance Development Programme, and is looking to take part in the Agri-Womens Development Trust Escalator Programme in 2018. Megan also aspires to attend the Harvard Agribusiness Seminar in the US in 2018/19.

"Winning this scholarship, will help me to attend leadership and governance training along with the excellent networking opportunities that receiving funding through AGMARDT provides".



Eva Harris

Eva Harris is the Environmental Manager for Irrigo Centre Limited, she supports Mid-Canterbury irrigation schemes and their shareholders with navigating this new world of nutrient management. Eva will complete the Kellogg Rural Leadership programme using the AGMARDT Leadership Scholarship. She says the scholarship has enabled her to improve her management skills and really delve into the science on how collectives can be optimised to support long-term, sustainable behaviour change.

"I plan to incorporate what I have learnt to improve our current programme to better support our shareholders through these changes".



Royal NZ Institute of Horticulture Education Trust – Young Horticulturist of the Year – AGMARDT Market Innovation Project

The Young Horticulturist of the year Competition has an important role in developing future young leaders across the spectrum of the horticultural sectors involved.

The 2017 Young Horticulturist of the year winner was Andrew Hutchinson

The AGMARDT Market Innovation Project requires the finalists to research and write a business and marketing plan for a new and innovative horticultural product or concept. The finalists complete the projects in their own time, over an eight-week period. They then present their project to a panel of judges during the competition grand final.

The AGMARDT Market Innovation Project Winner was Jeanette Barker from Auckland representing the Amenity Horticulture sector for her App that assists people with selecting the right plant for the right place.



AGMARDT has been an ongoing pillar of support for the Young Horticulturist of the year Competition. The AGMARDT Market Innovation Project challenges our finalists to think critically and innovatively and stretch their abilities. AGMARDT's three-year commitment to the competition in 2017 will strengthen the event and enable the RNZIH Education Trust to forward plan with more security. We are immensely grateful for AGMARDT's continued partnership.

Elle Anderson, Chairperson Royal NZ Institute of Horticulture Education Trust

Young Viticulturist of The Year - Young Viticulturist of The Year Competition 2017

The AGMARDT grant has enabled the competition to run the education days as well as offer a \$5,000 travel scholarship to the national winner to visit an international wine region of their choice. This is an amazing opportunity to learn about different practices and varieties which they can bring back to New Zealand to increase the quality and variety of our wines.

The contestants are stretched physically and mentally as they are tested on all aspects of running a vineyard, including how to identify and treat pests & diseases, soil nutrition, trellising, pruning, machinery maintenance, due diligence on land purchasing, budgeting and public speaking. 2017 held the largest national final to date with six contestants.



2016 Young Viticulturist of the Year, Cameron Price, used his grant to visit wine regions in France, Germany and Italy. "It was a fantastic experience to see first-hand how different regions operate."

"The AGMARDT \$5,000 travel scholarship is a fantastic experience for the winner and an additional incentive for the contestants to work even harder knowing they have the opportunity to win this amazing prize. All very positive for our future."

Nicky Grandorge, National Co-Ordinator, Young Viticulturist of the year



From left to right they are: Laurie Stradling, Tim Adams, Anthony Walsh, Ben Richards, Annabel Bulk, and Ben McNab Jones.



Tim Adams from Obsidian, Bayer Young Viticulturist of the Year 2017.



Julia Jones with Minister Upston at the bottom, and Jason Te Brake with Minister Guy (left) and Minister Smith (right).

Ministry for Primary Industries - Emerging Leaders Scholarship

The Primary Industries Emerging Leaders Scholarship is jointly sponsored by Ministry of Primary Industries and AGMARDT. The scholarship recognises the nominees that demonstrate significant potential to make a difference as a senior leader in the primary industries.

The scholarship winners are funded to attend the Te Hono Stanford Bootcamp, where they engage with current industry leaders and contribute to discussions about the future of the primary industries.

The 2017 winners were Julia Jones (KPMG) and Jason Te Brake (Miraka).



Jason Te Brake, Malcolm Nitschke, Julia Jones, Martyn Dunne and John Brakenridge.

Te Hono Partnership – Creating a Vision for the Future - Stanford Bootcamp 2017

AGMARDT has been a principal sponsor from inception, and has seen the Te Hono movement gain a momentum of its own, bringing NZ primary sector leaders together in a forum to learn the process of and apply design thinking to their businesses, engage with others and seek collaborative opportunities.

The broad goal of Te Hono is to lead and encourage the diversification of the primary sector by developing companies who can add value to volume, as we transform from commodity price takers, to market shapers and create transformational change.

The theme for the 2017 Te Hono Stanford Bootcamp was “Creating a Vision for the Future” with a different format this year that focused on companies working on value creating/transformational

and collaborative projects to accelerate New Zealand towards the goal of becoming the global exemplar, environmentally, economically and socially.

Increasing consumer expectations, an emphasis on sustainability, new technologies, and an increasingly complex global supply chain are just some of the elements that are redefining the requirements of the primary industries. To excel, the primary industries need strong and innovative leaders.

