

INSPIRING BUSINESS IN HAWKE'S BAY

AUGUST – NOVEMBER 2015

# THE **PROFIT**

**Nimon &  
Sons**

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## **THE ONE PROPOSITION**

**HAWKE'S BAY GO GETTERS**

**Survival of the fittest in our CBDs**

Business Hub – a look inside

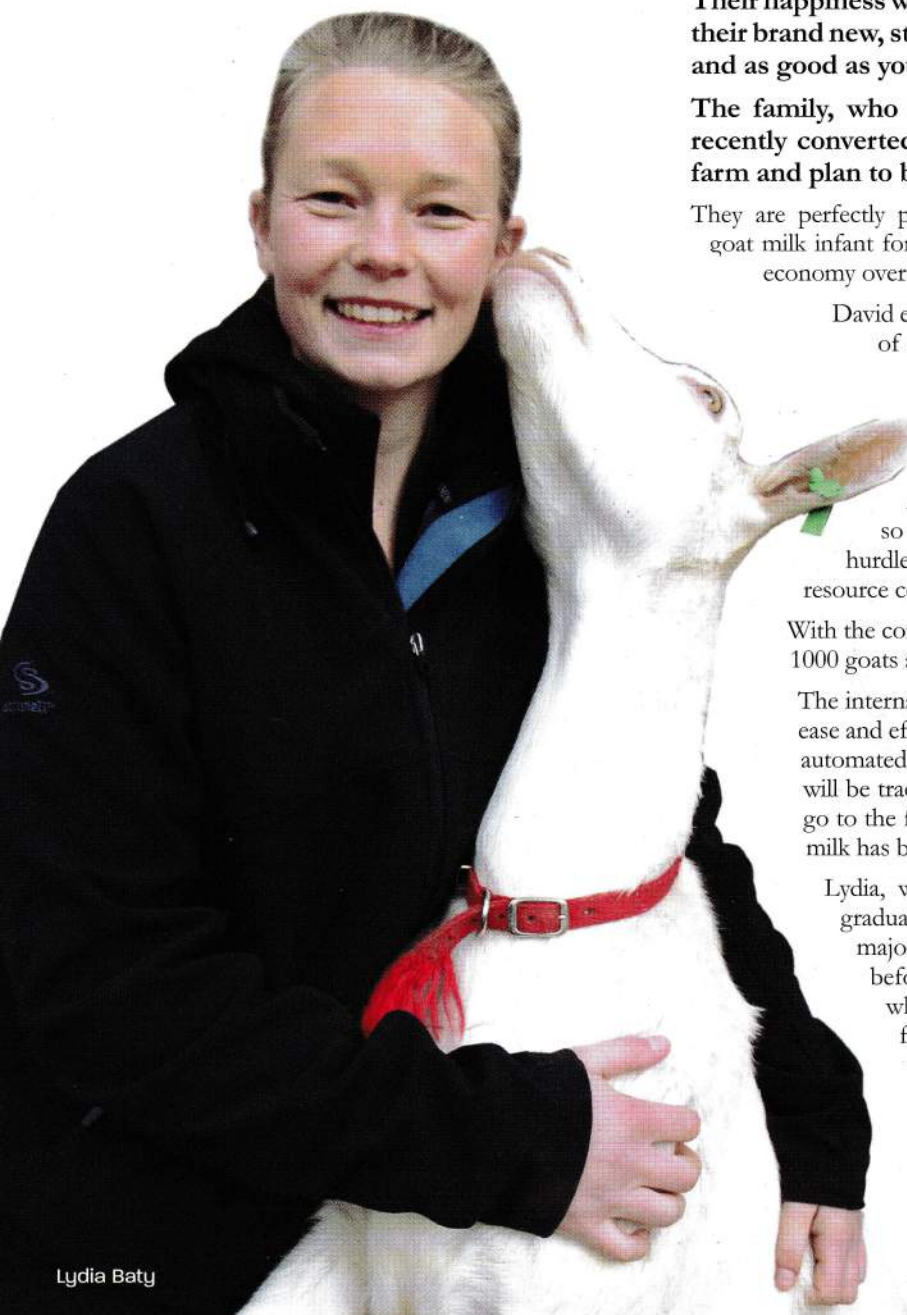
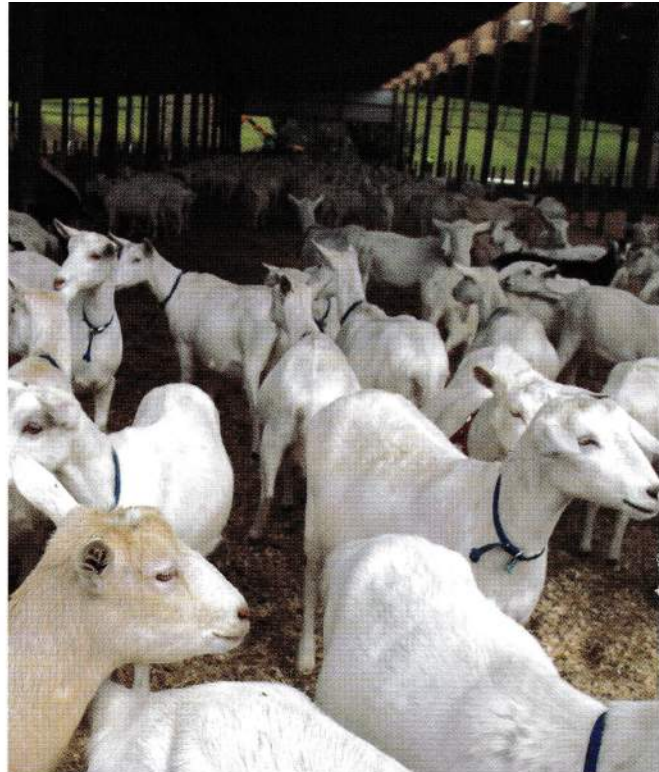
Pro Primary – growing organically



