

2022 ANNUAL REVIEW

# Investing for your future



[ballance.co.nz](https://ballance.co.nz)



# Together, creating the best soil and food on earth.



*Pauline and Adrian Ball of Dennley Farms in Waikato were named 2019 National Ambassadors for Sustainable Farming and Growing*

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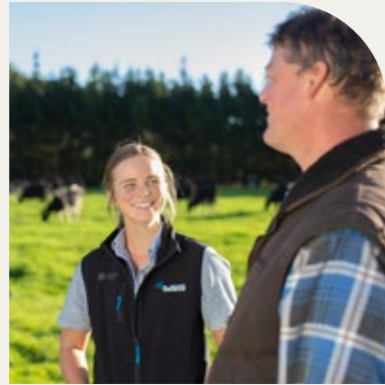
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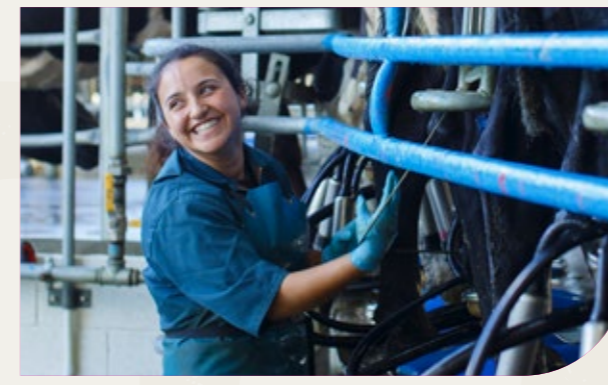
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# Governance & leadership



**DUNCAN COULL**  
CHAIRMAN, DIRECTOR NORTH ISLAND



**DACEY BALLE**  
DIRECTOR NORTH ISLAND



**SIMON ROBERTSON**  
APPOINTED DIRECTOR



**MARK WYNNE**  
CHIEF EXECUTIVE OFFICER



**DANI DARKE**  
DIRECTOR NORTH ISLAND



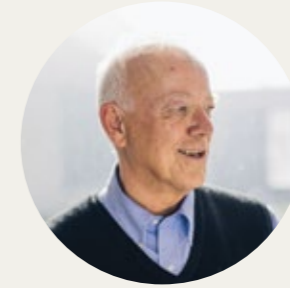
**SARAH VON DADELSZEN**  
DIRECTOR NORTH ISLAND



**MATT SKILTON**  
CHIEF FINANCIAL OFFICER



**SHEENA HENDERSON**  
GM CUSTOMER EXPERIENCE  
& MARKETING



**ALBERT BRANTLEY**  
APPOINTED DIRECTOR



**ANDREW MORRISON**  
DIRECTOR SOUTH ISLAND



**SHANE DUFAUR**  
GM OPERATIONS & SUPPLY CHAIN



**JASON MINKHORST**  
GM SALES



**MICHELE KERNAHAN**  
APPOINTED DIRECTOR



**CAMERON HENDERSON**  
DIRECTOR SOUTH ISLAND



**JACQUELINE RICH**  
GM PEOPLE & CAPABILITY



**DAVID HEALY**  
CHIEF DIGITAL OFFICER



**WILL GRAYLING**  
ASSOCIATE DIRECTOR

# Chairman's report



## Shaping the future

Profit before rebate and tax

**\$112<sub>m</sub>**

Group sales

**1.583<sub>m</sub>**

tonnes

The Board has elected to retain \$56m as part of the Group's strategy for investing in a low emissions carbon-neutral future for locally manufactured nutrients.

Shareholder rebate of

**\$30**

per tonne

A total of

**\$37<sub>m</sub>**

returned to farmers and growers

If there is one thing certain about the world we live in at present, it is the uncertain and unpredictable environment we live and operate in. Our approach to this, how we adapt and navigate our business, will determine our level of success.

Despite these challenges I firmly believe the New Zealand primary sector is in good shape with a very positive outlook. As the world continues to grow, so does the need for food, and food produced with a sustainable footprint will attract a premium. We are well positioned as sustainable producers, but this is not an end point. We must continue to strive to do more - it's what our customers and communities expect, and I know, as a fellow farmer and grower, it's what we all want to do.

I want to acknowledge the people within Ballance, who are critical to our success. Their ability to navigate through challenges both at home, with COVID-19 interruptions, and abroad, with logistics and supply interruption as the impact of the Ukraine invasion is felt. This has required all of team Ballance to work together with absolute focus on delivering for our shareholders, supplying nutrients and advice when needed, with efficiency front of mind to limit exposure to escalating raw material costs.

The headline numbers with this year's financial results don't paint a true picture of the efforts the business has made to buffer the volatility and rising costs of raw materials around the world. Absorbing that volatility to provide stability and products fit for use for our farmers and growers was a focus for the business. Your investment in manufacturing assets in New Zealand and, in particular our Kapuni manufacturing plant, were rewarded in providing some respectability to our overall financial performance.

As a country we have signed up to do what's right and play our part in reducing our emissions profile to tackle climate change. This is impacting us all in the way we think about our business moving forward. We need to address how we do more with less, maintaining productivity with a lighter footprint.

In Kapuni we have a large emissions profile, which we have a responsibility to reduce over time. We have a substantive programme of work underway to understand how we best approach this. As a Board, we are committed in principle to this journey, with some key decisions to be made around feasibility, capital and benefits back to you as shareholders.

What we do know is that, if feasible, it will require investment at scale and as such, the board has taken a view that our focus needs to be on building balance sheet resilience to support this investment through increased retentions. Those retentions will be a feature of our approach to how profits are allocated for the foreseeable future.

Respect for shareholder capital is always at the forefront of mind as we make decisions around the business today and into the future. As increased resilience is built into the balance sheet, so will the value of the investment you hold in your co-operative.

On behalf of the Board and all Ballance, I want to thank you our shareholders for your continued loyalty - this is not something we take lightly. As a Board, we are firmly focused on ensuring decisions made today have a positive impact for you and for future generations of our co-operative.

I wish you all well for the year ahead.

Duncan Coull  
CHAIRMAN

# Adapting and evolving for the future of our co-operative

Farmers and growers came together over 60 years ago to form our co-operative with the primary purpose of providing an affordable and reliable source of nutrients. The local manufacture and supply of fertiliser is fundamental to New Zealand's food and fibre sector and New Zealand's economy. International product shortages have highlighted the critical importance for farmers and growers to have an affordable and reliable supply of nutrients through local manufacture.

Faced with further uncertainty and challenges, surety of supply is more important than ever, and this was at the forefront of our mind as we navigated the 2022 financial year. I want to thank each member of our team, our shareholders and customers for their hard work and commitment, which resulted in a strong year for our co-operative.

## Kapuni

Our long-standing and trusted relationships with global suppliers helped us mitigate most supply challenges, in particular our long-term gas supply contract at our Kapuni site. This enabled the supply and manufacture of competitively priced urea, about 30% of our volume.

Going forward, our assets in Kapuni represent our greatest opportunity to decarbonise our operations. This is part of our strategy to invest in a low emissions, carbon-neutral future for locally manufactured nutrients. This will be a significant investment on behalf of our shareholders but will ensure we can continue to provide a reliable and sustainable supply of quality nutrients for Kiwi farmers and growers.

## Adapting the way we work

Volatility in the global trade of nutrients impacted pricing worldwide. We used forward buying, and revised international supply lead-times to reduce the potential for product shortages – however prices for raw material, product and freight keep rising far higher than predicated.

Our strategy has enabled us to smooth some of this volatility but we cannot avoid the trends of the world market.

We looked at other opportunities to generate revenue, such as stepping up production of GoClear® (AdBlue certified diesel exhaust fluid) to meet demands caused by a global shortage of urea and subsequently, AdBlue. Similarly, we made savings by substituting imported sulphuric acid with increased domestic sulphuric acid production from our Mount Operations.

Personnel and product shortages presented challenges for statutory turnarounds at our Kapuni and Mount Operations sites, as well as an opportunity to show our depth of skill, talent, experience, and high levels of resilience. We achieved both multi-million dollar turnarounds with minimal impact on production.

## Evolving to stay ahead

Looking forward, we continue to support our customers with science-backed innovation and guidance, as they respond to change and remain sustainable and productive. Our SuperPlus® product, which we launched this year, has performance and financial benefits for our customers, as well as environmental benefits, using less energy to manufacture and producing less on-farm emissions.

This year, we proudly launched the first project in our Future Ready Farms programme of work, which is co-funded by the Ministry for Primary Industries (MPI) and aims to help farmers and growers meet national environmental targets.

Super Air has expanded nationally, and our geospatial team has ensured that its SpreadSmart® technology continues to drive productivity through precision application, providing bankable benefits to our customers.

This year we invested \$95m into our large capital programme currently underway, which will help us grow with

the market and support customers into the future, across multiple sectors. The building of our Whangārei hub will help expand our footprint and improve our service to the region's growing agriculture, horticulture and arable markets, and our turnaround in Kapuni this year ensures this major asset is in optimal condition for the next operating cycle.

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**As we reflect on the year, we can be proud of the way we have evolved and adapted to achieve surety of supply for our shareholders.**

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Our strategy to focus on locally manufactured product drove a strong performance in 2022. We increased the volume through our manufacturing sites by 113,000 tonnes and were proud to pass on \$54m of price benefits to our customers to lessen the impact of increased international commodity prices.

Together, we have produced another strong year for our co-operative, and I'd like to thank you for the part you played in 2022.



Mark Wynne  
CHIEF EXECUTIVE OFFICER

# CEO's report



# Report card

Group sales  
**1.583**  
MILLION TONNES

Revenue  
before rebate  
**\$1.195**  
BILLION

Profit  
before rebate & tax  
**\$112**  
MILLION

## Our co-operative

We are investing in a low emissions future so we can continue to provide a reliable and sustainable supply of quality nutrients for current and future generations of Kiwi farmers and growers. The Ballance Board has therefore elected to retain \$56m to facilitate this. Alongside this, we are pleased to announce a shareholder rebate of \$30 per tonne, a total of

**\$37** m

returned to farmers and growers

Shareholder  
Rebate  
**\$30**  
PER TONNE



# Financial highlights

## \$54m

in price benefits passed on to farmers and growers to ease the impact of rising commodity prices internationally

## \$95m

in capital invested to ensure infrastructure is future ready

## \$14m

in bankable benefits to farmers through the spreading of 512,000 hectares using SpreadSmart® technology, optimising growth opportunities in hill country

## 920,000T

of product manufactured locally in New Zealand by our great people and distributed by our service centres, silos and spread partners around New Zealand



SuperPlus® sold at

## 130%

compared to budget since launch

## 1<sup>ST</sup>

project in our Future Ready Farms programme of work to hit the market - Soil Health Check