This year a group of over 50 New Zealand primary industry leaders, including Minister for Primary Industries Hon Nathan Guy, attended the Stanford Business School.



“The Hono Bootcamp at Stanford was the most exciting and inspiring week of my professional career, and I have been able to apply a number of learnings to our business, and to my own day-to-day thinking. Thank you AGMARDT for your support of this programme, and subsequently my career development to be an industry leader”.

Jason Te Brake



“Te hono empowered me with confidence and capability to inspire and enable the much needed change to create a more economic, environment and socially sustainable future for New Zealand’s Agri-Food industry.”

Julia Jones



MARKET INSIGHT GRANTS

Biophive - Branding and Packaging development for new full diet AAFCO approved NZ Meat based Dog Food

Biophive is contributing to the animal health movement with Roam, their new pet food, treats and chews brand. The AGMARDT grant has given Biophive the financial freedom to develop their AAFCO (Association of American Feed Control Officials) approved Free Range Grass-Fed Lamb Diet as a part of their Roam range.

Biophive are creatively combining science and nature to transform the pet food market. Roam is free from grains, gluten, added hormones, antibiotics, artificial preservatives, colour and sugar, with all the vitamins and minerals needed for vitality and well-being, pinpointing what dogs truly need in their food.

AGMARDT has made it possible for Biophive to explore new business grounds and show up on a global level by funding the brand development of Roam pet food, treats and chews. This has allowed Biophive to gain insight into customer empathy and brand positioning, through external marketing services.

“We are grateful to AGMARDT, for supporting our endeavour to represent New Zealand on the world stage with Roam, a pet food, treats and chews brand that sources high-quality meat, exceeding global food and animal welfare standards, defining our nation.”

Biophive Ltd



NZ Sock Co Ltd - NZ Sock Marketing Project

The New Zealand Sock Company needs little introduction. For a company that's been around for 116 years, and spanned three generations of the Sparrow family, they have certainly proven themselves to be leaders in sock technology. In recent years much of that success, particularly on the export front, can be credited to its implementation of world leading sock machines, NZ Socks own technologies, R&D and their staff.

New Zealand Sock recognizes their competitive strengths and develops technically advanced socks for some of New Zealand's leading brands as well as exporting around the world. New Zealand Sock Company do their own market research. The In-Market Grant enabled them to expand on this by spending time in the countries they wish to sell into.

The support from AGMARDT fast tracked The New Zealand Sock Company's website and marketing material at the right time. With more focus being on Merino Wool and New Zealand Made, the new website really showcases their brand, their capabilities and loyalty to remaining to be a family owned and operated New Zealand manufacturing business.



3 Generations of the Sparrow family

From left to right, Gabrielle Simpson (International Sales), The late Cip Sparrow (Founder), Paul Sparrow (Operations Manager), Euan Sparrow (Managing Director).



"We believe in being a purpose led, innovative design and manufacturing business. We say we are only a day away from the rest of world, and to be able to jump on a plane and have face to face meetings has enabled us to strengthen relationships with key customers and helped us gain traction into our desired markets to meet with new international brands, AGMARDT have been a big part of this"

Euan Sparrow, Managing Director, NZ Sock Co Ltd



Animal Health Direct Limited - To establish an Asian export market for natural animal bedding

Animal Health Direct Ltd (AHD) is a Hawke's Bay based company providing animal health products across the dairy, equine and veterinary markets throughout New Zealand. In 2015 AHD seized the opportunity to take up an exclusive distribution of a new animal bedding product. The product, which is made from New Zealand pine, is 100% natural and is a by-product of the New Zealand forestry industry. It offers many benefits over traditional bedding materials such as wood chips and sawdust – including: sterility with no pathogens, easy cleaning, allergy free, low to no dust, no chemicals, contaminants or additives and can be used for up to 12 months before complete replacement is required.

AHD recognised the potential of this natural animal bedding product and had immediate success in the New Zealand market. With the local market secured, the potential and size of the Asian thoroughbred and sport horse market was alluring yet, with no expert, dedicated resource onboard, breaking into exporting was proving difficult. AGMARDT's funding has allowed AHD to establish and grow its Asian equestrian market networks and sales for the new bedding product.



“AGMARDT's support has allowed AHD the time and resources to fully commit to growing its Asian export markets.”

Richard Kettle, Managing Director, Animal Health Direct Ltd

Primary Collaboration New Zealand Limited - PCNZ Operations Immersion Programme

The Primary Collaboration New Zealand Ltd (PCNZ NZ) was established to gain a better understanding of the complex China market and facilitate easier access to China.

In total 13 Executives from Mr Apple, Kono, New Zealand King Salmon, Synlait and Sealord participated along with Malcolm Nitschke from AGMARDT and Kevin Parish the General Manager from PCNZ SHG.

The programme focused on four key elements. Firstly, consumer insights to discover what consumers thought of their products in China and the sort of experience they are looking for from foreign brands. Secondly a closer look at one of the major trends happening in China – the move of e-commerce players into a ‘bricks and mortar’ model. Thirdly, the group looked at how to go about launching a retail brand in China. Here participants were invited into Shanghai Pengxin’s office to understand their latest brand launch (Theland) that involved NZ dairy products. Lastly the programme allowed participants to get a sense of the scale and size of China with a visit to a second-tier city – Chongqing.



