

COLDSTREAM DAIRY FARM LIMITED

May 2018 Shareholder Newsletter



May 22nd 2018

Sharemilkers 2018/19 Season & Mycoplasma Bovis New Zealand

Hi Everyone,

Firstly we have signed new sharemilkers Erin and David Bradley. The season was a tough one for our outgoing sharemilker Peter Perkin with a really dry patch of weather mid January February. We expect to produce around 278,000 kg of milk solids this season, down from 317,000 kg ms last season. Budgets are being worked on for next year and we will aim for 315,000 kg ms production for next season.

Mycoplasma Bovis is on our minds as this is in the news constantly. We have just been advised that our Coldstream 136 rising 2yr in calf heifers and 120 replacement calves are grazing on a farm in the surrounding district which has been placed under movement control. There are a total of 700 animals on this farm (256 are ours). Every animal on that farm is placed under movement control and will have to be tested, this includes our animals. The background to this is that the grazing farm (i.e. where are our stock are) purchased three bulls last year that came from a farm that has subsequently tested positive for M Bovis. Those three bulls were Friesian and were grazed with the Jersey bulls that were subsequently mated with our heifers. The three Friesian bulls tested positive for M Bovis along with three other bulls on the farm that have had suspicious results. (The word "suspicious result" was used in the MPI report and is not our words). A random sample of stock from each group on the farm has been tested by MPI. We are not told which group or groups our animals are in. There will be three tests done, the first and second tests have been completed. We await results from the second test which took place on 26th April, they are due now. The first test found three bulls and one heifer that were suspicious. Four of the bulls have been destroyed.

That is all we can tell you at present.

The 120 calves are not due to return to Coldstream until July/August of 2019. The 136 heifers are due back at Coldstream in July/August of this year. At the moment nothing can be moved as they are all under movement control the grazing farmer is not even permitted to walk stock a short distance down the road to his other farm. He has now been granted a permit to truck all the calves to his other farm.

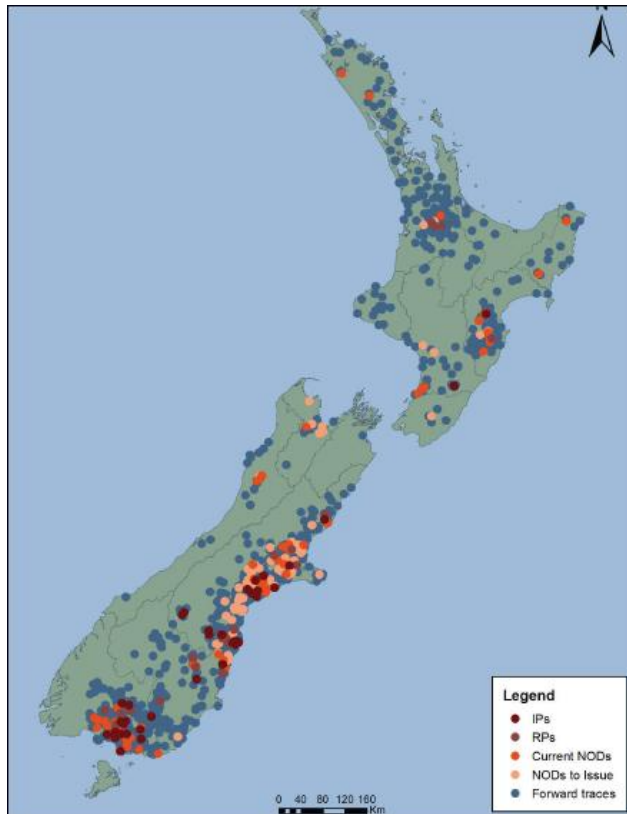


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What are our options? If the animals remain under movement control (I assume this depends on test results and decisions made at the higher end of MPI and government) then we may need to go on the market and buy some "clear" replacement stock for our farm for milking this year. However, these decisions will not be made for six to eight weeks.

We will keep you informed.



This map just gives an indication of what the country is facing in regard to the dairy industry.

Regards

A handwritten signature in black ink, appearing to read 'Roger Dickie'.

Roger Dickie



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