Sales of SurePhos® have grown

## 77%

annually since it was launched in 2019

SealesWinslow grew

## 26%

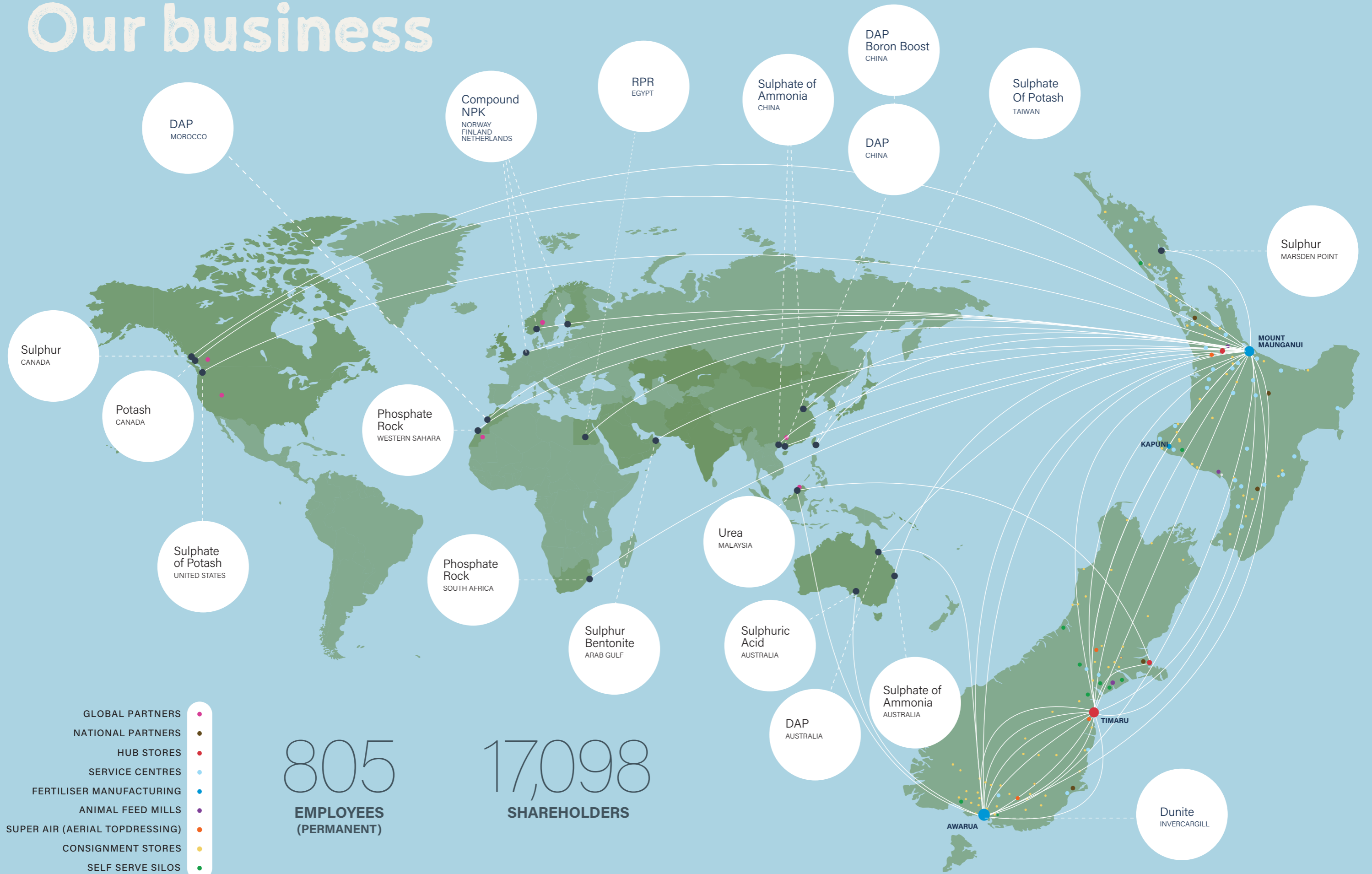
as farmers optimised productivity gains



Members of the Ballance People & Capability team



# Our business



805  
EMPLOYEES  
(PERMANENT)

17,098  
SHAREHOLDERS

- GLOBAL PARTNERS
- NATIONAL PARTNERS
- HUB STORES
- SERVICE CENTRES
- FERTILISER MANUFACTURING
- ANIMAL FEED MILLS
- SUPER AIR (AERIAL TOPDRESSING)
- CONSIGNMENT STORES
- SELF SERVE SILOS



# Surety of supply

Mark Cohen from the Maru Street Service Centre

## The value of a co-operative

Our focus has been ensuring a reliable supply of quality nutrients.

Alongside change in the regulatory space, this last twelve months has seen significant supply disruption globally. From ongoing impacts of COVID-19 and the northern hemisphere energy crisis, to the invasion of Ukraine and the effects of climate change, the impacts have been significant.

The value of a co-operative lies in helping each other to ensure we're all successful.

For Ballance shareholders, a key benefit is the assurance of supply – receiving a reliable supply of quality nutrients to continue operating and contributing to the prosperity of our primary industry, and ultimately New Zealand as a whole. To ensure we maintain supply excellence for our customers, even when challenges


present themselves, we need to evolve the way we do things, the same way that our shareholders are asked to keep up with an ever-changing regulatory landscape.

We refined our strategy, to produce and sell greater volumes of products through our manufacturing sites in an effort to minimise disruption caused by an unstable global market – with the key purpose of ensuring we can keep New Zealand going. As well as making commercial sense, this strategy gives customers the benefit of new, innovative, locally manufactured fertiliser products as well as supporting employment security and development opportunities for our people.



Our manufacturing strategy is about working together towards a successful and sustainable future for farming and growing in New Zealand.

### The benefits of local manufacture

 **Creating value for shareholders**

Produce and sell greater volumes through our sites

 **Surety of supply**

Minimise disruption from an unstable global market

 **Customer benefits**

New, sustainable, innovative, locally manufactured fertiliser products

 **Care for our people**

Support employment security and development opportunities for our people

### Navigating global challenges to ensure surety of supply for New Zealand

Alongside the impact of COVID-19 on supply chains and international freight, we saw an energy crisis evolve in Europe.

The result is that nations have become aware of the importance of fertiliser in ensuring food for their people. Food security has become the highest priority across the globe with many governments introducing protectionist trade policies to ensure they can feed their populations. China's introduction of export controls for key nutrients such as nitrogen and phosphate in October 2021, saw a significant restructuring of these markets, not to mention material increases in prices because of supply and demand imbalances.

Sanctions were a key feature of FY22, with existing ones on Belarus being strengthened, followed by a raft of new ones imposed on Russia following the Ukraine invasion.

**We are immensely proud of our people who have gone the extra mile for our shareholders. Our supply network is robust because of the commitment and care of our people.**

Our long-standing procurement partnerships demonstrated their value in FY22. In particular, our gas contract at Kapuni enabled us to retain value for reinvestment in the future of this asset. Across our broader nutrient business, we leveraged value to do what we could to ease the pricing impact, recognising that almost all nutrient pricing reached decade high pricing. We used proactive placements of orders well in advance of normal lead times, and leveraged the strategic relationships we have cultivated, in some cases, over many decades with our supply partners. With border closures in place for much of this year, being able to rely on these relationships has been instrumental in meeting these changes.

COVID-19 issues have not only impacted the supply of materials but also presented challenges in securing personnel.

Careful planning and management meant that our manufacturing sites continued to function and keep up with an increased demand for locally manufactured products, as well as significant capital investment at all three of our fertiliser sites.

**Pricing**

Already high pricing, led by sanctions, China's export controls, and the increasing price of gas, was further exacerbated following the Ukraine invasion, with supply to many European nations restrained. As a result, pricing levels, for many products, were above what we experienced during the 2008 Global Financial Crisis (GFC).

We passed on  
**\$54m**  
of price benefits to our customers to ease the impact of rising commodity prices internationally.

Our local manufacturing ensured best value in a rapidly escalating environment. Following droughts in several regions, we reduced the price of Sustain<sup>®</sup> and urea by \$50/T, to help farmers affected by the delays in meat processing caused by the Omicron outbreak. Animal care is one of the pillars of our Ballance with Nature philosophy, because we know farmers care for their animals as well as their land. It was important to us to help avoid feed shortages in the lead up to winter, as farmers were forced to carry stock longer than planned.

**As a critical business we have been able to continue to operate and serve our shareholders and we consider this a privilege.**



**The strategic importance of Kapuni**

The value of our Kapuni asset was further highlighted in FY22. Local manufacture meant we were able to ensure uninterrupted supply of quality nitrogenous products to our farmers and growers. And our long term gas contract saw us navigate through the northern hemisphere energy crisis with minimal impact, driving a strong return on investment for the co-operative.

Again we are seeing these strategic partnerships deliver value for our shareholders. We've retained earnings this year as we look to a low emissions future, but we are also being prudent. We have, like our shareholders, seen large increases in raw material costs which means our inventory value is now significantly higher than it was a year ago, which was already higher than the year prior. In addition, because of supply disruptions we have evolved from a "just in time" philosophy in our supply chain to a "just in case" approach.

We know how vital surety of supply is for our customers and shareholders. As a result, our working capital requirements are much greater now than they ever have been in the past. We anticipate the global commodities market will correct at some point as it has in the past (GFC) and will do what we can to make this a smooth landing with as minimal inventory correction as possible. Unfortunately this is led by forces bigger than us. There will be some pain for our co-operative as this re-balancing plays out.

As we look to the future with our Kapuni asset, we believe it remains strategically important for the industry and New Zealand. To ensure its future we need to invest in programmes that lower the level of scope 1 and 2 emissions, but also reduce its carbon footprint. This has played a significant role in the retention of funds for this financial year.

**Our biggest investments this year**

We continue to reinvest in the assets which help us produce strong results for our co-operative. This includes new capital projects that will enable our operations to be fit for purpose into the future.

Our Northland project, to grow our footprint and improve our service offering to farmers and growers in the region, has made excellent progress. Our new service centre at Marsden Point opened in June last year and began operations in July.

The dispatch plant settled well with minimal teething problems from the start, and we've received great customer feedback. Over 6000 tonnes were dispatched to customers in the first eleven months and five bulk shipments have been received into Marsden Point. We expect business to continue growing this year.

The final piece of our Northland project is the development of a new hub and bagging facility in Whangārei to service the region's growing horticulture market. After two years of planning and design, construction began in November last year, with local Iwi carrying out a pre-dawn ceremony to bless the site. In May, five containers carrying units of the plant were dispatched from the Netherlands, and once installed, we plan to have the site operational by early 2023. The team has demonstrated process improvements along the way to ensure we are in the best shape possible when the new hub opens for business. This is notwithstanding COVID-19 impacts on our construction workforce and international shipping constraints posing schedule risk in delivery of some equipment.

This year, we completed a significant statutory turnaround, our biennial site maintenance programme, at our Kapuni site. This was well managed despite border closures resulting in personnel shortages and the ongoing impact of COVID-19 on personnel and materials supply.

The primary objective of the 2022 Kapuni turnaround was to renew the site's license to operate and reset plant efficiencies and overall equipment effectiveness to optimum conditions for the next operating cycle. This was a significant programme of work with all safety systems checked and an investment of \$22 million. The turnaround included 90,000 man hours carried out by a workforce of 600 people, predominantly local. It also involved the relocation of the new control room and laboratory and the commissioning of an emissions management system. It was delivered successfully thanks to the capability and commitment of our people and our community of partners.



**Quality**

Consistent quality is a big part of supply excellence and this year all three of our manufacturing sites achieved this. The blend change and increase in nutrient density from 9.0 to 9.5% total phosphate for the development of our new SuperPlus<sup>®</sup> product was a key focus for us this year. To achieve this, contributions spanned all corners of the business, with operations and supply chain excelling in transforming to deliver real market differentiation and value add for shareholders.

Throughout this transition, both our superphosphate plants, Mount Maunganui and Awarua, have continued to manufacture consistently high chemical quality of product as supported by Fertmark accreditation. SuperPlus<sup>®</sup> has demonstrated increased granule strength to support better material handling and spreading, ultimately improving the experience for our customers. With refinements in our manufacturing process, we also reduced the energy needed to make the product.

**At a group level, our complaints from customers about quality continue to decrease and currently sit at**

**0.043**  
per 1000T

**Kapuni turnaround**

<b>\$22m</b>	<b>600</b>
Investment	People
<b>90,000</b>	
Man hours	

At Kapuni, our laboratory was moved into a new building during the turnaround with all equipment set up, IANZ certified and recalibrated before equipment was required for the plant restart, all while maintaining accreditation.

Further efforts via our business intelligence reporting dashboard, enabling easier and more interactive access to Quality Notifications, will help us reduce this further in the future. Quality is part of our service promise to our customers, and we maintain leadership focus here.