“The concept for both programmes is to support and add to the knowledge base our clients (both governance and operations people) have about China. This gives them a deeper understanding of the market opportunity and resource required to be successful here. China changes at the speed of light and so we need to be constantly refreshing our knowledge and building long term relationships – these programmes supported by AGMARDT play a key role in keeping our clients informed and connected to this very important market”.

Kevin Parish, General Manager of Shanghai Office, PCNZ



AGRIBUSINESS INNOVATION GRANTS

MyApiary Limited - Hive Management Research through field data acquisition

Harvesting honey is age-old tradition with methods and practices similar today to those of over 100 years ago. MyApiary's purpose is to harness the power of technology and customise solutions that will help bring about a step change in the apiculture sector.

The research project supported by AGMARDT has developed out a prototype hive monitoring system (MyApiary HiveMonitor™) that is incorporated into existing commercial hive hardware.

With weight, temperature and humidity monitoring equipment installed into a plastic bottom board, metrics are being gathered and processed to understand what impact this information will have on commercial beekeeping decisions. The final objective of the project is to develop a commercially viable monitoring solution that can be easily adopted within the New Zealand apiculture sector – delivering a leading-edge management decision making tool for beekeeping businesses.

“Having partners involved in this project who can see the potential and understand the end game is critical. AGMARDT have journeyed with us from early in the formation of this project and their support has made a huge impact on where we are today.”

Carl Vink, Co-Founder, MyApiary Ltd

Co-Founder Darren Bainbridge holding the prototype design for the MyApiary HiveMonitor bottom board at Fieldays 2017. MyApiary were winners of four innovation awards at Fieldays in June 2017



Pastoral Robotics Ltd - Reducing cow urine nitrate leaching with Spikey-applied ORUN

Pastoral Robotics Limited (PRL) has dedicated itself to developing technology to address nitrate leaching whilst increasing the productivity of pastoral farming. Spikey® S1S, their first commercial product, has been developed to detect and treat cow urine patches with additives that stimulate the recovery of urine-nitrogen by pasture for more growth, rather than being leached into waterways as nitrate.

Spikey® detects and treats the urine patches when pulled over the paddock in a 'follow the cows' manner (daily after the cows are shifted to a fresh paddock). The treatment formula, ORUN®, encourages more grass growth which utilises the excess nitrogen, recycling it through the farming system. Spikey can also be used in conjunction with ONEsystem fertiliser urea technology to reduce the amount of fertiliser nitrogen required to maintain the current of farm production.

AGMARDT funding allowed PRL to undertake three plot trials of our ORUN treatment system on farms in different regions (Canterbury, Manawatu and Rotorua). These trials have led directly to our first system sale to a consortium of farmers in the Rotorua region. They have also added considerably to the depth of our knowledge and led to significant refinements in our treatment system.

Spikey® connected to the tractor and ready to treat urine patches with ORUN®. Note also the hopper to apply nitrogen with the patented highly efficient ONEsystem® method



"The AGMARDT seed funding grant has set us up with the knowledge we need to progress our business and to prepare for the next stage in our research and development program".

Geoff Bates, Managing Director, Pastoral Robotics Ltd



Bark beetles killed during the Joule heating process

Pinus radiata log in the Joule heating test rig showing temperature probes.

Stakeholders in Methyl Bromide Reduction Inc. STIMBR - Joule Heating: A New Phytosanitary Treatment - FEL Pt.1

Methyl bromide, an ozone depleting gas, is used as a phytosanitary treatment for approximately 20 percent of the logs exported from New Zealand. Phytosanitary treatments are set by importing countries. The Environmental Protection Authority (EPA) has determined that following fumigation, methyl bromide will not be allowed to be released to the atmosphere from 2020 onward. Consequently, the users of methyl bromide are seeking suitable alternative treatments.

The University of Canterbury's (UC's) Electric Power Engineering Centre (EPECentre), with support from the Stakeholders in Methyl Bromide Reduction (STIMBR), government and Scion, has developed an exciting alternative for methyl bromide phytosanitary treatment that has the potential to be used on exported pine logs. The concept of using electric heating technology (Electric Joule Heating) has been proven in the laboratory.

AGMARDT and STIMBR co-funded a feasibility study to determine the costs of building and operating a commercial plant, based on installation at the Port of Tauranga. The plant would be capable of treating 2.1 million cubic metres of logs a year.

The technology also has potential for use as an alternative heating technology to steam heating used to prepare logs for peeling and slicing to produce veneers.



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 12 applications for two Post-Doctoral Fellowship positions. Post-Doctoral fellowships were awarded in:

- Identifying the genetic mechanisms that evoke parasitic exsheathment
- Improving wool quality and production using gene-marker technology.



