

ROGER DICKIE

N E W Z E A L A N D

COLDSTREAM DOWNS DAIRY FARM LIMITED

Farm Update

2nd May 2014

Dear Shareholder

Coldstream Downs production for the 2013-2014 season has exceeded the predicted 301,000kgms with one more month to go. As at the 30th April production was 304,818.8kgms. Month to date production is 103.9% up on April last year and year to date 17.1% compared to April's milk production last year. Leo is hopeful that we can reach 320,000/kgms. To achieve this we need to produce 15,181.2kgms during May.

The Southland weather has been very kind this season. There was plenty of rain late December, early January and grass growth took off. Jack Ballam our farm consultant is very pleased with Leo's proactive management of the pasture this season which has enabled him to achieve the production level he has. Extra supplements have helped boost the production.



The Directors have budgeted for the coming season a new silage wagon for Coldstream. The old wagon is constantly in need of repair therefore it makes sense to replace it rather than constantly repairing it. The new silage wagon will cost \$47,300, this includes weighing scales which are built into the base of the wagon.

With our new season fast approaching, Leo & Maricel have agreed to stay on for a further season. With all the hard work Leo and his team have done this year we are pleased with their decision.

You will find enclosed the farm report and correspondence from our sharemilkers. These reports will be uploaded onto the website www.rogerdickie.co.nz

Regards

Michelle O'Neill

Forestry, Carbon and Farm Investments

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Coldstream Downs Dairy Farm

September 2013 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report

COVER

	ACTUAL	TARGET
Average Cover	2760	2350
Pre Graze	>4000	3300
Post Graze	>1800	1600
Growth	?	>25
Round Days	75	60
	70	95

Key

Kgdm = kgs of dry matter
Kgms = kgs of milk solids
Ha = hectare
R1's = Rising 1 year olds
R2's = Rising 2 year olds
MA = Mixed age cows
Total Farm Area = 350ha
Effective area = 309ha

Pasture cover is exceptional for spring this year. Leo has the pasture in great shape for the start of spring which has lead to magnifying growth rates.

Area/Cover Summary					
Area	Total	Effective	Grass	Winter Crop	Summer Crop
Existing Milking Platform	350	309	299.5	9.5	12

12 hectares will go to summer turnips which will be sown mid October. Turnips take 90 days to mature and should produce 108800kgdsdm. Nine hectares will go to winter crop and this will need to be sown by 1st December

FEED SUPPLY

			kgdm	Kgdm/ha
Pasture			-	2760
Palm Kernel			5000	17
Silage	100m ³ @	200 kgdsdm/m ³	20,000	67
Baleage – on crop	40 bales @	200 kgdsdm/bale	8000	27
Straw	30 bales @	150 kgdsdm/bale	4500	15
Crop - Kale	1.5 ha's @	12000 kgdsdm/ha	18000	60
TOTAL				2945

As per the feed budget there is surplus feed on hand (approx 90000kgdsdm from 2760 average cover). If the good weather continues there is the potential to drop out 25 to 30 ha of the longest feed for supplements. At present feeding of longer grass on extended grazing and build up more long feed ahead of the milkers

STOCK ON HAND

Milkers	Milkers	Colostrums'	Penicillin	Springers	Dry's	Total
315	203	40	5	93	170	826
38%	25%	5%	1%	11%	21%	100%

To date 68% of cows have calved. Cows are in good condition but there are still some of the younger herd with winter coats. It is suggested with the dry conditions the lighter cows should go on to once a day milking. There are 180 heifer calves to date (22%) with still more arriving. Calves are on once a day feeding

PRODUCTION POTENTIAL 2013 - 2014

	POTENTIAL			ACTUAL		VARIANCE	
	%	Monthly KGS	YTD Kgs	Monthly kgs	YTD kgs	Monthly	YTD
August	2.50%	8000	8000	9163	9163	114.54%	114.54%
September	9.50%	30400	38400				
October	13.5%	43200	81600				
November	13.5%	43200	124800				
December	12.75%	40800	165600				
January	11.75%	37600	203200				
February	10.50%	33600	236800				
March	10.50%	33600	270400				
April	9.50%	30400	300800				
May	6.00%	19200	320000				
	100%	320000					

To date the farm is well set up to achieve targeted production of 301,000kgs, but also has the potential to reach 320,000kgs as per above chart.

Fertilizer

Target is to apply: **Non Effluent Area**

Aug -Sept 36kgs Nitrogen per ha from around mid August to early September.
Sept - Oct 35kgs Nitrogen post grazing mid September to mid October (until growth exceeds demand).
Oct - Dec 35kgs Nitrogen On 50% of farm per round from when grass growth exceeds demand. This is around mid to late October post mower(50% ha's grazed).
Dec - Feb 35kgs Nitrogen 50% of farm subject to growth rates & moisture.
Feb - April 35kgs Nitrogen 100% of farm to build wedge for Autumn.
April - May 35kgs Nitrogen 100% of farm to keep growth going and set wedge for winter.