### Keeping New Zealand moving

The domestic heavy transport industry is an integral part of our supply chain, as it is for many others. This year, international shortages of urea saw a global shortage of AdBlue, the diesel exhaust fluid that reduces nitric oxide emissions in modern diesel engines, including trucks used in our network.

Our Kapuni site has been producing our AdBlue-certified GoClear® product since the mid-2000s but stepped-up production to meet demands caused by the shortage, offering a local solution for New Zealand's trucking industry. In November, we supplied one of New Zealand's biggest AdBlue distributors with one million litres of GoClear®, at which time the domestic market was within days of running out of diesel fuel additive.

Since then, our Kapuni site has produced up to 2.4 million litres of GoClear® per month, to keep New Zealand's supply chain sustainable.

**We manufactured one million litres of GoClear® and kept New Zealand moving.**



### Match fit

Ensuring we are match fit means improving what we do to provide our customers with fertiliser when they need it. In light of the global supply disruption, we had to do things differently. We refined our procurement strategy and our sales and operations planning processes, and leveraged our relationships with key partners to ensure we deliver on our promises to our customers.

In our manufacturing sites and service centres, our on-site management system ensures we are committed to continuous improvement. Our inventory management has evolved from a "just in time" to a "just in case" model and enables us to hold more inventory. Our MyStore system ensures we can quickly refill our stores and our people throughout our network to ensure that this great agility enables surety of supply for our customers.



Our Te Kōpuru self serve silo

### Further reducing our footprint

Ballance is committed to helping our shareholder customers and New Zealand achieve significant environmental aspirations. We invest heavily in creating products and tools to enable productive farming, sustainably, and in providing advice that ensures right product, right place, right amount, right time.

### We are committed to being sustainable from the inside, out.

We know we have work to do in our business to further reduce our operational footprint. Our two big contributors are Kapuni in the local manufacture of urea and our onshore transport emissions.

Looking long-term, we are committed at a governance level to decarbonising our Kapuni ammonia-urea plant, through staged investment in new and emerging technologies over the next 10 to 12 years, a significant investment. We believe there is opportunity to remove up to 90% of our manufacturing emissions. This can be achieved by investing in electrochemical facilities such as electrolyzers, synthetic ammonia plant, and other emerging decarbonisation technologies, all of which can be powered by electricity from renewable energy sources. To be successful the investment requires affordable renewable electricity as well as confidence in a consistent, supportive regulatory environment.

Our focus on transport emissions continues to be about reducing "waste." Ensuring efficient runs, back filling truck runs, utilising our transport management system, Market2X and working on extracting more from our sales and operations planning, which was not easy in current conditions. These tactics go hand in hand with sustainability and productivity.

We have invested in several electric forklifts, to test their viability in the future. Electric vehicles have many benefits, including rapid charging speeds, less emissions, and less maintenance required. Should this trial prove successful, Ballance would look to replace its fleet of 80 diesel forklifts with the electric alternatives as they reach end-of-life.

With respect to the environmental practices around our supply network, we operate a "centralised and decentralised" approach. The site leaders champion and are accountable for all aspects of sustainability on their site – people, planet, profit. However, centrally we have an environmental leader who ensures best practice and integration of environmental practices into the site management plan and into on-site management practice so it's lived and gets the right focus. This includes risk assessments and performance metrics that are tracked to ensure we continually improve, and show our commitment to walking the talk. As such, you may notice site enhancements continue to be made at our sites including the planting of rain gardens to capture surface water and nutrient run-off, to protect the surrounding waterways and ensure those nutrients go to good use.

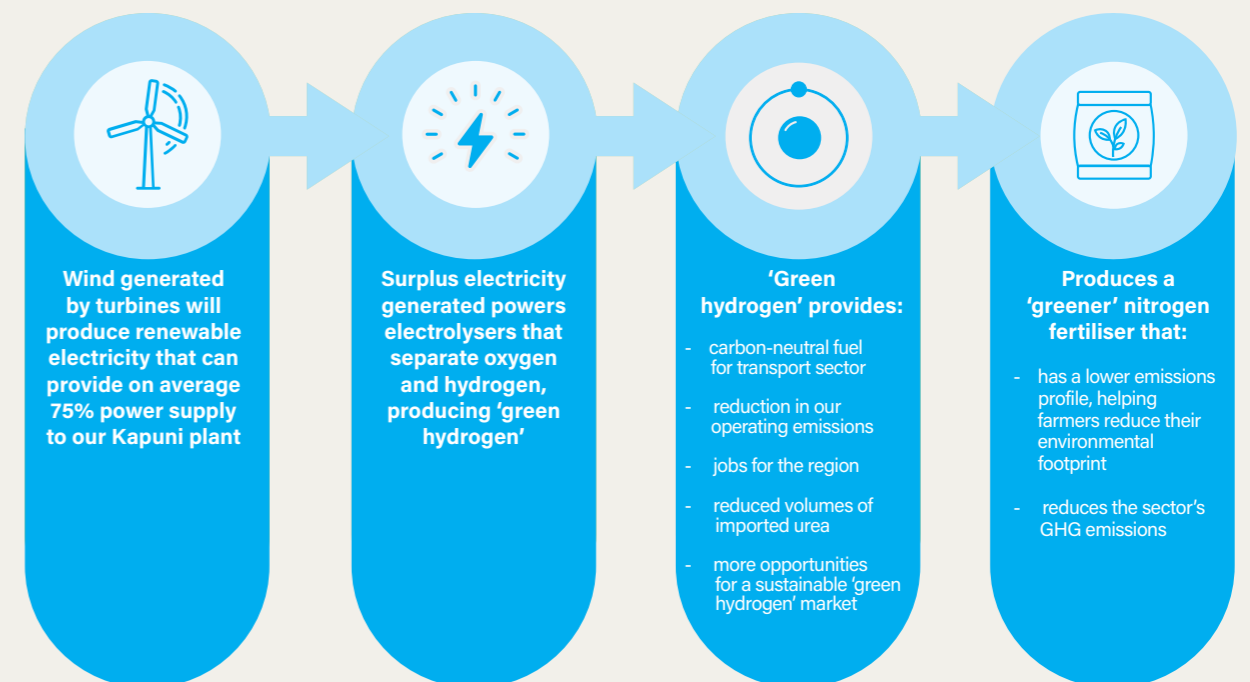


We know we can play a significant role in reducing emissions, which is why decarbonisation of our local manufacturing is part of our long-term strategy.

### 'Green' hydrogen

We remain committed and positive about our joint venture with Hiringa Energy to produce 'green' hydrogen from renewable energy. The venture applied, under a new fast-tracked consenting process, to build four, 206-metre-tall wind turbines. An expert panel granted the consent, with conditions, giving the project the green light. It was hoped construction would be underway in 2022 to install the turbines, ahead of generation beginning in 2023. The electricity generated is planned to be transferred to Kapuni to produce 'green' hydrogen from water. Initially, all the hydrogen will be used in the production of green urea and will eventually be used to fuel the heavy transport sector. The turbines are a critical component of the project, which aims to accelerate New Zealand's transition to a zero emission, hydrogen-based heavy-transport network. 'Green' hydrogen will make a significant contribution towards our national Net Zero by 2050 emissions targets.

### Our 'green' hydrogen project, in partnership with Hiringa Energy



## CASE STUDY

# Driving supply excellence

**On any given day, our Hastings Service Centre team can be seen completing activities and tasks to ensure we deliver supply excellence for our customers. From the early morning operational planning meeting to the mobile plant and equipment checks, material cycle counts and transfers, to cleaning and maintenance. The team is disciplined in their execution and constantly looking for opportunities to improve. Then they do it all again the next day, only better.**

This activity is happening across our network from Waipapa to Invercargill, as part of the Ballance Production System (BPS) – a management system that ensures we consistently provide a reliable supply of quality nutrients, keep our people safe and guarantee our equipment is in good working order. Because at Ballance, we believe that well-planned work delivers great outcomes and supply excellence.

BPS is how we win for our customers and defines the work standards we adhere to across our network. It ensures we use the right methods for consistent outcomes and provides a framework to transfer knowledge and experience from individuals to the business.

Jonny Reay, Ballance's National Distribution Manager, has placed BPS at the core of his team's supply excellence strategy: "Business performance and our drive for relentless improvement does not happen by chance. We articulate the

service-led outcomes that our teams and business want to achieve, and our BPS management system ensures our path to success. Well defined processes and a systemic approach to verification of these processes is a fundamental pillar of our BPS journey."

BPS provides standardisation to create consistency in how we do business across our network but allows for our local teams, like our Hastings team, to adjust for their specific regional needs. BPS is kept top of mind, through posters on the walls, in the store and in the yard. The priorities for the day, the week and the quarter are clear and are getting done. It helps the entire team focus on performance, and what actions to take to keep winning. Teams are empowered to continuously improve, to come up with ideas and suggestions to enhance performance. These improvements are shared and adopted across the network, and if you are new to Ballance, BPS helps you quickly learn to deliver the same

great outcomes as your experienced colleagues. Because it's easier to bring your best self to work every day when things are organised for success and your team is recognised for this.

BPS originated from a strong history in manufacturing. In fact, we're standing on the shoulders of giants with the management systems at Kapuni, Awarua and Mount Operations sites lauded for excellence. In partnership with our advisors, Productivity People Limited, we have brought this together across operations and on-shore supply chain and have right-sized our approach to supply excellence for our distribution hubs and service centres.

The team at Hastings have been at the forefront of adopting the BPS way of working for the past year. Daniel Mason, Hastings Service Centre Manager says "It's about making the hard stuff easy and getting the team on the same page. The standard approach and systems mean things happen and will continue to happen regardless of who is on site. Plant reliability has increased and the unexpected, breakdowns and disruptions have decreased. The team have taken ownership of the tools and have really made them fit for purpose, providing a great benefit to how we operate as a team."

Across our network, our team have said that getting quality nutrients to our customers on time has become easier with BPS. This has been due to better communication, clearer priorities, routine tasks being completed on time, and problems being solved. Hugh Eaglesome, Hastings Service Centre Operator sees the benefits.

**"I guess for me BPS is a great start to each day, setting goals and visually seeing what was achieved the previous day, making sure we are all on the same waka."**

Daniel Mason and Hugh Eaglesome from the Ballance Hastings Service Centre

# Innovating for a strong co-operative



Andre Westenberg with Angus Dowson from our Farm Sustainability Services team

**When a co-operative is strong and works well, all members succeed. The Ballance co-operative model remains as important today as it was when our shareholders formed us over 60 years ago. Helping Kiwi farmers and growers produce world-leading quality food and fibre is reflected in our purpose: Together, growing the best soil and food on earth.**

### Sustainability products innovated with New Zealand farmers for New Zealand farmers

Our shareholders are innovators and leaders in sustainable food and fibre production. Along with products we source globally, we invest and innovate in our locally manufactured assets to ensure we offer a range that is right not just for New Zealand soil and conditions, but for New Zealand farming and growing systems.

Ballance continues to be New Zealand's leading innovator of sustainable agri-nutrients. We work with experts locally and internationally, verifying our claims both agronomically and environmentally via independent New Zealand trials.

SurePhos® is a slow-release phosphate fertiliser which gradually releases into the soil, reducing phosphate loss by up to 75%\*. Following the successful North Island launch of SurePhos® in 2019, we have recently launched SuperPlus®, the most powerful single superphosphate (SSP) on the market, differentiating our superphosphate offering from our competitors. SuperPlus® provides farmers with a higher percentage of phosphorous for strong, healthy plant growth, while the ability to apply more nutrients at once, saves them money on both units of phosphate and spreading costs. Essentially, customers are getting more nutrients at a lower applied cost than standard superphosphate products. SuperPlus® also has environmental benefits both on-farm and in the production process, meaning farmers can be confident in their decision to apply a stronger formula, less frequently. It has four times lower CO<sub>2</sub> emissions than other phosphate sources such as DAP\*\* but also requires less energy and is less energy intensive to produce. The higher specification of SuperPlus® distinguishes us in the market and initial results have been very positive. In its first three weeks since launch, the product sold at 116% of forecast and 140% of budget across the country.