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 24 industry groups and other organisations to the value of \$193,786



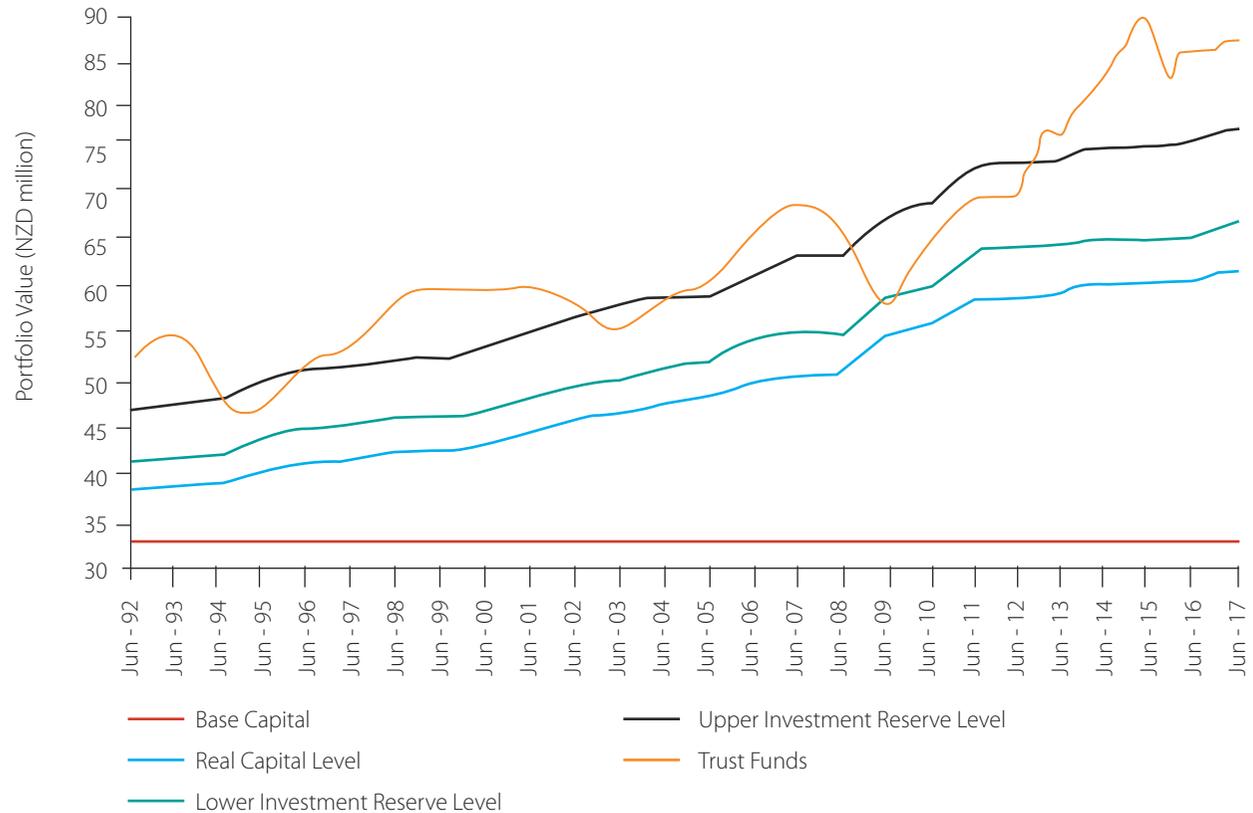
VISITING FELLOWSHIPS

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.



**FUND
MANAGEMENT**

AGMARDT Real Capital Level and Trust Funds (June 1992 to June 2017)



FUNDS PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2017

AGMARDT's Trust Fund experienced a strong year of growth for the financial year ending 30 June 2017. The fund returned 8.2% for the year against a benchmark performance of 6.5% over the same period, as global economic growth continued to improve despite various geopolitical risks.

With strong returns for the year, the AGMARDT Trust Funds totalled \$88.5 million as at 30 June 2017, up from \$86.04 million at the end of June 2016. As illustrated in the chart, the Trust Fund remains well ahead of the real Capital Level of \$61.9 million and above the Upper Investment Reserve Level of \$77.4 million.

The New Zealand economy continued to grow over the financial year, with strong net migration, construction and tourism activity remaining strong drivers of the economy. However, the recent softer GDP numbers, elevated household debt, lower productivity growth and lack of skilled employees are headwinds that are expected to moderate future growth. Over the financial year, the RBNZ took an active role in successfully

moderating house price inflation though the introduction of prudential policies in regard to tighter lending requirements on property investments and tightening of serviceability criteria by banks. The RBNZ cut the OCR twice over the financial year, with the current rate at 1.75%. The continued strength in the NZD along with stubbornly low inflation will likely see the RBNZ maintain its neutral stance of holding the low OCR for longer.



Investment Strategy

Over the course of the year, the AGAMRDT Trust Fund moved towards greater allocation to both Growth and Defensive Alternatives and Cash at the expense of International Bonds and Global Equities. This has largely been a positive contributor to performance, as international bond markets sold off in November 2016 on the Trump 'reflation trade' and later in June 2017 on the hawkish remarks from the European Central Bank.

