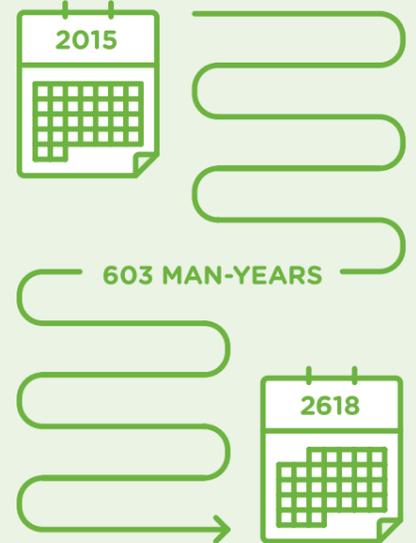


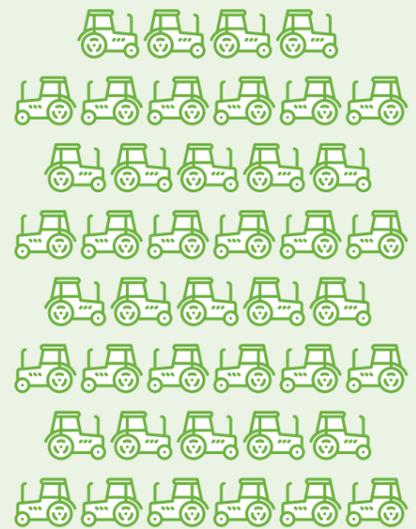


Industry Update.

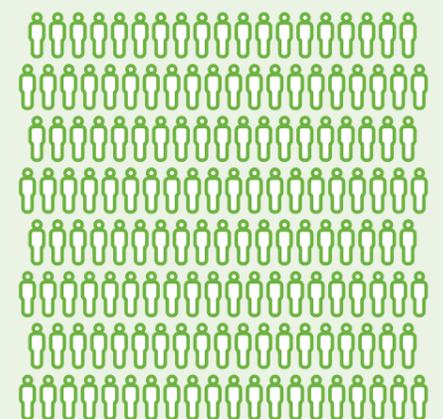
Improving your health and safety performance



220,000 work days are lost annually due to injuries on agricultural/horticultural operations.



Out of 43 fatalities in 2013-2014, 37 involved vehicles or machinery.



120 people have died from work-related injuries on agricultural/horticultural operations since 2008.

Workplace health and safety is under intense scrutiny in New Zealand as the Government makes the first significant changes to the Health and Safety Act for many years in order to improve New Zealand's poor health and safety performance.

The entire New Zealand workforce – from company directors to newly appointed apprentices – is required to adjust their practices to reflect the new legislation.

A focus on health and safety is not only an important part of risk management and managing your reputation, it is vital to business success. It's a proven fact that a workforce that feels safe in their place of work is more focused and more productive.

The Government has acknowledged that existing approaches to health and safety management are not always effective. In 2013 Government announced its Working Safer reform package, aimed at reducing New Zealand's workplace injury and death toll by 25 per cent by the year 2020.

The Health and Safety Reform includes tougher requirements and will see responsibilities placed directly on owners, employers and directors for the health and safety of all workers in their workplace.

Against this backdrop of emerging regulation and high profile incidents, all businesses can expect their health and safety processes and performance to come under more scrutiny.

It is also reasonable to expect that employees, customers, investors and wider stakeholders will become more aware and demanding in terms of health and safety performance.

To achieve long-term and sustainable success in health and safety, your growing operation needs to ensure this issue has leadership attention and that the business follows effective processes with tools and systems focused on improving the health and safety environment.

It means you need to clearly demonstrate due diligence, and to ensure you are doing all that is reasonably practicable to maintain a safe and healthy workplace. Your health and safety systems have to be effective in meeting the requirements of the legislation and WorkSafe NZ.

It is important to note that responsibility for performance in the health and safety arena will remain within the business even if delivery of health and safety services is contracted out.

As you reflect on your risk profile and compliance, it is worthwhile considering accessing the support of an advisor. Someone who works in this space can help you review your health and safety governance and systems to better understand your exposure. However, you and your workers will have a huge amount of expert knowledge that can be used to develop a health and safety management system.

UNDERSTANDING TERMINOLOGY

Person Conducting Business or Undertaking (PCBU) – This includes corporations, partnerships and labour hire businesses. A PCBU does not always employ workers.

Worker – A worker includes employees, contractors, volunteers, apprentices, outworkers, trainees and work experience persons.

Officer – Any person who makes decisions that affect the whole or a substantial part of the business, e.g. CEO, Director.

A focus on health and safety is not only an important part of risk management and managing your reputation, it is vital to business success.