### Benefits of



#### Strong performance

Contains a higher % of phosphorous for strong, healthy plant growth.



#### Cost effective

Provides more nutrients at a lower applied cost, saving money.



#### Lower emissions

Four times lower CO<sub>2</sub> emissions than other phosphate sources such as DAP\*\*.



#### Less energy used

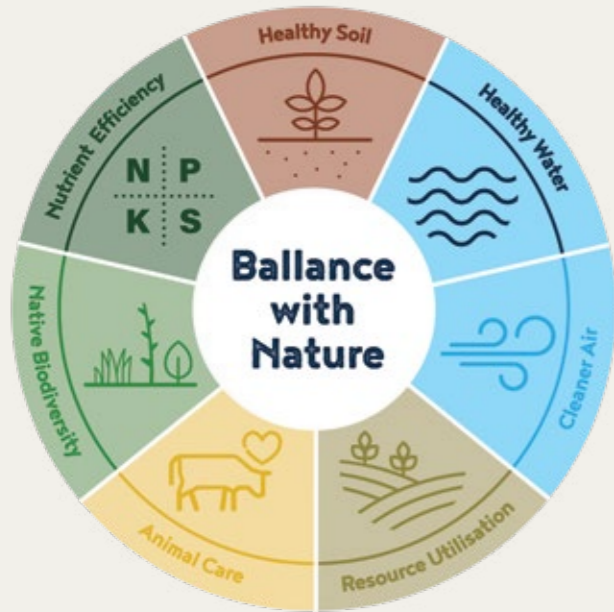
Requires less energy and is less energy intensive to produce.



\*Relative to superphosphate products. \*\*DAP emissions include ammonium nitrate production.

### Balance with Nature

Balance with Nature is our sustainability promise to help farmers and growers to operate both productively and sustainably, and in doing so care for our unique natural resources for generations to come. This is led from the heart and backed by proven science. We will continue to invest in this promise, so we can support them to lead, and to adjust to such things as new government regulations, changing social licence and consumer demand for a more transparent supply chain. We need to stay ahead of the curve so we can help our shareholders be ready for what tomorrow brings.



### Future Ready Farms

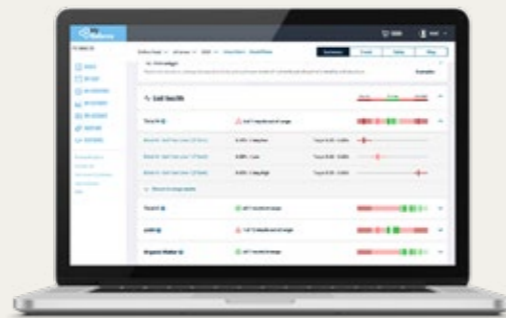
Our Future Ready Farms programme of work, which is co-funded by the Government's Sustainable Food and Fibre Futures fund, has progressed well this year. The 12 projects, each at varying stages of development within the programme, are aimed at helping farmers and growers meet national environmental targets for reducing greenhouse gas emissions, agricultural chemical use, and nutrient loss to waterways. For our customers, working to lower their environmental footprint isn't new, but through this programme of work we hope to make a meaningful and positive difference in New Zealand's collective efforts to move towards a lower emissions economy.



This year, we launched the first of our projects. Soil Health Check is a tool that informs customers about the health of their soil – biological and chemical – and is available to farmers through their Nutrient Specialist, with results appearing in their MyBallance account. Healthy soil creates healthy plants, which creates healthy animals and ensures optimal nutrient performance.



Co-developed with  Manaaki Whenua Landcare Research



### Regulatory changes a step at a time

With new government regulations taking effect and more approaching, shareholders across the nation are working hard to implement changes to their farming and growing systems. This year, customers have been seeking advice and examples of "implementation in action", as they sought to carry out this work. Throughout the year our priority shifted from helping break down the complex policies and science, to assisting with implementing these changes. We produced a follow-up edition to last year's successful *Grow* publication, called *Grow: Environmental Regulations 1 Year on Special Edition*. The magazine looks at each of the three policy areas and highlighted how we can provide support. The special edition can be downloaded from our website using the QR code below. Changes in regulations continue to affect our farmers and growers, and we stay committed to helping them navigate these changes by breaking down the science and explaining how it will affect them. Both editions have been well-received by our customers, councils and rural professionals.



Download your free copy of *Grow*



### Part of the New Zealand food story

New Zealand is a global leader in sustainable food and fibre production thanks to our ideal climate, our rich natural resources, including our young soils, the unique way we produce food, and the smarts of our farmers and growers.

At Ballance, we are privileged to be a part of the New Zealand food story. Our role is at the start of a long supply chain, which ends with our shareholders' premium product being purchased by global consumers around the world. Producing quality food to feed a growing global population has its challenges, but it also presents opportunities. We believe in the resilience and smarts of Kiwi farmers and growers to embrace these opportunities by continuing to innovate and think differently, ensuring their businesses thrive. (See Case Study on pg 34).

### Helping our customers grow

Our sales team has been working to ensure customers get the right level of service and capacity within our team to grow with each sector. After an extensive review of our sales regions, we realigned boundaries, to improve the distribution of our customer portfolios. We also realigned roles within the team, building career capability pathways and career succession opportunities for our people to grow and develop into. Both leadership effectiveness and engagement lifted as a result. We've refocused our team of high performing sales leaders, building on our sales culture to enable the right level of service and product at the right time of year.

### Award-winning customer service

Providing reliable, consistent and accessible customer service remains key to our business. Our Customer Services team, like many parts of the business, have had a big year, facing and overcoming many challenges. In November, their success and achievements were celebrated by the industry

at the National Contact Centre awards. The team took out the Customer Service Agent of the Year award, and the Farming Support Services major industry award. This is the fourth time the team has taken home the award in the past six years.



### Digital tools to make it easier

With so much change – economic, social and regulatory – Kiwi farmers and growers seek simple technology tools to help them navigate change and spend time and energy on what they love, their farm and their family.

The MyBallance digital platform gives our customers the convenience of running the nutrient dependent aspects of their business from their mobile device, tablet or laptop.

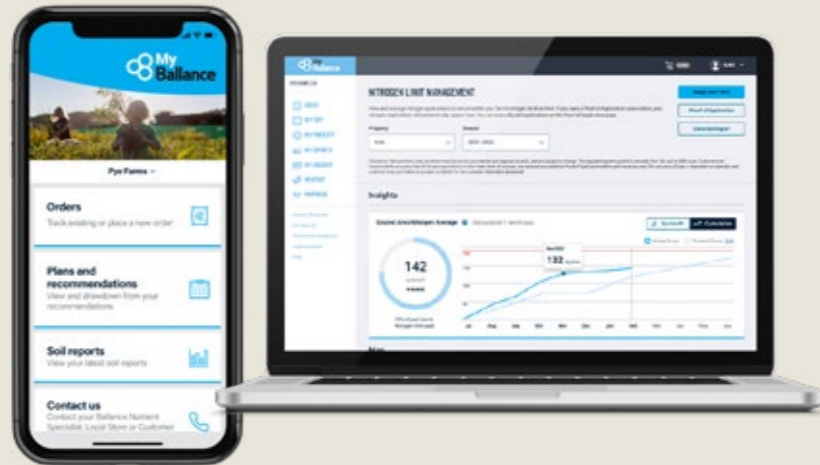
There are now over  
**13,000**  
 registered MyBallance users  
**\$21m**

of “on the go” orders have been placed through the MyBallance App since it launched

We continue to add more features to make it simpler and easier for our customers to manage their nutrients and track their performance at the touch of a button. Most importantly, we’ve added a Nitrogen Limit Management dashboard, which makes it easier to track nitrogen usage by property and season to ensure they remain within the limits.

New features added to **MyBallance**

- Nitrogen Limit Management** Track nitrogen usage by property and season to stay within limits
- Multi rate request spread** Customers can specify different spread rates within one spread across several paddocks
- TracMap integration** Requests sent directly to TracMap; proof of application data automatically flowed back into MyBallance
- Soil Health Check** Measures chemical & biological soil composition, with results used to optimise nutrient performance
- Bag rounding** For improved efficiency, we help make bag sizing choices when order volumes do not result in full bags



### Migration to the cloud

We are currently undertaking a project to migrate our technology to the cloud, which will modernise and enable our strategic visions for our information systems. This project, which will take place over several years, has been split into three phases and will enable further innovations and growth in our IT systems, while protecting our current customer base. Phase one was successfully completed this year and saw our core SAP system successfully moved to the cloud and a stable environment created for the next phase. Phase two will enable us to further evolve MyBallance, making life easier for our customers and partners.

**“Ballance Agri-Nutrients’ migration to SAP cloud solutions, achieved in just five months, has enabled the business to focus more time and resource on driving greater value for customers, rather than on keeping its systems running. We’re incredibly proud of our partnership and of how SAP technology is supporting Ballance to achieve its ambition of helping farmers work more productively, profitably, and sustainably.”**

*Adrian Griffin, Managing Director, SAP New Zealand.*



Members of our Super Air team

### Bankable benefits of topdressing

Our Super Air business continues to grow, driven by the bankable benefits of variable rate application via our SpreadSmart® technology and a growing number of sheep & beef customers investing to optimise their growth opportunities in hill country.

This year, along with geospatial partner Abley, the Super Air and geospatial teams created an application that calculates the spread pattern of an aerial topdressing contract, with the aim of pricing spread jobs more accurately. Abley developed a model that assesses spatial variables with aircraft configuration to provide accurate pricing for farmers.

**In the past 12 months our planes have sown approximately 512,000ha across the country**

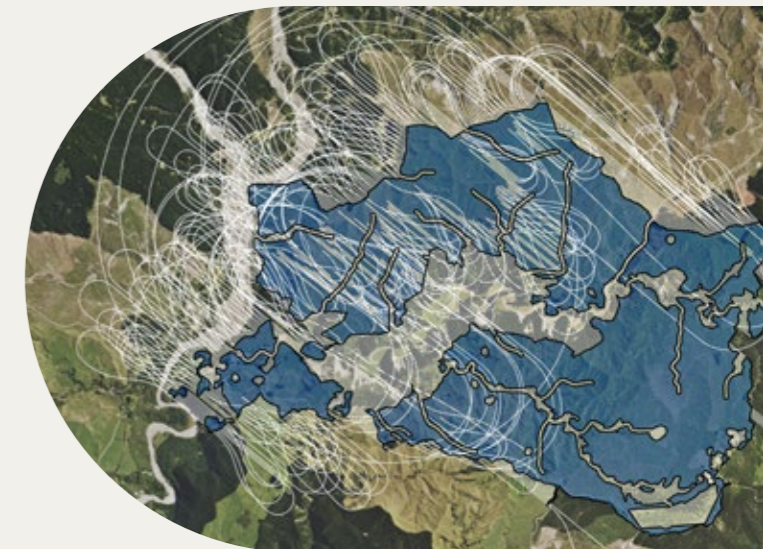
22,500ha of variable rate over the last 12 months with bankable benefit to farmers of

**\$11.15m**

490,000ha at constant rate with bankable benefits of

**\$2.94m**

Our geospatial team continues to refine the ways our SpreadSmart® technology, which was developed as part of our Primary Growth Partnership (PGP) with government, identifies fertiliser exclusion zones. By using machine learning techniques, we can identify areas of scrub, bush, tussocks and gullies to be excluded from an application map, meaning fertiliser is applied where it’s most needed, reducing environmental impacts and providing the best return on investment.