In order to preserve the current value of the portfolio for the uncertainties in the market and maintain its capacity to donate, the Trust remains well diversified but positioned conservatively in the medium term. The current portfolio is positioned defensively relative to the longer term Strategic Asset Allocation (SAA), which was agreed to in 2012, to be invested in 60% growth assets and 40% defensive assets.

Asset Allocation as at June 2017	Strategic Asset Allocation (%)	Actual Allocation (%)
Growth Assets		
• Global equities (hedged to NZD)	30	26.9
• New Zealand equities	10	8.2
• Property	10	8.4
• Growth Alternatives	10	9.7
	60	53.2
Defensive Assets		
• International fixed interest (hedged NZD)	25	21.6
• New Zealand fixed interest & Cash	10	14.5
• Defensive Alternative assets	5	10.7
	40	46.8

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



**FUNDING
ALLOCATION**

Grants Approved for the Year ending June 2017

MARKET INSIGHT GRANTS

Biophive Limited: Branding and Packaging Development for New Full Diet AFFCO Approved NZ Meat Based Dog Food

M17001: \$111,680

Landcorp Farming Limited: Deer Milk Market Entry Plan

M17002: \$158,248

NZ Sock Co Limited: NZ Sock Marketing Project

M17003: \$248,342

Texus Fibre Limited: Development of N.E. Asia In-Market Collaboration & Executive Immersion

M17004: \$100,000

Animal Health Direct Limited: To Establish an Asian Export Market for Natural Animal Bedding

M17005: \$82,906

Primary Collaboration New Zealand Limited: PCNZ Operations Immersion Programme

M17006: \$45,000

Beef+Lamb New Zealand: Understanding the Consumers of NZ Red Meat Today

M17007: \$54,000

AGRIBUSINESS INNOVATION GRANTS

Mende Biotech Limited: Optimising the Production Supply Processes for Totarol™

A17001: \$43,700

AGMARDT Initiative: Carbon Research

A17002: \$23,000

Five Five Seven Limited: Pyrethrum Trial

A17003: \$19,999

Merino Trading Limited: Innovation Wool Fibre

A17004: \$155,000

Tomatoes New Zealand: Implementing an On-farm Insecticide Susceptibility bioassay

A17005: \$36,000

Novataro Limited: Refine & Test a Device to Reduce Dairy Nitrogen Leaching

A17006: \$19,550

The BHU Future Farming Centre: Mesh Crop Covers for Potato Pest & Disease Control

A17007: \$17,000

Farmote Systems: Optical Pasture Measuring Proof of Concept

A17008: \$19,916

Federated Farmers of New Zealand: NZ Goats - An Assessment of the Economic Potential of the industry by 2025

A17009: \$15,000

Abacusbio Limited: Drones for Animal Well-being

A17010: \$93,500

Horehound Biocontrol Group: Feasibility of Biological Control of Horehound

A17011: \$20,000

Pheromite Limited: Addressing Varroa - A Bioinformatics Analysis of Targets

A17012: \$20,000

The Narrows Retreat: Growing Edible Taro in Waikato Streams - A Scoping Study

A17013: \$20,000

Merit Meats Limited: Shelf-stable Export Ready Meal

A17014: \$15,000

Foundation for Arable Research: Crops for Irrigated Areas - A Summit

A17015: \$20,000

MyApiary Limited: Hive Management Research Through Field Data Acquisition

A17016: \$100,000

Global Air and Water Limited: Path-Away Trials to Enable Commercialisation for Agriculture

A17017: \$23,998

The BHU Future Farming Centre: Soil Thermal Weeding

A17018: \$19,838

Functional Fertiliser Limited: Functional Fertiliser Carbon Farming System Research

A17019: \$59,279

Stakeholders In Methyl Bromide Reduction Inc. STIMBR: Literature Review - Forest Insect Lures & Traps

A17020: \$20,000

AGRIBUSINESS INNOVATION GRANTS

Stakeholders In Methyl Bromide Reduction Inc. STIMBR
Joule Heating: A New Phytosanotary Treatment - FEL Pt.1
A17021: \$66,000

Lincoln University - Bio-Protection Research Centre: Novel
Biological Approach to Combat a New Glasshouse Pest
A17022: \$86,500

Plant & Food Research Limited: Validation of a Prototype
Avocado Rot Prediction Tool
A17023: \$72,000

Hectre Limited: Hectre
A17024: \$8,800

GenTec Plant Research NZ Limited: CBD - Fractionation
Research
A17025: \$20,869

CNS Biotechnology: Utilisation of Unusual Horticultural Waste
& By-products
A17026: \$18,500

Chronoptics Limited: 3D Cameras for Automated Lameness
Detection of Dairy Cows
A17027: \$62,863

New Zealand Plant Producers Incorporated: Plant Producer
Science & Innovation Summit
A17028: \$5,000

Aquafortus Technologies Limited: Food safe osmotic water
extraction for the Dairy industry
A17029: \$18,000

Taragate Limited: International Invitational Fencing
Challenge
A17030: \$20,000

Novataro Limited: Improve & Trial Real - World Application of
Prototype
A17031: \$16,825