Workplace – A workplace is now defined as a place where work is being carried out or is customarily carried out for the business or undertaking. It includes any place a worker goes or is likely to go.

IMPORTANT POINTS

– Landowners (the person in control of the workplace) must take all practicable steps to ensure the following types of people are safe from workplace hazards:

- Work-related visitors
- Recreational visitors
- People paying to use the land
- People on the land buying goods

– The employer of a visiting employee must make sure the person in control of the workplace has taken all practicable steps to keep their worker safe in your growing operation

– The landowner is only responsible for hazards they can control

Visit the business.govt.nz/worksafe or saferfarms.org.nz websites for more information.

Grower Profile.

Pypers Produce Ltd



220 Ha / 11,000 tonne carrots



150 Ha / 7,000 tonne potatoes

Pypers Produce Ltd was started by Nelson and Rosanne Pyper and the Branxholme plant, just north of Invercargill, has been the operational base since 1972.

The couple originally planted 20 acres of potatoes and successfully grew and marketed produce for over 40 years. From the early years, the Pyper family had a well-earned reputation for growing superior produce.

Seeing a high level of dedication and potential in two of their long-serving team, Nelson and Rosanne gave Brent Lamb and Brendan Hamilton the opportunity to purchase Pypers Produce Ltd in 2007.

Brent started working in the business in 1997 as a mechanic and general maintenance employee, while Brendan worked as a carrot plant operator, tractor driver, spray operator, and harvester driver since he began working in the business back in 1999.

Nelson is still a big part of the business, helping out physically and sharing his wealth of knowledge and experience.

The results of effort across the decades is evident today. The business is a thriving and diversified enterprise that includes Brent's wife, Michelle, and Brendan's wife, Glenys. They are supported by a team of 70 with 55 working in the packhouse, 20 in the field and two office-based staff.

"All our employees are important to the business. We like to make sure they are confident and capable in their jobs," said Brendan.

"We value all our employees and keep them well informed of where the business is at or heading."

The quality is underpinned by NZ GAP & WQA accreditation, which enables the business to operate and supply the best produce.



01

"The key to our business success is being able to supply quality produce with a brand that is well known and respected."

Further proof of their reputation comes from well-known New Zealand celebrity chef and writer, Alison Holst, who said "Pypers of Southland produce the best tasting potatoes in New Zealand".

Pypers Produce currently leases approximately 915 acres of land from surrounding districts to grow potatoes and carrots. Produce is grown to supply local markets and carrots are also exported to Asia and the Middle East.

Another strength of the business is having the vision to keep moving the business forward through investment in innovation.

"A few years ago we installed a Compac Sizing machine which weighs potatoes individually, enabling us to ascertain the specifications required," said Brendan.

"We have also invested heavily in equipment that allows us to harvest in all weather conditions, and this is crucial to the continuity of supply for our customers."

Brent and Brendan also acknowledge the benefits to their business of working together with the cooperative.

"Pypers have worked with MG Marketing for many years and MG has become a key part of our business with regard to our day-to-day sales and they understand growing and process operations," Brendan added. "The MG employees are great to communicate and work with."

Did you know

Around 525,000 tonne of potatoes are grown in NZ annually. That's approximately 3 billion potatoes.

57% is for processing.

25% is exported.



02



03



04

01 Brent Lamb, Richard Cameron (MG) and Brendan Hamilton.

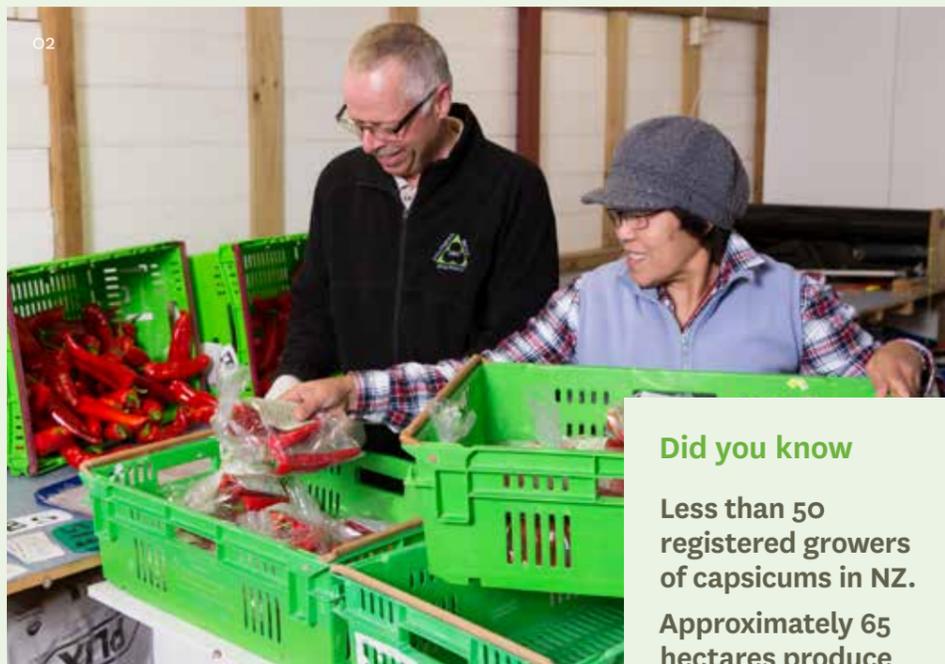
02 Quality control is central to the operation.