The Super Air Pricing Tool, paired with Super Air’s other geospatial innovations, ensures that fertiliser application is efficient, precise, and accurate and it received both national and international recognition this year. It was nominated for the Most Innovative Hi-Tech Agritech Solution award at the 2022 NZ Hi Tech Awards and the Special Achievement in GIS (SAG) award at the Esri User Conference, the world’s largest GIS virtual event, later this year. We consider this an outstanding achievement given the size of the global agri-tech sector and how rapidly it is evolving.



### Showcasing best practice

For over 25 years, we've had the privilege of sponsoring the Ballance Farm Environment Awards (BFEA) and we deeply value the opportunities it gives us to support those demonstrating best practice sustainability and innovation across the country. BFEA is a way of sharing stories, celebrating the very best sustainable farming and growing practices, and showcasing the innovative thinking of the entrants and past winners. This year, a new category was added to the competition, to recognise the great work carried out by catchment groups around the country, with good interest being shown from groups nationwide. (See case study on page 34).



*Chef Al Brown helped us showcase the sustainable practices and world-class food produced in the Ballance Farm Environment Awards*



Our team in Kapuni provide donations and volunteer their time for the upkeep of the Rotokare Scenic Reserve Trust (above), a pest-free sanctuary for native birds, animals and plants.



### Muster

Last year, we ran a 'muster' campaign, which focused on driving entries from a more diverse group of Kiwi farmers and growers. The muster would achieve a great representation of the vast range of farmers and growers throughout the country who strive for best practice sustainability practices, and also showcase the innovative solutions they are applying. If you'd like to be involved in next year's competition, scan the QR code below to visit the awards website. We partnered with renowned Kiwi chef Al Brown on a series of stories to not only celebrate the visionary Kiwis who demonstrate these sustainable practices but also the world-class food they produce.



*A river near Aria in the King Country*

## Ballance Farm Environment Awards 2022

# 14

Entrants in the new Landcare Trust catchment group category

**"Through BFEA, we are able to share inspirational stories of visionary Kiwis, so why not enter and help us share yours."**



*2021 National Ambassadors for Sustainable Farming and Growing, Evan and Linda Potter, of sheep, beef and dairy farm, Waipapa*

## Sustainable sourcing

We have implemented a Supplier Code of Conduct across our key fertiliser and raw material suppliers. This ensures we are living our values with all our key partners and remain a modern, ethical business that our shareholders can be proud of. The code establishes clear expectations of our suppliers, regarding their ethical, social and environmental business responsibilities. Annual declarations of adherence to the code are now part of our standard Supplier Relationship Management process, and now that borders have re-opened, will be supported by "on the ground" verification of the philosophies contained in the code.



The Pūniu River winds through the Waikato



Chef Ben Bayly on TVNZ's A New Zealand Food Story



Talitha Wanden and Quinton Tunono of Pūniu River Care

CASE STUDY



## Enabling New Zealand's food story

**New Zealand is a global leader in sustainable food production and at Ballance we are proud to play a role in this. We are at the start of a long supply chain that ends up on food tables around the world, and as a provider of nutrients to innovative Kiwi farmers and growers, we are privileged to be a contributor to New Zealand's food story. This keeps our co-operative relevant, leading in on-farm sustainability and enabling New Zealand's prosperity through a thriving primary industry.**

More than two decades ago, Ballance became the naming rights sponsor of the New Zealand Farm Environment Trust-run Ballance Farm Environment Awards (BFEA). The awards are a nationally recognised and leading programme that showcases how it is possible to farm and grow productively, sustainably and profitably. It provides a pan sector platform to recognise and celebrate great practice with entrants and award winners from all sectors and regions around New Zealand.

This year, BFEA became the broadcast sponsor of TVNZ's A New Zealand Food

Story and alongside that a contemporary refresh of the logo. The show follows Kiwi chef Ben Bayly around the country meeting food producers in search of produce to use in his Auckland restaurant Ahi. Three of the eight episodes feature previous BFEA winners, taking the sustainability and food message into tens of thousands of New Zealand homes. The show can be viewed on TVNZ OnDemand.

Every year more farmers and growers enter the awards, to share and celebrate how they have adapted to changes affecting the sector. This year, a new

catchment group category was added to the awards, to recognise the work of rural communities to improve water quality. As sponsors, we welcomed the opportunity to attract entrants who are taking steps to protect our waterways – because what goes on the land should stay on the land.

The inaugural Catchment Group award was held as part of the 2021 Waikato Ballance Farm Environment Awards, where Pūniu River Care was announced as winners. Quinton and Talitha from Pūniu River Care say the highlight of the experience for them was learning and being inspired by the other entrants.

"We were pumped to have been named BFEA Waikato Catchment Group of the Year 2021," said Quinton. This award is a recognition of the hard work and dedication from our staff who "throw down" day in day out, to get the mahi done, to play an active role as kaitiaki on the land and within our local waterways. #loveyourmah!

"Receiving this award also gave the chance for Pūniu River Care to acknowledge the trust and support we have received from the many people and partners we've had from the start. They've supported us to do what we're so passionate about – building meaningful relationships with the same common goal of creating a sustainable future for generations to come."

"As Pūniu River Care continues along this journey, this award has also elevated the need to form relationships and work together with catchment groups and other restoration projects to achieve the desired outcome and lead the way of environmental enhancements for other catchments in Aotearoa, and effectively the world."

We look forward to continuing our support for BFEA and seeing what the awards have in store in the future, as we continue to help our shareholders be ready for tomorrow.

PROUD PARTNER

A

New Zealand

FOOD STORY





# Focus on growth

Woodhaven Gardens, owned by the Clarke Family, was named Regional Supreme Winners at the 2020 Horizon's Ballance Farm Environment Awards



John Moore from Edgecumbe with Ballance Horticulture Specialist, Sam Moore

**Co-operatives are based on the values of openness, honesty, social responsibility, and care for others. We put our national scale and capabilities behind decisions we make regionally, to help our customers run their businesses, drive growth in our sectors, and support our communities.**

### Regional focus, regional strength

We support our customers professionally at a local level, with our Science Extension and Farm Sustainability Services teams, and our Nutrient Specialists that provide services and resources across our network. Our Regional Business Accountability (RBA) teams are also designed for just this: to identify opportunities and deliver for our customers regionally. It echoes the purpose of the co-operative – to support each other to be successful. Our regional plans are backed by our national scale, delivering effective and innovative solutions to meet their needs.

We rely on the communities that we operate within, as much as they do on us. Throughout our operations we work with many contractors to make up our workforce, especially across our manufacturing sites during events such as a turnaround.

### Growth in South Island

Our Central South Island team had a very strong year finishing at 112% of its target. Growth in the arable sector has been a key focus for the team, and our self-serve silos have had a strong impact across the region. Cross collaboration between the core sales teams, sector Nutrient Specialists, and distribution teams have contributed to this successful year.



Our BallanceEx series shows our commitment and investment into science and innovation, and the thought-leadership we champion with farmers and growers. It brings together experts, scientists and other big thinkers, to share their expertise and help us be ready for what tomorrow brings. This year we ran a podcast series called Future Farming Conversations, which explored the challenges and opportunities our customers are currently facing including the future of animal care, maintaining New Zealand's leadership position in sustainable food production, greenhouse gases and land use diversification. Visit the Ballance website or scan the QR code to the right to have a listen.



### Supporting sector growth

Supporting sector growth was a key reason we re-aligned our sales resources via our Programme Grow strategy. This saw a reshuffle of our resource nationally to ensure we are set up to continue to give great advice and enable shareholder growth plans.

**We continue to lead in dairy. This sector has had a strong year of global demand and the first year of N Cap regulations.**

Balancing the productive needs of the farm with new regulatory requirements, from winter feeding to nitrogen applications, has been high on our dairy shareholder priorities. From our Nutrient Specialists to our Science Extension and Farm Sustainability Services teams, we have fielded and provided much support. The MyBallance Nitrogen Limit Management tool is receiving good use as well.

This year our Horticulture & Arable group launched the Advantage range, with very strong results. The science-based Advantage Kiwi and Avogain products are standardised mixes designed to meet the specific nutritional requirements of horticultural crops at key times of the year. From a production perspective, it reduced the number of special mixes needed, which are a particular challenge for our operations and distribution teams. We have seen a huge uptake of the Advantage range, with almost three times as much volume purchased by growers this year as in the previous two years. The number of requests for special mixes has dramatically decreased, improving efficiencies for our team.

The arable market in New Zealand is another growth sector for Ballance. We expect to see land use changes continue as nutrient limitations for land grazed by animals come into effect.

Farmers who had previously paid for brought in feed are likely to start growing animal feed/forage crops on their farm. We also expect to see farmers diversifying their land use as they look to reduce animal numbers and to start planting cash crops to replace lost income. With the biggest impact in the South Island and more specifically in the wider Canterbury area, our Nutrient Specialists in the region undertake additional development to ensure they all have the knowledge required to provide the advice expected by our arable farmers. They are supported in this area by our specialist Arable Nutrient Specialists and Science Extension team.

Animal welfare is a key part of Ballance with Nature and SealesWinslow continues to provide customers with quality feed based nutrients to enhance the wellbeing and performance of pasture fed animals.



**New Zealand Feed Manufacturers Association (NZFMA) figures show that we are now producing 36% of all compound feed in the country, up from 24% last year.**

These strong numbers come off the back of our toll manufacture agreement with NRM, the feed arm of Farmlands. These results are also testament to the long-term partnerships we have local growers and international suppliers, which allow us to get quality raw materials at a good price. SealesWinslow have undergone a restructure of its sales team, welcoming several new members to the team this year.



### Strength in our partnerships

We value the long-term relationships we have with our partners, which allow us to connect locally to people and present opportunities to share stories, experiences and knowledge with like-minded people who have similar aspirations for New Zealand's primary sector. Our connections with these partners are at a values-based level. This ensures we keep our role for farmers and growers front of mind.



### Māori agribusiness

Māori agribusiness is a fast-growing sector in New Zealand, and we are privileged to be a part of it as it evolves. We continue to grow our awareness and understanding of the Māori agribusiness sector, and its aspirations and priorities, which is an integral part of New Zealand agriculture. We produced a booklet on soil health in Te Reo as we recognise the connection of soil health with Mātauranga Māori.



## Ballance Farm Environment Awards®

Promoting Sustainable Farming and Growing

We are proud of our long-standing partnership New Zealand Farm Environment Trust. The Ballance Farm Environment Awards (BFEA) continues to be New Zealand's leading pan sector sustainability programme and has grown to include more categories and entrants.

The catchment group category, which was added to the award this year, recognises and celebrates the efforts of rural communities working together to improve water quality in their area. The winners of the inaugural Catchment Group award, Pūniu River Care, were announced at the Waikato Ballance Farm Environment Awards this year, and say the experience was a great way for them to keep learning. (See case study on pg 34).

### Dairy Women's Network

Since 2013, we have had the privilege of standing alongside the Dairy Women's Network (DWN), as they carry out their important and inspirational work connecting women in the New Zealand dairy industry and providing opportunities for them to lead, develop and thrive. These women are powerhouses in their businesses, their families, and their communities. With the Omicron outbreak resulting in their annual conference being cancelled for the second year in a row, we especially valued the opportunity to support events virtually. We partnered with DWN to deliver the Challenge of Change online workshop which explored resilience and discussed tools to help manage stress and pressure.



**DAIRY WOMEN'S NETWORK**

success through inspiration



Surfing for Farmers is in it's fourth year and has a growing numbers of participants

**Communities matter**

From our people, business partners and their families, our shareholders and their families, to the neighbourhoods and towns surrounding our sites – we're proud to play a part in Kiwi communities all over the country. Throughout the Ballance network, our people support and are part of their local communities.

We believe we have a role to contribute positively to communities and people, as well as the environment surrounding our operations. To us, it's important that we foster positive relationships within these communities, build close connections, and give back in meaningful ways, which help see those communities flourish and grow. We want our communities to be left with the sense that they're better off for having Ballance be a part of them.

