

Sharemilkers, concerned the New Zealand dairy industry appears to be virtually ignoring their pivotal role in dairying in the creation of a mega co-op., are attempting to persuade the *MergeCo.* establishment board to allow them to hold shares, to recognise their special status.

They have been supported in their call for the allocation of shares in the mega co-operative by ACT candidate for Rodney, dairyfarmer and ex Auckland *Federated Farmers* president Penny Webster, who says it is vital for the future of the dairy industry that sharemilkers get a fair stake in the share issue when the mega co-op. is formed.

Ms Webster, who worked for many years within the sharemilkers subsection of *Federated Farmers* and was administrator for the *National Sharemilker of the Year* contest for over 10 years, says: "Sharemilkers are determined they won't stand by and let industry leaders overlook them on this crucial issue.

"Dairy industry leaders must finally recognise sharemilkers have a considerable stake in the

# Sharemilkers push for shares

industry and it is time they were paid more than just lip service by those at the top," Ms Webster says.

As a result of sharemilker meetings across the country, it is believed the sharemilkers want the establishment board to:-

**Directly protect their on-farm income streams**, through guaranteeing them a share of both consumer company dividends and the commodity milk prices paid to farmers.

**Put a mechanism in place** so that whatever is negotiated for sharemilkers from farmowners – for instance the purchase of shares or a share of the dividend stream – can be legally done.

**Recognise the contribution of sharemilkers** – they produce 40% of the nation's milk – to the industry over the years.

**Ensure that imputation credits**, among other things, are passed on to sharemilkers without double tax.

**Ensure *Livestock Improvement Corporation***, the services of which, as herd-owners, share-

milkers are major users, is not gobbled up by *MergeCo.*

**Ensure *QuotaCo.*** is owned by all dairy suppliers, not just shareholders, that dividends from quota rents are not gifted to just one section of the dairying community, to the exclusion of sharemilker suppliers.

Sharemilkers, under the aegis of the sharemilkers section of *Dairy Farmers of New Zealand*, have held meetings with *NZ Dairy Board* officials, but at time of going to press claimed to have received little assurance their concerns could or would be resolved. Yet Graham Calvert, chairman of the establishment board, has stated that he believes the sharemilkers have 'some valid concerns'. He said the establishment board felt *MergeCo.* had a role to play in the 'facilitation of solutions to these concerns'.

Greg Maughan, chairman of the Manawatu-Rangitikei sharemilkers section of *DFNZ*, noting that previously industry leaders had said the issue was 'between the farmowners and the share-

milkers' says this attitude is 'a major cop-out'.

"In this major review, sharemilker concerns should be looked at and addressed by industry leaders so that all involved can move together," Mr Maughan says.

"Under the restructuring plan, the industry will be divided up amongst current shareholders. Sharemilkers are not shareholders because company rules don't allow them to be, even though they have contributed financially to the industry over the years in much the same way as farmers, through retained earnings, and in some companies through differential payments under merger terms. "The total of the contribution is estimated by sharemilkers to be around 15% of the total retentions over the years."

Mr Maughan advocates the ability to hold shares in a way that does not take anything away from existing shareholders; e.g., by dividing up some of the other businesses, such as *QuotaCo.*, which farmers are being allocated on top of existing shares. D

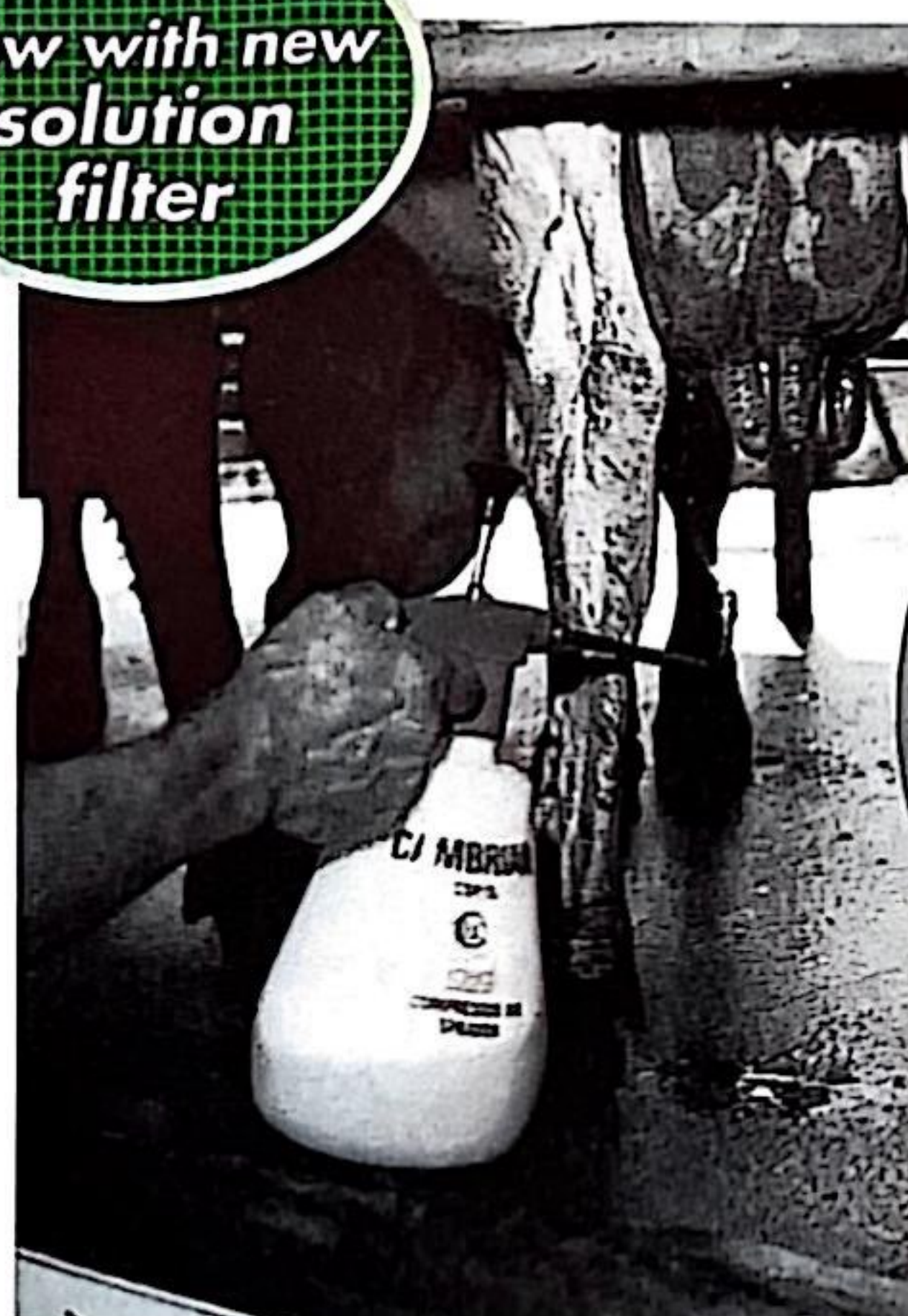
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