03 Brendan Hamilton is a convert of Compac's sizing technology.

04 World-famous Pyper carrots.



01



02

Did you know

Less than 50 registered growers of capsicums in NZ.

Approximately 65 hectares produce 15,000 tonnes.

103 export value \$38 million.



03

01 Frans de Jong sorts prime produce.
02 Capsicums are hand-bagged for market.
03 Tineke de Jong, MG's Brett Reid, Talbert and Frans de Jong.

Grower Profile.

Southern Belle Orchard

Looking for a fresh challenge, Frans and Tineke de Jong came to New Zealand from Holland 12 years ago and brought Southern Belle Orchard – a move that fulfilled a dream of living on a lifestyle block in a less crowded country.



Hinuera



5.05ha property near Matamata.

Anticipated crop in 2015 of 20 tonne of feijoas, with production exploding to 60 tonne by 2019 as new plantings mature.

2015 feijoa season ended being approximately 25 tonne. 2016 is expected to produce 35 tonne. 60 tonne is projected for 2019.

3000sq m twin skin Redpath greenhouses produce 75 tonne of capsicum.

The business is a true family affair with son Talbert de Jong and his partner Emily Meese taking a hands-on role in the day-to-day operations. Southern Belle Orchard also has four full-time employees and in the busy periods, the family is assisted by around 15 seasonal employees.

Frans was raised on a dairy farm, studied chemistry and went on to establish his own laboratory, while Tineke has a background in floristry and is also a passionate gardener. Although they had no previous commercial growing experience, they had a suite of useful and transferable skills from Holland to develop sustainable growing methods and generally improve all aspects of the business.

The orchard originally consisted of feijoas, persimmons, nashi pears and blueberries. Over time, the de Jong's have streamlined the operation, retaining feijoas and developing an extensive 3000sq m greenhouse dedicated primarily to capsicum.

The emphasis of the business has shifted from broad diversification to concentration on fewer products, greater volume where quality is paramount. The de Jong's say they're in the business of offering a very healthy, highly nutritious and good tasting product for their customers; so they'll be back for more.

True importance is placed on innovation and environmental practices. This philosophy was endorsed by industry with Southern Belle Orchard announced as the supreme winner of the 2015 Waikato Ballance Farm Environment Awards (BFEA), an annual competition run in 10 regions throughout the country.

The competition recognises and celebrates good farm practices that demonstrate sustainable land management. Judges of the competition were very impressed, saying that all decisions are backed up with thorough analysis, research and science. The amount of innovation and efficiency is amazing.

"Our philosophy is simple - a plant stays healthy and productive if it is looked after and fed well in a natural way, giving it all the nutrients and micro

elements nature provides," said Frans.

"We do regular soil, leaf and nutrient tests, to be able to keep a good balance."

"It can be challenging to adapt to change with regard to sustainability but we are always questioning the norm."

Most products find their way to restaurants, specialised shops and supermarkets but the de Jong's also enjoy their weekend morning trips to the Hamilton and Tauranga Farmers' Market. This is less about the market opportunity and more about the opportunity to interface directly with customers.

"During the farmers' markets we are able to gain valuable feedback, get a better understanding of customer expectations and find out more about future cooking trends," said Frans.

The grower-owned cooperative model appealed to the de Jong family and they have developed a strong relationship with MG over a number of years.

"Working with MG allows us to sell exclusively on the domestic market with clear control and pricing expectations," said Frans.

Standpoint.

Face-to-face with Growers

It has been great to catch up with a large number of our growers during the recent shed meetings. The sessions provide an important platform to meet face-to-face with growers and discuss the issues and opportunities facing our business and the wider industry.

Our relationship with shareholders is quite different to that of a purely corporate business, and as a cooperative we find it hugely valuable to get in the same room as our members. Although much of the information we presented will be available through other channels, we know a large number of growers prefer to hear from us directly.