If Nitrogen is applied in moist conditions we hope to get the maximum benefit and response. This would mean to apply while raining or apply later in the evening to make the most of the evening dew. Use into ex feed wedge and growth rates to ID rate of Nitrogen as a tool to having target pre grazing covers that will meet cow requirements.

Coldstream Downs Dairy Farm

September 2013 Farm Report

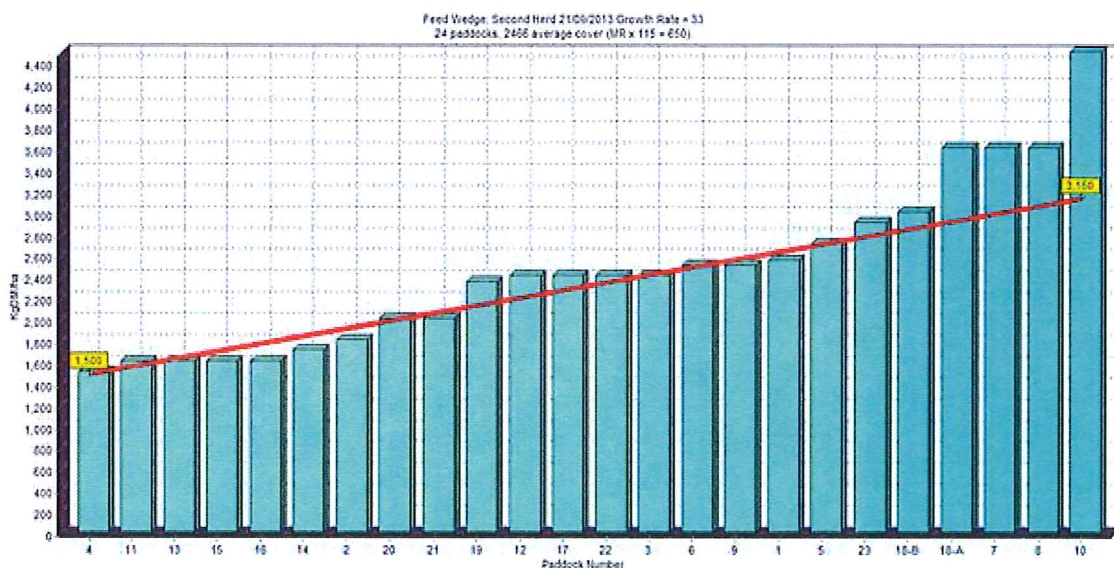
*An Email from the Sharemilkers describing the new season so far,
Wednesday 21st September.*

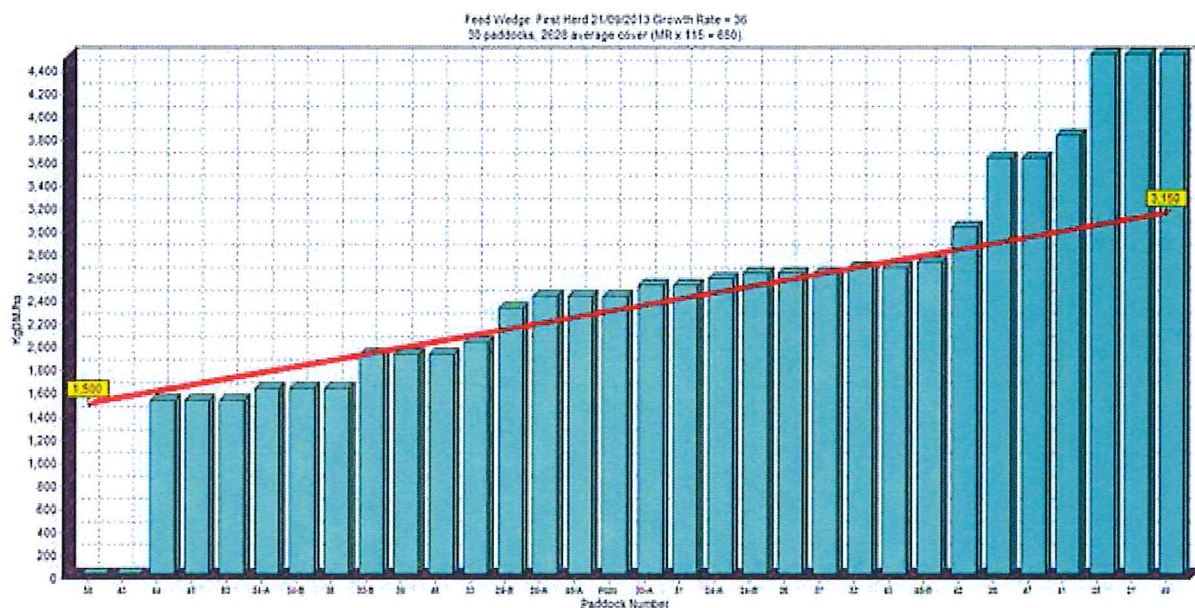
Hello there

I walked the farm today and there is >2500 actual pasture cover. There is still another 10 days of 1st round paddocks.