**Nāu te rourou, nāku te rourou, ka ora te manuhiri – with your food basket and my food basket, the people will thrive.**

This year we embarked on a national community engagement strategy, *Ballance: Growing communities*, which ties our activity together under three core pillars – Whanaungatanga: Supporting our Communities;

Manaakitanga: Care for our people and Kaitiakitanga: Protecting our natural resources. This will help us, both now and in the future, to tell more stories about what drives us and our goals and how we are taking steps to achieve each.

We maintain our focus on addressing mental health in our rural communities through the support of initiatives like Surfing for Farmers, which we have sponsored for the past four years.



Cory Jones from Mount Operations helping Bay Conservation Alliance with pest trap setting activities in the Oteora Forest

**Supporting our young people**

Supporting youth continues to be a key focus at Ballance and this year we accepted another group of promising graduates into our internship programme. Each year, interns spend time with our experts from different parts of the business, honing their skills in preparation to become part of our sales team.

**We are dedicated to helping develop these talented young people who will bring their passion and fresh thinking to our business, and we see this as an important investment in both our business and our young people.**

Through our Future Ready Farm programme, we ran a campaign to connect with youth, and the urban community, about the work we are doing around protecting our environment. As part of this, we sponsored a series of nationwide school science fairs, to help foster and celebrate scientific and innovative thinking among New Zealand primary and secondary school students. The events help drive greater interest in and understanding of agriculture in New Zealand, specifically through the launch of a new Sustainable Agricultural Award category, which recognises students who demonstrate a keen understanding of a current or emerging sustainability issue affecting New Zealand's primary industries. To reflect our sustainable and agricultural focus, entries are asked to explore the topics behind our Future Ready Farms programme of work, such as reducing greenhouse gas emissions, reducing agricultural chemical use and nutrient loss to waterways.



Ballance intern Courtney Brodie with Senior Service Centre Officer, Sheree Keogh

CASE STUDY

# Driving growth in sheep & beef

The sheep and beef sector continues to see growth opportunities and we are right there beside them, helping to accelerate growth plans and optimise on farm productivity.

In understanding our shareholders' aspirations, we can provide practical tips, suggest the right products and tools, such as SuperPlus®, SurePhos® and Spreadsmart®, and build a simple layered action plan to grow farm performance at a pace and investment level they are comfortable with.

We know that great fertiliser and feed management drives performance sustainably. This year, 11 of our Nutrient Specialists completed our sheep and beef course, ensuring that they, along with our

35 alumni, are specialists in sheep & beef farm systems including physical and financial fundamentals. As a result, they have deeper, more value-adding conversations with our customers.

We continue to share our science-based knowledge with our long-standing partners within the sector and engage in industry events and activities with pride. Our 'What's Possible?' workshops, run in conjunction with Beef + Lamb New Zealand, are a key workstream for us and aim to highlight the opportunities and potential of the sector.

'What's Possible?' is a series of interactive four-hour workshops where farmers hear from a range of experts, identify growth opportunities in their own business, and work with other farmers to develop pathways to improve and grow their business. Our vision here is to lead positive change through encouragement, direction of travel, pathways for change, collaboration, confidence and the support to act. The result of our focus on this sector has been steady growth in FY22.



Joe Carey from Green Meadows Beef in Waiwhakaiho



# People at our core



Jo Luscombe, a leading Engineer at our Kapuni site

The strength of the Ballance co-operative is demonstrated each day through our great people – they are our most powerful asset. We know that attracting and retaining good employees and contractors depends on the way we operate as a business and how we value them.



We trust our people and their potential, and we understand our role in creating an environment where they can thrive and be the best they can be. Through this philosophy we believe the whole of the co-operative benefits – the person, the community, Ballance as a business, and the New Zealand primary industry.

Our values continue to drive us, and we've seen many examples this year of our values in action. Together, with our culture of C.O.W.S (care, ownership, well-being and safety), they have helped us navigate another challenging year and we are proud that the hard work of our people helped minimise the impact on our customers.

### A culture of care

The safety and well-being of our people is part of our license to operate, and we continue to evolve and invest in how best we do this. Four years ago, we developed our award-winning C.O.W.S programme to ensure we looked out for each other and took ownership for our own health and well-being. Since then, our C.O.W.S culture has helped our team through many personal and professional challenges.

As we reviewed the programme and its key outcomes, we knew we could do

even better, by building on the original foundations. We now want to create a stronger focus on ownership and so C.O.W.S 2.0 was launched at the end of this year.

### The new programme focuses on what we know is important – to stay connected and drive further ownership of our culture and performance.

We believe this revised model will result in more sustainable changes in all our people across the business, and they are all invited to attend a two-day workshop as part of the programme roll-out.

### Safety evolution

Keeping our people safe remains a top priority for us and we are showing positive trends with our statistics. Key to this is ensuring we are doing everything we can to ensure that our

people come to work and return to their families unharmed. A cultural assessment last year determined that the biggest challenge and opportunity facing our business is changing the way people think about the way they work. An engaged health & safety culture is one where workers demonstrate care for themselves and others because they believe it is the right thing to do, not because they feel they must do so.

We explored both the reality and aspirations around our health & safety approach and established that the core areas where we make the most gains are ownership, consistency, and accountability. Earlier this year, we launched Safety Evolution, a programme to address this and further strengthen organisational culture.

A 'How We Do Work' online hub, was developed where all information can be easily accessed. The second phase saw the launch of our new safety philosophies, which were developed with the Plan, Do, Check, Act continuous improvement principles in mind. A 'How We Do Work' Health Check Tool will be launched in the next phase of to further drive implementation of the system.



Kevin Young, Chief Pilot at Super Air

### Critical risk management

Key to safety throughout our network is identifying critical risks, understanding them, and then controlling them. In our Kapuni ammonia plant, pressure safety valves and rupture disks, relieve pressure inside equipment and are designed to protect the mechanical equipment from damage in case of an overpressure situation. 51 discrete potential release points for ammonia were identified as posing a safety risk.

To address this risk, a flare system was installed to safely collect the ammonia able to be discharged from these release points, routing the gasses and liquids to a safe location where the liquids can be disengaged from the gas flow. The ammonia gas is then safely disposed of through flaring. The installation was a complex technical challenge, and a significant financial investment. It was achieved by our great people, supported by experts. The first flaring of gases was undertaken in October 2021 as part of the re-commissioning of the plant following the FY22 turnaround.



### Navigating COVID powered by great people

The impact of COVID-19 during this year was felt throughout many businesses, and we are proud of the ways we managed our operations and people, despite the many disruptions and challenges. When shaping our response to how we managed our staff during the Omicron outbreak, we worked with business leaders, industry bodies, and government advisors, and participated in weekly calls with the Ministry for Primary Industries (MPI). Key to this was identifying and



Members of the Ballance Information Systems team

assessing risk and using this to inform our response, in order to control it.

We made the decision not to mandate vaccinations in our business, respecting the rights of people to make their own decisions around their health. However, we had to adapt and change the way we worked, in order to protect both the well-being of our people and the productivity of the business. A number of safety protocols were introduced on a "one size will not fit all" approach, and risk assessments were carried out for any employees unable to provide a vaccine pass. Safety protocols were then put in place for their safety and that of those around them.

We adapted the way we worked to ensure our people stayed connected during this time through regular communication and increasing the use of technology. Video conferencing became a more regular way of connecting with our team and we made sure there was a clear method for them to communicate and ask questions of management.

We distributed Rapid Antigen Tests to our people throughout the network, to ensure they could test themselves when needed, but also provided enough for their families, to give them peace of mind during a worrying period. We engaged Dr Siouxsie Wiles to present an information session especially for our staff, to break down the science behind the new COVID-19 variants, discuss the vaccines and answer any questions they had.

We were privileged to be granted a "critical workers exemption" which allowed us to continue operating, despite having a significant amount of absenteeism due to illness. The turnarounds at our Kapuni and Mount sites were impacted by labour shortages and travel restrictions as well as parts delayed by shipping disruption. We managed this with an agile response,

re-prioritising and finding ways to work around the delays.

### Investment in people & professional development

Making sure people reach their potential is an integral part of what drives us. We offer a number of development courses to help grow our people, both personally and professionally.

As well as skills training, we offer our Learning for Life programme, which helps team members with literacy challenges, leadership development, and change readiness. We believe you can lead from any seat.

Supporting people to see a future for themselves helps them, their teams, families, communities and us.

This year we refined our On Shore Supply Chain (OSSC) Training and Progression Plan, which provides a framework for team members to clearly see what training is required for them to develop and progress, while also addressing challenges around staff retention.

Over 500 of our staff participated in 34 internal courses in the past 12 months, which equated to over

**8,000** hours

### Developing leaders

Courtney Nimmo, Regional Sales Manager for the Lower South Island, says that Ballance helped her realise her potential as a leader. "I didn't know I wanted to be a people leader when I joined Ballance, but it was the experiences and opportunities that I was offered when I joined the business that ignited this passion in me", says Courtney.

Courtney started with Ballance in 2013 as a Nutrient Specialist before moving into a role servicing the region's key and corporate accounts, and then being appointed Regional Sales Manager where she now supports a team of nine Nutrient Specialists.

**"I've always been passionate about the agriculture sector and supporting our customers to achieve their goals."**

"It was working at Ballance that helped me see that I could have further impact to benefit our sector in a leadership role".

"Ballance encourages the mantra of leading from any seat – you don't need to have direct reports to be a leader. This empowered me to support my team mates through mentorship and coaching. From here I attended the stage one leadership programme that Ballance created, which touched on the key aspects of great leadership and helped build a strong base for the rest of my leadership journey."

"The team at Ballance has also supported my ambitions outside of my current role. They endorsed me to attend the Agri-Women's Development Trust escalator programme in 2021 which continued to build on the key aspects I'd learnt internally. All this has led to me becoming associate director at Beef + Lamb New Zealand, an incredible opportunity that will offer experience and learnings that will serve me well into my future in governance."



### Scholarships and interns

To contribute to the future and vibrancy of New Zealand's primary sector, we help capable and energised young people to get their foot in the door. Along with our sales internship programme, each year we offer Ballance tertiary scholarships to promising young students studying towards agribusiness and primary industry careers. We harness their passion and provide investment and resources to assist progress and develop them into roles that will help them realise their potential. This year we provided six more scholarships and will be watching these students' careers progress with interest.

### Celebrating our people

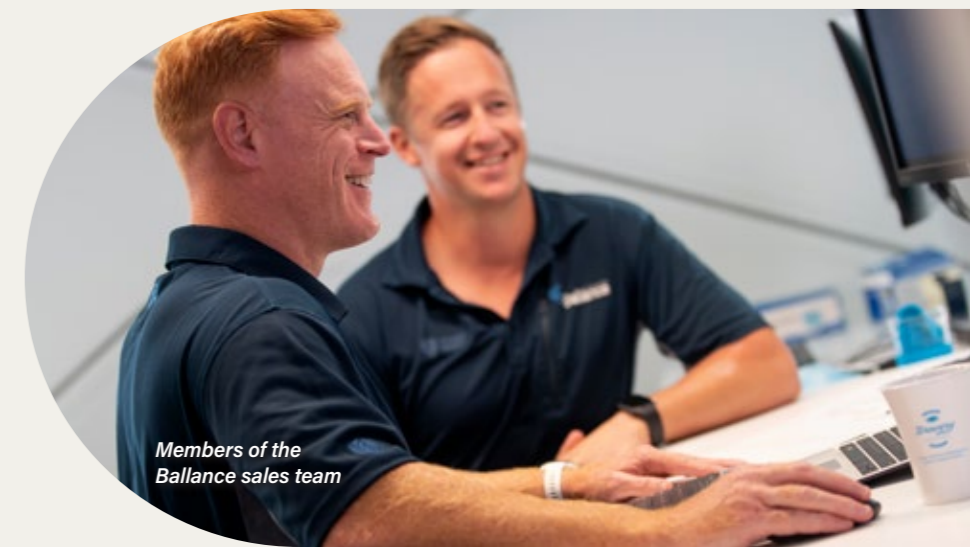
We consider it important to celebrate those people and teams amongst us who are achieving great things and who are going the extra mile for our customers, workmates, or are demonstrating our values in their work. Our Great People Awards are an annual event which we hold to recognise and celebrate members of the Ballance family. What makes this scheme unique is that it is peer nominated so it isn't business leaders who are selecting the

nominees, but our employees. This year we once again had a large number of nominees, and we congratulate this year's winners.