Grounded: Low-cost Nutrient Loss Measurement Tool
A17032: \$16,000

BioBrew Limited: Efficacy Trials of Equine Pro-biotic Dietary
Supplement
A17033: \$20,000

Pastoral Robotics Limited: Reducing Cow Urine Nitrate
Leaching with Spikey - Applied ORUN
A17034: \$20,000

RNJ NZ Operations Limited: Assess the Commercial Feasibility
of Novel NZ Plant Extract
A17035: \$18,990

Clean Water Technologies Limited: Ozonide Development for
Veterinary Antibiotic Substitution
A17036: \$20,000

CAPABILITY DEVELOPMENT GRANTS

Craige MacKenzie: International Conference for Precision
Agriculture
L17001: \$6,000

Dr Joanne Kerslake: AGMARDT Associate Trustee
L17002: \$27,900

Steve Knight: Institute of Directors - Finance Essentials Course
L17003: \$815

New Zealand Guild of Agricultural Journalists &
Communicators: 2017 AGMARDT Agribusiness Award
L17004: \$1,575

National Federation of Young Farmers Clubs Incorporated:
New Zealand Young Farmers Governance Development
Programme
L17005: \$13,936

Young Viticulturist of The Year: Young Viticulturist of the Year
Competition 2017
L17006: \$13,800

David O'Sullivan: Kellogg Rural Leadership Programme
L17007: \$5,635

NZ Farm Life Media: IFAJ 2017 Congress South Africa
L17008: \$2,000

Lincoln University: IFAMA International Student Competition
L17009: \$20,000

Royal New Zealand Institute of Horticulture Education Trust:
AGMARDT Market Innovation Project - 3 Year Agreement
L17010: \$114,999

Lincoln University - Kellogg Rural Leadership Programme:
Kellogg Alumni Summit
L17011: \$15,000

CAPABILITY DEVELOPMENT GRANTS

Ministry for Primary Industries: Emerging Leaders Scholarship
L17012: \$20,462

The New Zealand Rural Leadership Trust: NZ Rural Leadership Trust - 3 Year Agreement
L17013: \$345,000

Massey University: Young Producer Innovation Program
Grant L17014: \$80,000

New Zealand National Fieldays Society Incorporated: Fieldays Careers & Education Hub
L17015: \$25,000

New Zealand Institute of Agricultural & Horticultural Science: AGMARDT Technology Transfer Award
L17016: \$1,150

Allen Gregory: International Farm Management Association Congress
L17017: \$1,743

Agri-Women Development Trust: AWDT Leadership And Governance - 3 Year Agreement
L17018: \$172,500

Primary Collaboration New Zealand Limited: Kevin Parish attending Te Hono Bootcamp
L17019: \$11,500

Te Hono: Te Hono Stanford Bootcamp 2017
L17020: \$201,250

CONFERENCE GRANTS

Olives New Zealand Incorporated: Olives New Zealand 2016 - Olive Oil Awards

Speaker: Reni Hildenbrand (South Africa)
C17001: \$4,000

Plant & Food Research Limited: Guava Moth Workshop

Speakers: Jenny Dymock, Max Suckling, Lisa Jamieson, Peter Jack
C17002: \$2,000

AgResearch Limited: Joint NZ and Australian Society of Soil Science Conference

Speaker: Professor Julian Cribb
C17003: \$4,300

University of Otago - The New Zealand Institute of Food Science and Technology: 11th NZ and Australia Sensory & Consumer Symposium

Speaker: Professor David Thomson
C17004: \$5,000

Onions New Zealand: Research Seminar

Speaker: Mike Titley
C17005: \$600

New Zealand Microbiological Society: NZMS & NZSBMB Joint Annual Conference

Speakers: Professor Sarah Gurr, Professor Gero Steinberg & Professor Nik Money
C17006: \$4,000

Massey University - Fertilizer & Lime Research Centre: 30th Annual FLRC Workshop

Speaker: Professor Brian Kronvang (Aarhus University, Denmark)
C17007: \$3,450

Kono NZ: Te Hono Maori

Speaker: Jason Mayden
C17008: \$5,000

Conferenz & Bright*star Training: NZ Food Summit

C17009: \$4,000

Whenua Kura: Unleash the Maui - Maori Land Based Summit

C17010: \$50,000

Massey University: 2017 Sheep Milk NZ Conference

Speaker: Gilles Fregeat
C17011: \$5,644

Potatoes New Zealand Incorporated: Potatoes New Zealand Inc 2017

Speaker: John Sarup
C17012: \$2,240

Beef+Lamb New Zealand: Designing the New Zealand Red Meat Story

Speaker: Mike Lee
C17013: \$9,545

University of Canterbury: Durable Eucalypts on Drylands - Protecting & Enhancing Value

Speakers: Laurie Cookson & Tim Wardlaw
C17014: \$7,000

CONFERENCE GRANTS

New Zealand Institute of Forestry: NZIF Annual Conference 2017

Speaker: Harri Savonen

C17015: \$5,000

NZ Institute For Agricultural and Horticultural Science: Plant Science Central

Speaker: Professor Tristan Perez

C17016: \$1,600

Precision Agriculture Association of New Zealand: PA17 - International tri-Conference for Precision Agriculture

Speakers: Hans Jöhr, Manjeet Singh, Raj Koshla, Mao Hua Wang, Naoshi Kondo, Simon Blackmore, Nicolas Trembley, Mark Trotter

C17017: \$17,250

Apiculture NZ Incorporated: Apiculture NZ National Conference 2017

Speakers: Randy Oliver (USA), Dr Yves Le Conte (France) & Simon Williams (Australia)

C17018: \$20,000

LandWISE Incorporated: LandWISE 2017: Are we ready for automation?

