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# The FARMLANDER

5 MINUTES WITH  
ZESPRI

PAGE 15

FARMLANDS AND  
TOYOTA TEAM UP

PAGE 2

THE BUSINESS  
OF WELLBEING

THE EMERGING MARKETS ISSUE

PAGE 6

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SPECIAL FEATURE

A close-up photograph of a beekeeper wearing a white protective suit and a mesh veil. The beekeeper is holding a wooden frame from a beehive, which is densely populated with bees. The background is a soft-focus outdoor scene with green foliage and a blue sky.

# The business of wellbeing

Meet the Farmlands shareholders finding success in niche markets.





| New Zealand Mānuka Group Chief Executive, Karl Gradon.

Dairy, sheep and beef, horticulture and viticulture. The staples of New Zealand's primary sector have remained the same for many years, even when their popularity has ebbed and flowed. But Kiwis have made a habit of discovering gaps in the market that cater to every niche – whether at a local level or exporting to the farthest parts of the globe. As these markets grow in popularity, so too do the number of Farmlands shareholders that are diversifying their businesses.

Trying to keep up with Karl Gradon could be a business all to itself. As the Chief Executive of NZ Mānuka Group, a Farmlands shareholder, Karl is responsible for steering the ever-expanding company's portfolio. In the past 5 years, NZ Mānuka Group has grown impressively – it now has 100 people on the ranks as either suppliers or staff. But this business is a group for a reason – mānuka honey is only part of the story.

"Basically I've been in the business for 12 months, taking over the CEO role from Phil Caskey, our founder," Karl explains.

"I've been tasked with taking the amazing platform that has been built through the next phase of growth."

"He (Phil) was the first person to export mānuka honey in a container. Originally he was in the deer industry and was exporting velvet to Korea and exported a deer velvet/honey extract combo. The next order that came back said that they liked the product but could they please take the velvet out of it."

The popularity of mānuka honey resulted in Phil investigating its medicinal properties. Karl says Phil became the first to get a patent to treat antibiotic-resistant MRSA and has worked with Dr Peter Molan at the University of Waikato to both undertake trials and receive patents to create medical devices from mānuka honey.

"Mānuka honey is something that is uniquely New Zealand but with a medicinal benefit – it's quite high in status and is renowned as a quality, specialist product," Karl says.

"The future for us is not just the honey but really we want to understand mānuka the tree and the benefits that come from that tree in a way that no one else can.



“We’ve got three PhDs on our team, as well as Masters students doing research and development that goes to the tree. We’re tracing it right back to the tree and that’s why we’re the largest mānuka oil producer in the country. It’s antimicrobial – one drop is like delivering one case of high UMF mānuka honey product due to its microbial qualities.”

New Zealand Mānuka Group has grown its business to include six clusters, or bee keeping hubs. The clusters range from three to six people per hub.

“We have an excellent activity system but the most unique thing about our business is our vertical integration,” Karl says. “Thirty five percent of the honey value goes back to the land owner. It’s extremely high – we call it our fair share programme.

“We target who we want to partner up with transparently for the next 20 years – we want a very successful land owner, not just successful bee keepers. We’re seeing great results on the East Cape. This year we are planting 4 million trees onto plantation with Māori Trusts. Land is sacred and on the East Cape they’ve had very few opportunities to develop – we are coming in and employing their families and the locals to grow a plantation of

mānuka that is for both honey and oil. This is different to the rest of the industry, which is focused on honey alone.

“It’s a unique way of formally joint venturing with Māori trusts, making sure it goes all the way back to local communities, not just the land owners.”

Manufacturing honey is not without its pitfalls, of which the most widely known is varroa. Karl says New Zealand Mānuka Group is very conscious of disease, with varroa a problem in different locations.

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| NZ Mānuka Group now has 100 suppliers and staff.





| New Zealand Mānuka Group founder, Phil Caskey.

“Different clusters have had different levels of concern,” Karl says. “With good management we’re able to stay on top of it. If someone lets it go, it can be really hard to recover from – you get hive die-off and low to no yield.”

New Zealand Mānuka Group now has 70 stores across the country selling their products, with a secondary goal of selling product into Asia. Karl says the focus is on growing the New Zealand base, because it is easier to tell a story in Asia when you have a good presence in New Zealand.

“We have developed a seaweed business as well and have created bee tonic to help keep hive health strong,” he says. “It’s been designed by bee keepers for bee keepers. These tonics can now be added to the supplementary feed when there is no pollen over winter.

“It’s quite unique, we’re trying to build all of our activities into symbiotic systems.”

