

2019 SHAREHOLDER FARM VISIT – Coldstream Downs Dairy Farm Limited

On the 27th March we held our biennial shareholder farm visit to Coldstream. This year was hosted by William Dickie, Dot McDermott and Grant Morris from the Roger Dickie (NZ) office, along with our sharemilkers David and Erin Bradley and farm advisor Jack Ballam.



The farm was very tidy which was a credit to Dave, Erin and their team. Jack Ballam commented that grass covers were lower than where we would like them to be at this time of the year; however there is a plan in place to rectify this.



We could not have asked for better weather for our visit. It was good to see the new development above the dam, still needing troughs and a lane way, Riparian planting will commence this autumn around the dam. Protrack is now installed and working well, along with the upgraded cooling system that had to be installed to meet the new standards. A lot of updates have been completed at the dairy shed including a new power supply. The dairy platform is in need of some significant repairs under the cow bails, including new structural steel to replace the worn parts. This work is scheduled to be carried out once the cows are dried off. Dave and Jack outlined some of the improvements that could be completed over the next few years to continue to improve the property which will include a new water line



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to the cowshed and more storage to help with water demand over summer. The directors are considering a number of improvements for the coming seasons as cash flow allows.



Discount Fuel offer through Fonterra

Following the shareholder visits we were advised about the availability of the 16 cents a litre savings for petrol purchases plus other discounts that would apply with a supercard from Fonterra. Anybody can apply see, link below from Fonterra. (On line only)

<https://fonterra.nzfarmsource.co.nz/SiteRegister?src=fs>

Thanks to Jack, Dave and Erin for hosting the visit to the farm.

Thanks,

Dot McDermott

Farm Administrator



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COLDSTREAM DOWNS DAIRY FARM LIMITED SHARE BUYBACK OPTION

Following the resolution passed at the AGM for Coldstream Downs Dairy Farm Limited the directors have considered a company buyback of shareholder shares. The directors have taken advice from BNZ commercial bankers, lawyers at Kensington Swan and our Accountants.

After deliberation the directors have decided that there is not a fair way to determine a buyback price that acts in the best interest of the shareholders. The main considerations taken into account are the volatility in the Net Asset Backing. In recent years there have been no historical dairy farm sales of comparable size in the same location, also there have been big fluctuations in the price we have been paid for our milk from season to season. These have significant impact on the Net Asset Backing and determining a fair buyback price.

The farm ownership is up for review at the end of the coming season.

For these reasons the directors have decided not to proceed with a share buyback option.

For shareholders wishing to sell their shares the best course of action would be to contact Grant Morris by emailing grant@rogerdickie.co.nz whereby he can match shareholders wishing to sell with shareholders wishing to increase their shareholding.

Currently we have shares available in Eastbourne, but no shares available for sale in either Coldstream or Murray Creek.

Kind regards,



Roger Dickie

Director

