



Rabobank

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Kiwi crop farmers take part in grains tour through Europe

Four kiwi crop farmers were among a group of 30 Australasian growers who recently spent two weeks in Europe as part of a grains knowledge tour organised by agribusiness banking specialist Rabobank.

An opportunity to visit European counterparts on their farms, the tour also provided insights into the supply chain dynamics influencing global trade, with visits to grain-processing operations, major European ports, agri-chemical suppliers, machinery manufacturers and grain marketers in the Netherlands, Germany and Ukraine.

Drawing on Rabobank's local EU client and industry networks, the tour – which started in Amsterdam and wrapped up 13 days later in Kiev – was the second international grains tour led by the bank, following a trip last year through America's mid-west grain belt.

The New Zealand farmers who took part in the trip were Eric Watson (Mid-Canterbury), Steven Bierema and his partner Frederika Noordam (also Mid-Canterbury) and James Roy (Southland).

Mr Watson, who runs a 490 ha intensive arable, spray-irrigated property at Wakanui, which grows a wide variety of crops, said he'd been particularly interested in attending the tour to check-out developments in Ukraine having visited the country a decade earlier.

"In 2008 I spent four days driving around the Ukraine looking at arable farming operations with a friend who was looking at investing there," Mr Watson said.

"I've been keen to go back for a while to have a look at what's changed there and the tour provided a great chance to do just that."

Travelling to Kiev, Odessa and Mykolaiv in Ukraine, the tour included visits to Kernel, the largest crop producer in Ukraine with 560,000 hectares of crop sown annually, and also their sunflower crushing plant and port facilities.

Ukraine produces on average 80 million tonnes of grains and oilseeds each year, of which 45 million tonnes is exported.

Mr Watson said there'd been major developments in the Ukrainian agricultural sector since his last visit.

"The big differences I found were most of the land that was lying idle when I was previously there has now been taken up for arable production. Their agronomy has also improved immensely, increasing yields by about 50 per cent and there's also been marked improvement in their port facilities," he said.

"The other interesting thing about the Ukraine was the amount of sun flowers. Ten years ago I hardly saw a sunflower and now it's their second biggest crop and they're the biggest producers of sunflowers in the world."



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Mr Watson said Ukraine's good soils and consistent rainfall made it well-suited for growing crops and it was becoming a really big player in the global grains and oilseed market.

"Their infrastructure, and in particular their road network, could be significantly improved and they also have issues with corruption and the structure of land ownership. However, if they can make progress in some of these areas they have the potential to further ramp up their production and exports."

The Western European leg of the trip saw tour participants visit Amsterdam and Utrecht in the Netherlands before travelling through Cologne, Zweibrücken, Frankfurt, Hamburg and Berlin in Germany.

Mr Watson said the intensification of crop growing in the Netherlands was mind blowing as was the high cost of land.

"There's only small areas available for crop growing and the cost of land is pretty high as well. The land they do have is mainly focused on growing a small number of vegetable crops like potatoes, onions and carrots, which to me appeared to be quite hard on soil structure," he said.

"It just made me realise that in New Zealand, and on my own operation, we're very fortunate to have larger areas of land available so we can run a diverse crop rotation and maintain the quality of our soils."

Mr Watson said he'd also found the trip to the flower markets outside Amsterdam captivating.

"The flower market we visited was colossal and it was fascinating to see how they have incorporated technology and automation into the auction process," he said.

Highlights of the German segment of the tour, Mr Watson said, were the visits to the John Deere factory in Mannheim, the Bayer CropScience Headquarter in Monheim and the port tour in Hamburg.

"We had a really great tour of Hamburg port which included fantastic access to the loading facilities and the big container ships," he said.

"The size and scale of the export facilities was phenomenal with huge tonnages moving through the port. At times we were within five metres of some of the container ships loading grains. You wouldn't get that type of access here in New Zealand and it was really interesting to watch this close up."

Rabobank New Zealand CEO, Todd Charteris, said the grains study tour came about due to the rising influence of the Black Sea region in global markets – from comprising less than 10 per cent of global wheat trade in the early 2000s to around 40 per cent today.



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“We wanted to provide arable farmers in New Zealand and Australia with a chance to see for themselves the potential of Ukraine,” Mr Charteris said. “With plenty of top quality arable land, a good climate and improving farming practices, it’s not hard to see why Ukraine is becoming an increasingly dominant player in the global grains and oilseeds market.”

Following the success of the international grains study tours and recent sheep and wool tour through southern Australia, Mr Charteris said, Rabobank will run study tours next year to various countries as well as hosting tours here in New Zealand.

“The main aim of these tours is provide a platform for like-minded farmers to share knowledge, and compare farming practices to improve their own farming operations,” he said.

“Having now run a number of these tours, it’s very clear to the bank that there is a strong desire among farmers to take part in these types of tours so they can connect with others, gain knowledge and share innovative farming practices,” he said.

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Rabobank New Zealand is a part of the global Rabobank Group, the world’s leading specialist in food and agribusiness banking. Rabobank has nearly 120 years’ experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 40 countries, servicing the needs of about 8.6 million clients worldwide through a network of close to 1000 offices and branches. Rabobank New Zealand is one of the country’s leading agricultural lenders and a significant provider of business and corporate banking and financial services to the New Zealand food and agribusiness sector. The bank has 32 branches throughout New Zealand.

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