Challenging times at the moment as we mowed 26Ha for silage on a high cloud forecast 2 days ago then received 7mm of rain over. The mowed grass looks good and fresh underneath. This afternoon it has been raked and with clear skies, we hope to chop tomorrow. Paddock's on top of the wedge have grown tremendously, and even after closing 25 Ha we still managed to get 3600s and over 4000s pre-grazing covers.

After 10 days of wet weather and little mowing, we finally got into mowing, a bit of topping and silage. More mowing than recommended, but it is necessary to achieve the quality regrowth required for peak production and pre-mating energy intakes. This could well bite us on the bum if we don't get decent growths, but I see no option but carry on mowing and follow with Nitrogen and Pro-Gibb behind the mower. This is a bit risky, but I rather feed some of the silage we're making now than carry these residuals into second round. This is the best option we have.





At the moment the residuals look very yellowish to clear green. Regrowth from last week is much faster and caught up with paddocks grazed earlier.

To date there are 105 (13%) of cows the left to calve as we start week 7.

Although there are some challenging times, we're enjoying the season and looking forward to get on top of grass, carry on with cultivation and preparing for mating.

Thanks
Leo

Coldstream Downs Dairy Farm

November 2013 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report

COVER

	ACTUAL	TARGET
Average cover	2300	>2200
Pre graze	3300	3000
Growth	50	>45
Round Days	32	32
Mown	100%	100%

Key

Kgdm = kgs of dry matter
 Kgms = kgs of milk solids
 Ha = hectare
 R1's = Rising 1 year olds
 R2's = Rising 2 year olds
 MA = Mixed age cows
 Total Farm Area = 350ha
 Effective area = 309ha

Leo and his team have done a great job on the quality of feed this year.

Area/Cover Summary					
Area	Total	Effective	Grass	Summer Turnip	New Grass
Existing Milking Platform	350	309	283.0	16.0	10

In the first week of December 10 hectares of winter crop will be sown. There is ample grass with 140,000kgsgdm of supplements made to date.

FEED SUPPLY

	283.0 ha's		kgdm	Kgdm/ha
Pasture			-	2300
Palm Kernel			12,000	42
Silage Old	100m ³ @	200 kgsgdm/m ³	20,000	71
Silage New	101m ³ @	200 kgsgdm/m ³	140,000	495
Silage Whole crop	600m ³ @	200 kgsgdm/m ³	120,000	424
Baleage	134 bales @	200 kgsgdm/bale	26,800	95
TOTAL				3427

There is still some surplus feed on winter crop paddocks to be made but all and all this is great to have a good amount of feed supplements. Some residual feed left that would be best eaten out by the empty cows until the paddocks are ploughed ready for sowing.

STOCK ON HAND

Milkers	Milkers	Colostrums'	Penicillin	Springers	Late	Dries	Total
411	341	24	9	0	0	0	785
52%	43%	3%	1%	0%	0%	0%	100%

We are slightly down on peak milk cows which was targeted at 800 but still ahead of production.

Coldstream Downs Production

301,000 KG MS

Month	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	BUDGET
						Target 2013-2014
June						0
July						0
August	9162.7	9691.6	7731.8	6427.5	7498.3	7218
September	34063.4	32439.1	30803.4	30429.5	29871.6	32756
October	45918.9	43626.9	44232.0	39418.7	47567.2	45885
November		40484.6	41027.4	39344.9	44392.2	40814
December		37914.6	36065.4	33726.6	39572.3	34986
January		31765	29471.3	34289.6	35848.2	35570
February		27515.6	29505.6	28859.9	29276.5	29937
March		23002.2	30819.3	29463	29493.6	30564
April		13856.6	26290.4	24886.2	21871.5	25817
May		11143.8	21091.1	16825.7	13964.4	17452
Total	89145	271440	297037.7	283671.6	299355.8	300,999

As at 30 November 2013

Month To Date This Season	45,918.90	kgms
Month To Date Last Season	40,484.60	kgms
Variance		
%	5.3	%up

Year To Date This Season	89,145.00	kgms
Year To Date Last Season	126,242.20	kgms
Variance		
%	3.9	%up

As at 21st November 2013 production is 10.6% up month to date
and 5.5% up year to
date