# Dairy goat farm *takes off,* in Hawkes Bay

By Vivienne Haldane

*As they launch their new dairy goat venture, Tuki Tuki Dairy Goats, father-daughter team, David Phillips and Lydia Baty are feeling very positive.*



Lydia Baty

Their happiness was apparent the day they showed *The Profit* around their brand new, state of the art, milking facility. "It's purpose built and as good as you can possibly get," says David.

The family, who has farmed in the area for three generations, recently converted 41 hectares of sheep and beef farm to a goat farm and plan to be milking around 650 goats this spring.

They are perfectly poised to take advantage of new developments in the goat milk infant formula market that has the potential to boost the region's economy over the next 10 years to the tune of \$360 million.

David estimates the net returns per hectare will be four times that of sheep and beef farming – an attractive proposition for the next generation of farmers. "This move is really about succession planning. Our children can't afford to buy this land and we'd like the farm to stay in the family, so we had to find some way of farming with a profit."

Adds Lydia, "We are really proud of what we've achieved so far. It's been a hard slog and there have been lots of hurdles to go through what with contending with the mud, resource consents and contractors."

With the completion of a covered shed that has a holding capacity of 1000 goats and kids, production is about to begin.

The internal rotary shed has been set up to handle milking goats for ease and efficiency. It can be operated by two people and will be fully automated when technology allows. "Every single goat and its details will be tracked via computer. We won't have to wait for the milk to go to the factory to work out the grades and how much volume of milk has been produced," says David.

Lydia, who manages the farm along with her husband Sean, graduated from Lincoln University with a Bachelor of Commerce majoring in Agricultural Management and Rural Valuation before working as a rural bank manager in Waikato. That's when she first became interested in dairy goats. She visited a few farms and came back home and told her father, 'this is what we are going to do on our farm.'

The temperate, sunny climate in Hawke's Bay is ideal for farming goats. Goats are easier on the environment too – Lydia estimates their impact is 10 percent of that of a dairy farm. Goat manure – typically small, hard pellets – does not pose the same nutrient leaching problem cow manure does.





Lydia Baty and David Phillips

The establishment and operation of the industry and the associated value chain could generate

**\$1.5 billion**

in gross revenue for the region cumulatively over the next 10 years and

**CREATE 178 JOBS,**

according to research commissioned by regional economic development agency Business Hawke's Bay (BHB).

Over the coming decade, a goat milk formula industry could contribute

\$364m to the region's GDP.

In 2024 alone, the contribution to GDP could reach \$62.38m – nine percent of the agriculture sector's current GDP.

Source: Business Hawke's Bay.

Having worked as a share-milker in Waikato for the past year, Lydia was able to gain valuable skills before starting her own venture. It also gave her time to do her research and find a processing facility and a market.

"We have a 5-year contract with our main supplier Fresco Nutrition – our milk is taken to Hamilton where it is turned into infant formula and other milk products.

### INFANT FORMULA SUCCESS

The infant formula industry is set to establish itself in Hawke's Bay with two different investors making plans to build facilities here over the next two years.

Fresco Nutrition Ltd, a dairy goat infant formula manufacturer and New Zealand Dairy Products Ltd (NZDP, a sheep and goat milk infant formula manufacturer, plan to capture the rising demand for infant milk formula and other nutritional powder.

In July, Gregg Wycherley, founder of Fresco Nutrition Ltd, told attendees at the Infant Formula Industry for Hawke's Bay Conference conference, 'When we build, we will build here.'

Fresco Nutrition plans to invest up to \$30million in a spray dryer and canning facility in Hawke's Bay. It is estimated the facility will provide around 40 jobs.

Gregg described Hawke's Bay as being an ideal region in which to locate his operation in terms of its climate, land prices, Napier Port, transport infrastructure, water and trade waste systems and supportive local government.

NZDP's estimated \$80million project includes a large scale farming operation for both dairy goats and sheep. Company managing director, Chris Berryman said such scale would enable NZDP to control quality from farm to finished product – an important factor for access to some Asian markets.

Milk will also be sourced from other local goat and sheep farmers.

Chris estimated the new factory – to be built in 18 months – and farm would provide a boost to the local economy with up to 70 new jobs.

The new plant will also manufacture Shegoa™ Infant formula that is made from a combination of goat milk and sheep milk.

It is hoped that the first stage of development will give NZDP the capacity to produce up to 15 million tins of goat milk and Shegoa™ Infant formula, for export to over 24 countries.

Business Hawke's Bay food and beverage programme manager, Catherine Rusby said, "To have both these businesses commit to Hawke's Bay is tremendous. "It signals that Hawke's Bay is a serious place for growing and manufacturing non-bovine dairy products."

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