



## Media Release

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### **ANZ - DairyNZ Memorandum will help boost farm financial performance**

New Zealand's leading rural lender, ANZ New Zealand, has signed a Memorandum of Understanding with dairy industry organisation DairyNZ to work together to boost the financial performance of dairy farms.

The memorandum will result in ANZ economists and Agri Managers working with farmers using benchmark data from DairyNZ's business performance analysis tool, DairyBase.

DairyBase consolidates the financial results from over 1800 farmers, and provides a basis to benchmark financial and physical performance against similar farms. ANZ will have access to the same benchmarks farmers and farm accountants use to analyse and compare farm performance, and will use these to work with its dairy farming clients.

"ANZ and DairyNZ share the goal of improving performance of dairy farm businesses throughout New Zealand," says Ross Verry, ANZ New Zealand's Head of Agri and Strategy.

"We recognised that working closely with DairyNZ was a further opportunity for farmers to benefit from the financial management expertise and economic perspectives that we have at ANZ, and for the bank to help the dairy industry achieve its objectives.

"DairyBase provides a common platform for farmers, farm accountants and bankers to work together to boost profitability and financial resilience. DairyBase is a first-class benchmarking resource and we are working with the industry to extend the value it can provide.

"As farmers look to ways of becoming more productive, effective business management and planning hold the opportunity to realise the large potential profit left on the table each year."

Mr Verry says the recent ANZ Privately Owned Business Barometer survey showed that 41% of dairy farmers benchmark their business.

DairyNZ CEO, Dr Tim Mackle, says the agreement will extend the reach of DairyBase and benefit both individual farmers and the wider industry.

ANZ New Zealand is the country's largest financial institution and one of the nation's largest companies. Its brands include ANZ Bank, National Bank, UDC Finance, OnePath, EFTPOS Bonus Bonds, and Direct Broking. Around one in two New Zealanders has a financial relationship with ANZ New Zealand.

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"DairyBase has continued to gain traction with dairy farmers and, over the past 18 months in particular, we've seen a surge in the number of farmers using it as tool to start discussions with their key advisers, including bankers, farm consultants and accountants.

"The agreement with ANZ will help us capitalise on this momentum and encourage even more farmers to use the system for benchmarking and performance tracking.

"As more farmers use the system, not only does the individual farmer benefit, but the wider industry also benefits because we're able to use the amalgamated data in key industry analyses such as the annual DairyNZ Economic Survey," Dr Mackle says.

The Memorandum further cements the relationship between ANZ and DairyNZ and farm accountants. ANZ and the DairyBase teams already work together with their joint Business of Farming seminars which provide the opportunity for farmers to review their business management cycle.

The seminars have been attended by 400 farmers since they began in March 2008.

"Under this Memorandum, ANZ will encourage farmers to develop business plans based on an evaluation and benchmarking of their businesses' financial performance. This has been demonstrated to improve profit, and profit is key to continued farm investment and succession," says Mr Verry.

The Memorandum – which is for a term of five years - is the first between a bank and DairyNZ.

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