Our Whangārei hub project team and their work were recognised by the industry this year when they were awarded the Most Effective Team of the Year at the New Zealand Procurement Excellence Forum. This award celebrates examples of value driven through collaboration and teamwork during procurement activities and recognises high performing teams who are achieving exceptional benefits from leveraging their collective knowledge and expertise.

### Valuing our people

People are our greatest asset, and we know that attracting and retaining good people is key. That's why we reward our team members with employee benefits when we can, because happy, healthy people benefit the whole co-operative. This year, we reviewed and enhanced our benefits, such as healthcare, at no extra cost to the business. We've introduced competency progression schemes to progress our people by building new skills, making our pay rates and development proposition more competitive, in order to attract and retain staff. Everyone at Ballance is paid at or above a living wage.



Members of the Ballance sales team





Becky and Greg from Maryallan Farms with Georgie from the Te Awamutu Foodbank

CASE STUDY

# New Zealand farmers feeding New Zealand families

**At Ballance, we need our communities as much as they need us – if our communities thrive, our co-operative thrives. A strong community celebrates the strengths it has and gives what it can to support each other.**

Kiwi farmers have long been known for being generous and during lockdown in 2020, Wayne Langford and Siobhan O'Malley found a way to harness this generosity and put it where it was most needed. They established Meat the Need, a charity which sees Kiwi farmers donate quality, grass-fed livestock, which is then processed and delivered to local foodbanks, ready to be consumed by Kiwi families.

Wayne says the concept was a no-brainer when the donation of a little, can make so much of a difference. "Farmers are often happy to donate meat, and this helps us deliver nutritious food parcels, packed with proteins like milk and meat, to sustain our communities."

Ballance came on board this year as a sponsor of Meat the Need and are proud to back an initiative that gives back to our communities. Amy Meade, Connections and Communities Leader said "Ballance is a co-operative of farmers who have been firmly entrenched in the community since it was established 60 years ago. We've always been a supporter of Wayne's initiatives as the YOLO farmer, so we jumped at the opportunity to support Meat the Need. We support farmers to run their business and farmers are putting their hands up to support Kiwi communities, so as a cause close to our hearts, it was a no-brainer to get behind it". Wayne says "We really need to look at the role we play in our communities. We all have skill sets and ways we can contribute. Some of us can build houses and some of us can give first aid, and if we all play our part then we all win. Farmers can grow food to feed people and they're always willing to give what they can".

**"With a high cost of living and a turbulent couple of years, a lot of Kiwi families are facing hardships and relying on resources such as foodbanks to survive."**

"For the good of our community, it is important that these foodbanks are continually stocked with hearty, nutritious food that will fuel our communities and enable them to be the best they can be".

Wayne, also known as the YOLO farmer, is very familiar with the hardships faced by New Zealanders every day so he wanted to help. "The number of Kiwis needing support from foodbanks is concerning, and these aren't necessarily those who are out of work, just regular people who may have a dental bill or can't afford to put a decent meal on the table one week".



# Sustainability

*The Lea family, Ratanui Partnership, Waikato*

# Balance sustainability measures:

Where we have focused to make a meaningful difference.

We are a purpose-led organisation with a strong culture of caring for our people and communities. We invest ahead to meet New Zealand's aspirations.

Our outcomes	Our activities/contribution	Rationale	Progress so far
<p><b>GREEN ENERGY:</b></p> <p>Leading in sustainable energy with Kaitiakitanga front-of-mind.</p> <p><b>KAKARIKI PŪNGAOA</b></p>	<p><b>Ballance &amp; Hiringa Energy: 'green' hydrogen initiative</b></p>	<p>Lower emissions nutrient manufacture</p>	<p>We continue to progress our joint venture with Hiringa Energy to produce 'green' nitrogen fertilisers with a low emissions profile. This project will make a significant contribution towards our national Net Zero by 2050 emissions targets. We aim to be the first in the world. At present, we are progressing through the regulatory process.</p>
		<p>Renewable energy</p>	<p>Electricity generated from four wind turbines, erected as part of our 'green' hydrogen project, will supply our Kapuni plant.</p>
		<p>Carbon efficiencies and opportunities for heavy transport</p>	<p>The project will reduce carbon emissions in the transport sector, offsetting up to 12,000 tonnes of emissions and eliminating the equivalent amount of CO<sub>2</sub> as taking 2,600 cars off the road.</p>
	<p><b>Decarbonising Kapuni</b></p>	<p>Lower emissions nutrient manufacture</p> <p>Lower emissions farming and growing</p> <p>Lower emissions heavy transport</p>	<p>Through staged and investment in new and emerging technologies over the next 10 – 12 years, we believe there is an opportunity to remove up to 90% of our manufacturing emissions and contribute significantly to reduced on-farm and transport emissions. We are in an exploratory phase. Investment will be significant and will require shareholder approval.</p>

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<p><b>GREENER OPERATIONS:</b></p> <p>Reducing the environmental footprint of our Ballance sites and operations.</p> <p><b>KAKARIKI MAHI</b></p>	<p><b>Reducing our footprint</b></p>	<p>Meaningful action towards addressing climate change</p>	<p>Focus on reductions in operational Scope 1 and 2 emissions across all Ballance operations. Our Mount Operations site is considered in the top 10% of acid plants globally, based on International Fertilizer Association emissions surveys (0.6 kg SO<sub>2</sub>/T of Acid).</p> <p>All sites have site environment and management plans, which include risk assessments and performance metrics around careful use of all resources, people and planet.</p> <p>Monitoring data at all our sites continues ahead of compliance.</p> <p>All sites monitor water discharges against consent limits with service centres operating a range of stormwater protection and treatment systems.</p> <p>Site enhancements continue to be made including the planting of rain gardens to capture surface water and nutrient run-off.</p> <p>Manufacturing using renewable energy and where appropriate contributing energy to the grid.</p>
		<p>Reducing onshore transport emissions</p>	<p>Heavy transport route optimisation through our transport management system Market2X, driving efficiencies.</p> <p>Manufacture of GoClear® to reduce emissions from diesel engines in the motor and marine industries.</p> <p>Hybrids in our fleet and electric forklifts on trial.</p> <p>Ballance and Hiringa Energy's 'green' hydrogen project - Hiringa to contribute hydrogen for heavy transport.</p>
	<p><b>Sustainable sourcing</b></p>	<p>Open and transparent supply chain</p>	<p>Our Supplier Code of Conduct establishes clear expectations of all suppliers, regarding their ethical, social, and environmental business responsibilities.</p> <p>Annual declarations of adherence to the code are part of our standard Supplier Relationship Management process and are supported by 'on the ground' verification.</p> <p>In 2021, Tuhana performed an external assessment for the Fertiliser Association of New Zealand, validating our supplier's operations in Western Sahara against United Nations criteria. This was augmented by a Ballance Board and management visit to the area in May 2022.</p>



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<p><b>CARE FOR OUR PEOPLE AND COMMUNITIES</b></p> <p><b>MANAAKITANGA</b></p>	<p><b>Thriving in a rapidly changing world</b></p>	<p>Health, safety &amp; well-being</p>	<p>Our award-winning Care, Ownership, Well-being &amp; Safety (C.O.W.S) programme continues to enable the business and our people. We launched C.O.W.S 2.0 to create a stronger focus on ownership and well-being as we aim to achieve top 10% benchmark in Australasia.</p> <p>This year we donated over \$85k to local communities as part of our Safety Cross programme.</p> <p>We launched our Safety Evolution programme to encourage people to think about the way they work and encourage ownership, consistency, and accountability and further improve our health and safety performance.</p> <p>We invested in a flare system to dispose of ammonia gases safely to further protect our people in Kapuni, which is a high hazard facility.</p> <p>We continue our support for Surfing for Farmers, which addresses mental well-being in the rural community. Another eight locations were added to the calendar with a growing number of farmers attending.</p> <p>As a result of the COVID-19 pandemic, we identified and assessed new risks. Safety protocols were put in place to protect our people and we adapted the way we worked to ensure we stayed connected. 40,000 Rapid Antigen Tests</p> <p>Our engagement score this year remained at 72% and our Leadership Effectiveness score was 82%. Our target is to be in the top quartile for Australasia.</p>
		<p>Unleashing potential</p>	<p>Over 8,000 hours and \$2.5 million spent developing our people to help them reach their potential.</p> <p>Another cohort graduated from our Learning for Life literacy programme to ensure those new to Ballance have the confidence and capability to be the best they can be.</p> <p>We provided six scholarships and six internships to support promising young people studying towards careers in agribusiness and primary industry.</p> <p>Over 500 peer nominations in our 2022 Great People Awards.</p>
		<p>Recognising contribution</p>	<p>We are committed to paying equal pay for work of equal value and conduct annual reviews to commit to working to eliminate differences.</p> <p>We are proud to pay all employees the living wage or greater.</p> <p>We reviewed and enhanced our employee benefits, such as healthcare, with no extra cost to the business.</p>
		<p>Inclusivity &amp; diversity – reflecting a changing New Zealand</p>	<p>Females make up 33% of our senior leadership team, 53% of our sales team and 84% of the gradates on our intern programme.</p> <p>Continued partnership with the Dairy Women' Network, providing opportunities, connections and development for women in the dairy industry.</p> <p>Over 1,000 students took part in a Nature Education and Monitoring Programme as part of our partnership with the Bay Conservation Alliance.</p> <p>23 of our team undertook the Te Ahau Te Reo Māori course to deepen our cultural understanding of Māori AgBusiness and Manaakitanga to better serve our customers in this sector.</p> <p>We developed and launched a booklet on soil health in Te Reo to recognise the connection of soil health with Mātauranga Māori.</p>



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Our outcomes	Our activities/contribution	Rationale	Progress so far
<p><b>BALLANCE WITH NATURE:</b></p> <p>Helping farmers and growers reduce their environmental footprint whilst caring for our unique natural resources.</p> <p><b>KAITIAKITANGA</b></p>	 <p><b>Healthy soil</b></p>	<p>Healthy soil is key to productive, sustainable growth</p>	<p>Alongside our healthy soil programme, led by our Nutrient Specialists, our recently launched Soil Health Check tool informs customers about the biological and chemical health of their soil. Developed in partnership with Landcare Research, Soil Health Check is the first of our Future Ready Farms projects to be launched.</p>
	 <p><b>Nutrient efficiency</b></p>	<p>Optimising nutrient use whilst avoiding nutrient loss</p>	<p>Programmes driving right products, at the right time, in the right place, and the right rate. My Pasture Planner® helps farmers navigate recent policies, including the 190kg/h N cap. The MyBallance mobile app allows customers to help manage their farm's nutrients at their fingertips, 24/7. Super Air fleet with SpreadSmart® technology ensure 'right place' aerial application, protecting sensitive areas.</p> <p>The launch of SuperPlus® (SSP9.5) has achieved a 5% reduction in the volume of nutrients to be transported and spread (compared to competitor single superphosphate products).</p> <p>A Nitrogen Limit Management dashboard has been added to MyBallance, which makes it easier for customers to track nitrogen usage and ensure they stay within limits.</p> <p>Both special edition Grow Magazine Environmental Regulations publications provide help, guidance and information to help farmers navigate recent policies including the 190kg/h Nitrogen cap.</p>
	 <p><b>Native biodiversity</b></p>	<p>Help preserve and restore native flora and fauna</p>	<p>Biodiversity is an integral part of Farm Environment Plans developed by our Farm Sustainability Services team, to enable farmers to understand risks and opportunities on their land.</p> <p>This team is leading a trial to determine the response of native trees and shrubs to fertiliser to encourage farmers to plant natives when appropriate.</p> <p>Another 50 Ballance staff participated in pest control activities as part of our partnership with Bay Conservation Alliance.</p>
	 <p><b>Resource utilisation</b></p>	<p>Mindful use of our natural resources</p>	<p>Support of on-farm practices from nutrient cycling and waste reduction, to reduce emissions and loss. Developing an optimal plan using tools such as MitAgator risk maps and farm environment plans.</p>