It is clear from the recent conversations with growers there is a huge amount of passion for the industry and for the cooperative. It has been especially pleasing to hear growers acknowledge MG's many experienced and passionate staff and the substantial contribution we make to your business success. I agree that we have a highly engaged workforce who deliver quality service and proudly live our "Together. Stronger" brand.

As well as focusing on the recent performance of the cooperative and what that means for growers, it was a useful opportunity to share our broad strategies to grow and support the many businesses we represent. The way we make decisions, run our businesses and work together with grower shareholders can be summed up by six key areas of focus – resilience, partnerships, value, growth, capability and cooperative behaviour. They reinforce that at the heart of our business we are a cooperative based on strong values, and that leads to value creation for each and every the grower we represent.

Working closely together with our growers therefore remains a key priority for us to further build on our relationship with growers and customers alike. We are currently in the throws of producing a book for all growers that reaffirms the MG story of Together. Stronger. I look forward to you receiving your personal copy in the not too distant future.

Once again I thank everyone for their commitment to our business in whatever capacity you've undertaken to drive us forward.



Peter Hendry
CEO

From the Board.

MG offers Director Internship

The MG Marketing Board is pleased to announce the launch of the Director's Internship position as part of the "Growing You" initiative that was launched earlier this year, to support growers' professional development. The Internship also forms part of the MG Board's strategy to broaden the pool of possible directors and provide those interested in the governance of MG Marketing a taste of what is involved.

WHO SHOULD APPLY?

The Director Internship role is designed for those who aspire to director-level roles and to develop potential future MG Board Members. It allows the successful applicant to gain valuable experience through a seat at the MG Board table for up to a 12-month period.

WHAT ARE THE BENEFITS?

The Internship aims to prepare those with some experience in a governance role, regardless of their current position and particular area of professional expertise. The successful applicant will receive a fee and reimbursement of expenses. The Board believes that they will also benefit from a fresh perspective and equip the successful applicant with the practical tools, processes and insights into the governance of MG.

WHAT IS INVOLVED?

The successful applicant will attend Board meetings and work closely with an appropriate designated mentor. While the intern will participate fully in discussions and other Board matters, they will not have voting rights and, as such, will not be an actual director or have the responsibilities of such an appointment.

HOW DO I APPLY?

A letter will shortly be sent to all shareholders with more information about eligibility, the induction and assessment process. You can also contact the Company Secretary, Duncan Pryor, for further

information on dpryor@mgmarketing.co.nz or +64 3 343 1794.

Constitution Update

Reviewing the constitution remains a key task for the MG Marketing Board this year. MG's constitution defines how our cooperative is governed and provides a framework for how MG operates.

It is therefore incredibly important to get any changes right for our business and ensure they are fully understood. The intention is to modernise the constitution to better reflect the current way of doing business and better reflects today's business environment.

Whilst the entire constitution is being reviewed, challenged and questioned, much of it remains appropriate and reflects our uniqueness. As such, we do not intend to propose sweeping changes but make sensible amendments that better support the way we currently operate and want to operate in the future.

The aim is to strengthen the cooperative, remain competitive and enable us to move forward positively. We are currently working closely with one of New Zealand's leading legal cooperative advisors who is guiding the process.

The MG Board is committed to a robust process to capturing all necessary changes. The full process, including consultation with growers, will not be complete this year.

Given the amount of work involved, it is intended at this time that MG's shareholders will have the opportunity to vote on the revised constitution in late 2016, potentially at the AGM or at a meeting called specifically for this purpose.

Please feel free to contact me or the Company Secretary, Duncan Pryor, on dpryor@mgmarketing.co.nz or +64 3 343 1794, if you have any questions relating to the process.

Brian Gargiulo
Chairman

Growing You provides the opportunity for applied learning and value interaction time.



Growing You.

MG Marketing held another successful Growing You professional development workshop in August. The latest two-day event was tailored for vine and tree-based growers and focused on advancing the industry knowledge. Similar Growing You events, will be held in the future years.



Te Mata team up with local companies to support Vanuatu.



Management and staff from a number of local Hawke's Bay companies, including Kelston Orchard and Fruitpackers, joined forces to donate a wide range of goods to Vanuatu, shortly after the cyclone devastated the Pacific Island nation earlier this year. Enough content to fill two containers was collected, and Te Mata Exports contributed to all freight costs.

"Some really useful items were offered by people who wanted to make a difference for the people that really need it," said Murray Tait from Te Mata Exports. "It was very heart-warming to see so much effort and generosity go into such a good cause."

"This initiative was particularly fitting given the large number of Vanuatuan RSE workers that have supported our industry over a number of years."