Speaker: Thibaut Delcroix

C17019: \$4,045

NZ Truffle Association: NZ Truffle Association Conference 2017

Speaker: Anne Mitchell

C17020: \$2,015

Massey University: 10th International Leptospirosis Society Meeting

Speakers: Kathryn Allan (Glasgow University, Scotland) & Renee Galloway (USA)

C17021: \$8,000

Auckland University Of Technology: NZ Microbiological Conference

Speakers: Professor Martin Wiedmann & Professor Joan Bennett

C17022: \$6,000

New Zealand Institute of Forestry: NZ Institute of Forestry Annual Conference

Speaker: Dr Mike May

C17023: \$6,000

Te Hono Movement: Te Hono National Summit 2017

Speaker: Dan M Klein & Dr Genevieve Bell

C17024: \$17,097

POSTDOCTORAL FELLOWSHIPS

AgResearch Limited: Federico Tomassetto

P15001: \$95,000

3rd year extension

AgResearch Limited: Sandeep Kumar Gupta

P15002: \$95,000

3rd year extension

AgResearch Limited: Dr Nikola Palevich

P17001: \$190,000

Lincoln University: Dr Gong Hua

P17002: \$190,000

LEADERSHIP SCHOLARSHIPS

Mark Brotherston: AGMARDT Leadership Scholarship

S17001: \$20,000

Dale Cook: AGMARDT Leadership Scholarship

S17002: \$12,767

Sarah Tait: AGMARDT Leadership Scholarship

S17003: \$14,260

Caleb Dennis: AGMARDT Leadership Scholarship

S17004: \$4,250

Kristy McGregor: AGMARDT Leadership Scholarship

S17005: \$15,000

Megan Hands: AGMARDT Leadership Scholarship

S17006: \$10,594

Eva Harris: AGMARDT Leadership Scholarship

S17007: \$3,250

A photograph of a center pivot irrigation system watering a lush green cornfield. A central pivot point is visible on the left, with multiple wheels and a central riser pipe. Water is being distributed through a series of wheels, creating a wide, misty spray that covers the field. The corn plants are tall and healthy, with vibrant green leaves. The background shows a line of trees under a bright, slightly hazy sky. A teal banner is overlaid on the upper left portion of the image, containing the text 'SUMMARY FINANCIAL STATEMENTS' in white, bold, uppercase letters.

SUMMARY FINANCIAL STATEMENTS

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STATEMENT OF RESPONSIBILITY

Agricultural and Marketing Research and Development Trust For the year ended 30 June 2017

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 2017.

For and on behalf of the Board



T Egan
Chairman

Dated: 17 October 2017



R Green
Trustee

Dated: 17 October 2017

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 2017

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 2017. 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 39 to 43:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017; 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 17 October 2017.

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 for our 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 are responsible on behalf of the Trust 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 the 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 interests in, the Trust.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Date: 17 October 2017

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Agricultural and Marketing Research and Development Trust
For the year ended 30 June 2017

	2017 \$	2016 \$
Income		
Interest Income	4,693	18,403
Investment Portfolio Income	6,458,330	3,786,242
Investment Fee Rebates	47,560	48,404
Foreign Currency Gains (Loss)	1,517,545	(6,385,620)
Total Income	8,028,128	(2,532,571)
Expenses		
Other Expenses	208,230	205,410
Personnel Costs	240,409	266,433
Trustees' Remuneration	77,760	77,760
Auditors Remuneration	23,012	24,972
Depreciation	1,596	1,804
Investment Advice and Management	144,190	148,312
Professional Fees	5,434	25,359
Rent & Accommodation	11,357	11,357
Total Expenses	711,988	761,407
Surplus (Deficit) of Income over Expenditure before Allocation of Grants	7,316,140	(3,293,978)
Net grants allocated this year		
Grants Made This Year	3,975,473	3,993,916
Grants Amendments	(448,287)	(128,789)
Total Net grants allocated this year	3,527,186	3,865,127
Net Surplus (Deficit) for the year	3,788,955	(7,159,105)
Total Comprehensive Income for the Year	3,788,955	(7,159,105)

SUMMARY STATEMENT OF CHANGES IN EQUITY

Agricultural and Marketing Research and Development Trust
For the year ended 30 June 2017