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Our outcomes	Our activities/contribution	Rationale	Progress so far
	 <p><b>Cleaner air</b></p>	<p>Understanding and reducing emissions</p>	<p>We launched SuperPlus®, the most powerful single superphosphate (SSP) in the New Zealand market. SuperPlus® has environmental benefits both on-farm and in the production process, with four times lower CO<sub>2</sub> emissions than other phosphate sources such as DAP* and requiring less energy to produce.</p> <p>SustainN® reduces nitrogen loss from volatilisation by up to 50%.</p> <p>To address a global shortage of AdBlue, a diesel exhaust fluid that reduces nitric oxide emissions in modern diesel engines, we produced one million litres of our AdBlue-certified GoClear® product.</p> <p><small>*DAP emissions include ammonium nitrate production.</small></p>
	 <p><b>Healthy water</b></p>	<p>Protecting our precious waterways</p>	<p>SurePhos® reduces phosphate loss to waterways by up to 75%**.</p> <p>Sales of SurePhos® have grown 77% annually since it was launched in 2019.</p> <p>Our Grow Magazine Environmental Regulations 1 year on: Special Edition provides an update and information about ways the sector is responding to Essential Freshwater regulations.</p> <p>Nitrogen Limit Management dashboard in MyBallance enables farming within limits.</p> <p>Our geospatial team have further refined the ways our SpreadSmart® technology automatically identifies exclusion zones for Super Air customers, using machine learning techniques, further protecting our waterways.</p> <p><small>**Relative to superphosphate products.</small></p>
	 <p><b>Animal care</b></p>	<p>Optimal animal care</p>	<p>Healthy soil grows healthy plants, which grow healthy animals. Our soil health and nutrient care programmes (Ballance and SealesWinslow) helps ensure optimal animal nutrition.</p>
	<p><b>Innovating to create sustainable solutions</b></p>	<p>We use clever science and innovation to lead the way to a sustainable future</p>	<p>12 projects are underway to help farmers reduce emissions and greenhouse gases as part of our Future Ready Farms project, partly funded by Government. Soil Health Check informs customers about the biological and chemical health of their soil.</p> <p>We continue to evolve our MyBallance technology to ensure farmers have 24/7 tools to manage their nutrients, and optimise their farm productivity and sustainability. There are now over 13,000 registered MyBallance users.</p> <p>BallanceEx, our thought-leadership programme, aims to help farmers and growers understand and address environmental issues by sharing the latest science and knowledge from our pre-eminent thinkers and creators.</p>

# Balancing the numbers

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*Daniela Morales on the  
Spain family farm in Invercargill*



## Summarised Consolidated Income Statement

FOR THE YEAR ENDED 31 MAY 2022. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	2022 \$000	2021 \$000
<b>Revenue before rebate</b>	<b>1,195,308</b>	897,040
Rebates to shareholders	(36,522)	(60,228)
<b>Revenue after rebate</b>	<b>1,158,786</b>	836,812
Cost of sales	(926,453)	(683,572)
<b>Gross profit</b>	<b>232,333</b>	153,240
Other operating income and expenses - net	(147,937)	(145,594)
Net financing costs	(8,799)	(4,728)
<b>Profit before tax and equity accounted income</b>	<b>75,597</b>	2,918
Share of profit from equity accounted investments	(12)	1
<b>Profit before tax</b>	<b>75,585</b>	2,919
Income tax (expense)/benefit	(19,738)	4,868
<b>Profit for the year</b>	<b>55,847</b>	7,787
<b>Non GAAP supplementary note:</b>		
<b>Profit before tax</b>	<b>75,585</b>	2,919
Add back:		
Rebates to shareholders	36,522	60,228
<b>Profit before rebate and tax</b>	<b>112,107</b>	63,147

Profit before rebate and tax is an important profit measure of the Group that Directors use to monitor financial performance. The profit before rebate and tax is also one of the factors Directors consider when determining the amount of the discretionary rebate payable to shareholder customers.

## Summarised Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MAY 2022. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	GROUP 2022 \$000	GROUP 2021 \$000
<b>Net cash flow from operating activities</b>	<b>(55,459)</b>	58,339
<b>Net cash flow from investing activities</b>	<b>(91,591)</b>	(77,507)
<b>Net cash flow from financing activities</b>	<b>132,853</b>	24,812
<b>Net movement in cash and cash equivalents</b>	<b>(14,197)</b>	5,644
Cash and cash equivalents at 1 June	21,668	16,024
<b>Cash and cash equivalents at 31 May</b>	<b>7,471</b>	21,668

## Consolidated Balance Sheet

AS AT 31 MAY 2022. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	GROUP 2022 \$000	GROUP 2021 \$000
<b>Total equity</b>	<b>546,731</b>	<b>476,015</b>
<b>Current liabilities</b>		
Bank revolving cash advance facility	226,000	74,009
Trade and other payables	167,274	109,800
Derivative liabilities	330	8,349
Rebate payable	27,300	43,393
Provisions	964	2,554
Lease liabilities	9,507	9,245
Income tax payable	11,472	-
<b>Total current liabilities</b>	<b>442,847</b>	<b>247,350</b>
<b>Non-current liabilities</b>		
Provisions	7,129	8,104
Lease liabilities	27,741	30,136
Deferred tax liabilities	490	-
<b>Total non-current liabilities</b>	<b>35,360</b>	<b>38,240</b>
<b>Total equity and liabilities</b>	<b>1,024,938</b>	<b>761,605</b>
<b>Current assets</b>		
Cash and cash equivalents	7,471	21,668
Trade and other receivables	161,913	96,029
Prepayments	14,197	13,381
Inventories	317,741	168,710
Derivative assets	17,463	461
Intangible assets	13,320	9,135
Assets held for sale	7,381	8,777
Income tax receivable	-	1,799
<b>Total current assets</b>	<b>539,486</b>	<b>319,960</b>
<b>Non-current assets</b>		
Equity accounted investments and debt securities	114	414
Deferred tax assets	-	10,135
Property, plant and equipment	391,659	343,966
Lease assets	35,819	38,424
Intangible assets	51,952	48,706
Prepayments	5,908	-
<b>Total non-current assets</b>	<b>485,452</b>	<b>441,645</b>
<b>Total assets</b>	<b>1,024,938</b>	<b>761,605</b>



**DJB Coull**  
Chairman of Directors  
27 July 2022



**SD Robertson**  
Director  
27 July 2022

The Board of Directors of Ballance Agri-Nutrients Limited authorised this Financial Highlights review on 27 July 2022

## Trend Information

FOR THE YEAR ENDED AND AS AT 31 MAY 2022. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

		2022 \$000	2021 \$000
<b>Group Sales Volumes</b>	Tonnes	<b>1,583,000</b>	1,553,000
Revenue per tonne	\$/tonne	755	578
Adjusted profit before rebate and tax	\$000	<b>112,107</b>	63,147
	\$/tonne	<b>70.82</b>	40.66
Rebate per tonne	\$/tonne	<b>30</b>	50
Group equity ratio		<b>53.3%</b>	62.5%
Stock turn		<b>3.8</b>	4.1
Capital and investment expenditure - net	\$000	<b>91,591</b>	77,506
Number of shareholders		<b>17,098</b>	17,441
Shares on issue	000	<b>45,625</b>	44,704
Nominal value per share		<b>8.10</b>	8.10
Share quota per tonne		<b>30</b>	30
Investment per quota tonne	\$/tonne	<b>243</b>	243
Net asset backing per share		<b>\$11.98</b>	\$10.65

The summary financial information has been derived from, and should be read in conjunction with, the Ballance Agri-Nutrients Limited annual financial statements (the "full financial statements"). The full financial statements, approved by the Board of Directors on 27 July 2022, are available at [www.ballance.co.nz](http://www.ballance.co.nz). The accounting policies used in these financial statements are included in the notes to the full financial statements.

The full financial statements have been prepared in accordance with and comply with international Financial Reporting Standards, as appropriate for profit-orientated entities. The full financial statements have been audited by KPMG and an unqualified opinion given. The summary financial information cannot be expected to provide as complete understanding as provided in the full financial statements.

## Directory

### BALLANCE AGRI-NUTRIENTS LIMITED

#### Board of Directors

Duncan Coull – Chairman and Director (North Island)  
 Dacey Balle – Director (North Island)  
 Albert Brantley – Appointed Director  
 Dani Darke – Director (North Island)  
 Will Grayling – Associate Director  
 Cameron Henderson – Director (South Island)  
 Michele Kernahan – Appointed Director  
 Andrew Morrison – Director (South Island)  
 Simon Robertson – Appointed Director  
 Sarah von Dadelszen – Director (North Island)

#### REGISTERED OFFICE

161 Hewletts Road, Mount Maunganui

#### SOLICITORS

Russell McVeagh  
 PO Box 8, Auckland  
 Sharp Tudhope  
 Private Bag TG12020, Tauranga

#### BANKERS

ANZ Bank New Zealand Limited  
 Bank of China (New Zealand) Limited  
 Commonwealth Bank of Australia  
 Hong Kong and Shanghai Banking Corporation Limited  
 Rabobank New Zealand  
 Westpac Banking Corporation

#### AUDITOR

KPMG  
 PO Box 110, Tauranga

### LEADERSHIP TEAM

Mark Wynne – Chief Executive Officer  
 Shane Dufaur – GM Operations & Supply Chain  
 David Healy – Chief Digital Officer  
 Sheena Henderson – GM Customer Experience & Marketing  
 Jason Minkhorst – GM Sales  
 Jacqueline Rich – GM People & Capability  
 Matt Skilton – Chief Financial Officer

### BALLANCE AGRI-NUTRIENTS LIMITED – HEAD OFFICE

Private Bag 12503, Tauranga  
 Phone 07 572 7900  
 Fax 07 572 6233  
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 Freephone customer line 0800 222 090  
 Website [www.ballance.co.nz](http://www.ballance.co.nz)

### BALLANCE AGRI-NUTRIENTS LIMITED – SOUTH

PO Box 849, Invercargill  
 Phone 03 211 3220  
 Email [Invercargill.reception@ballance.co.nz](mailto:Invercargill.reception@ballance.co.nz)

### BALLANCE AGRI-NUTRIENTS (KAPUNI) LIMITED

PO Box 439, Hawera  
 Phone 06 272 6449  
 Email [kapuni.reception@ballance.co.nz](mailto:kapuni.reception@ballance.co.nz)

### SEALESWINSLow LIMITED

PO Box 11, Morrinsville, 3340  
 Phone 0800 287 325  
 Email [sales@sealeswinslow.co.nz](mailto:sales@sealeswinslow.co.nz)  
 Website [www.sealeswinslow.co.nz](http://www.sealeswinslow.co.nz)

### SUPER AIR LIMITED

Rukuhia, RD2, Hamilton  
 Phone 07 843 6066  
 Email [reception@superair.co.nz](mailto:reception@superair.co.nz)



Frans & Tineke de Jong and Talbert de Jong and Emily Meese with their children