	2017 \$	2016 \$
Opening Equity		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	28,958,328	28,715,466
Accumulated Income/(Deficit)	20,760,036	28,162,003
Total Opening Equity	81,718,364	88,877,469
Comprehensive Income		
Capital Maintenance Fund	1,036,292	242,862
Accumulated Income/(Deficit)	2,742,663	(7,401,967)
Total Comprehensive Income	3,778,955	(7,159,105)
Closing Equity		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	29,994,620	28,958,328
Accumulated Income/(Deficit)	23,512,699	20,760,036
Total Closing Equity	85,507,319	81,718,364

SUMMARY STATEMENT OF FINANCIAL POSITION

Agricultural and Marketing Research and Development Trust

As at 30 June 2017

	2017 \$	2016 \$
Trust Funds		
Capital	32,000,000	32,000,000
Capital Maintenance Fund	29,994,620	28,958,328
Total Capital	61,994,620	60,958,328
Revenue Reserves		
Accumulated Income/(Deficit)	23,512,699	20,760,036
Total Revenue Reserves	23,512,699	20,760,036
Total Trust Funds	85,507,319	81,718,364
Assets		
Current Assets		
Cash and Bank	808,063	1,679,569
Trade and Other Receivables	367,678	221,584
Investments	2,248,365	1,514,021
Total Current Assets	3,424,106	3,415,174
Non Current Assets		
Investments	86,256,086	83,054,557
Trade and Other Receivables	22,208	322,217
Property, Plant and Equipment	3,564	2,668
Total Non-Current Assets	86,281,858	83,379,442
Total Assets	89,705,964	86,794,616

	2017 \$	2016 \$
Liabilities		
Current Liabilities		
Trade and Other Payables	765,149	406,654
Employee Entitlements	53,319	55,206
Provision for Grants	2,776,680	4,101,165
Total Current Liabilities	3,595,148	4,563,025
Non Current Liabilities		
Provision for Grants	603,497	513,226
Total Non Current Liabilities	603,497	513,226
Total Liabilities	4,198,645	5,076,251
Net Assets	85,507,319	81,718,364

SUMMARY STATEMENT OF CASH FLOWS

Agricultural and Marketing Research and Development Trust

For the year ended 30 June 2017

	2017 \$	2016 \$
Statement of Cash Flows		
Cash Flows from Operating Activities		
Cash was provided from:		
Interest Income	4,693	18,403
Foreign Exchange Gain Realised	1,345,574	0
Investment Rebate	47,560	48,404
Total Cash provided:	1,397,827	66,807
Cash was applied to:		
Payments to Suppliers and Employees	366,546	578,267
Payments for Grants	4,761,400	3,792,762
Realised Gain on Investment	0	19,364
Foreign Exchange Gain	0	1,059,110
Total Cash applied:	5,127,946	5,449,503
Total Cash Flows from Operating Activities	(3,730,119)	(5,382,696)
Cash Flows from Investing Activities		
Cash was provided from:		
Maturity and Sale of Investments	4,694,430	12,678,812
Loans Repaid	166,675	0
Total Cash provided:	4,861,105	12,678,812
Cash was applied to:		
Purchase of Investments	2,000,000	6,264,043
Loans Advanced	0	200,000
Purchase of Fixed Assets	2,492	3,357
Total Cash applied:	2,002,492	6,467,400

	2017 \$	2016 \$
Total Cash Flows from Investing Activities	2,858,613	6,211,412
Net Increase (Decrease) in Cash and Cash Equivalents	(871,506)	828,716
Cash and cash equivalents at beginning of year		
Cash at bank	1,679,569	850,853
Total Cash and cash equivalents at beginning of year	1,679,569	850,853
Closing Cash Balance	808,063	1,679,569

SUMMARY OF ACCOUNTING POLICIES

Agricultural and Marketing Research and Development Trust For the year ended 30 June 2017

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 financials statements for the Trust are for the year ended 30 June 2017, and were approved by the Board on 17 October 2017.

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 Tier 2 PBE "Reduced Disclosure Reporting" accounting standards. Expenses do not exceed \$30 million and the entity is not publicly accountable.

These financial statements comply with 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 and position as the complete financial statements.

A copy of the full audited financial statements for Trust are available from the Trust's Feilding Office on page 44 or visit www.agmardt.org.nz

AGMARDT TRUST DIRECTORY

Agricultural and Marketing Research and Development Trust For the year ended 30 June 2017

Board of Trustees

Mr Tony Egan (Chairman from 26/08/2016)
Mr Barry Brook (Chairman to 26/08/2016)
Ms Sarah von Dadelszen
Mr Richard Green

Management

Malcolm Nitschke
(General Manager)

Trust Office

Level 1, 8 Weld Street, Feilding, 4740
PO Box 472, Feilding, 4740
(06) 323 8766

Investment Adviser

JANA Investment Advisers Pty Limited

Auditor

Audit New Zealand
on behalf of the Auditor-General

Bankers

ASB Bank limited
Bank of New Zealand limited

Solicitors

Minter Ellison Rudd Watts

Accountant

Deloitte

Charitable Number

CC20167



AGMARDT

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INNOVATION