Coldstream Downs Dairy Farm

October 2013 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report

COVER

	ACTUAL	TARGET
Average cover	2430	>2200
Pre graze	3300	3000
Growth	50	>45
Round Days	32	32

Key

Kgdm = kgs of dry matter
Kgms= kgs of milk solids
Ha = hectare
R1's = Rising 1 year olds
R2's = Rising 2 year olds
MA = Mixed age cows
Total Farm Area = 350ha
Effective area = 309ha

Area/Cover Summary					
Area	Total	Effective	Grass	Summer Turnip	New Grass
Existing Milking Platform	350	309	300.5	0	8.5

FEED SUPPLY

	300.5 ha's		kgdm	Kgdm/ha
Pasture			-	2430
Palm Kernel			12,000	40
Silage Old	100m ³ @	200 kgsgdm/m ³	20,000	67
Silage New	101m ³ @	201 kgsgdm/m ⁴	40,000	133
Baleage	130 bales @	200 kgsgdm/bale	26,000	87
TOTAL				2756

There is the potential to feed up to 125m² per cow per day from now once all cows are in milk. With the early growing season approximately 50% of the farm has already had the mower over it through pre graze mowing and supplements.

STOCK ON HAND

Milkers	Milkers	Colostrums'	Penicillin	Springers	Late	Dries	Total
386	356	0	35	27	0	5	809
48%	44%	0%	4%	3%	0%	1%	100%

To date 92% of cows have calved. Cows are in good condition and some of the lighter herd are on once a day milking.

RECOMMENDED YEAR ROUND GRAZING TARGETS

Target Period	Oct - Nov	Nov-Feb	Feb-Mar	Mar-Apr	Apr-May	Apr-May
Target date				10-Mar	10-Apr	11- Apr
Round length	28	30	35	40	50	50
Hectares	300	280	300	280	300	300
Hectares per day	10.7	9.3	8.0	7.0	6.0	6.0
Cows in milk	800	800	890	880	850	760
Cows per ha	2.7	2.9	3.2	3.1	2.8	2.5
Sq m's per cow /12hrs	67	58	45	40	35	39
Sq m's per cow /24hrs	75	86	111	126	142	127
Cows /ha/12hrs	149	171	223	251	283	253
Kgs dm per cow	19	18	17.5	17.5	18	19
Total kgs dm required	15,200	14,400	15,575	15,400	14,875	14,060
Kgsdm / ha required	1419	1535	1947	2200	2479	2343
Grazing residual	1600	1600	1600	1600	1600	1600
Pre grazing cover	3019	3143	3547	3800	4079	3943

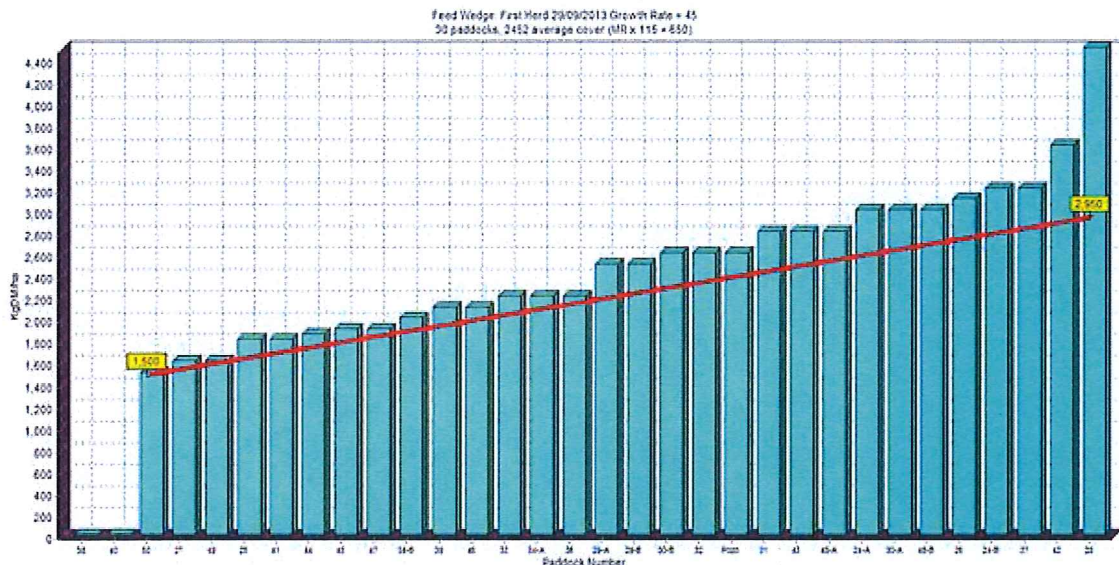
The schedule above is target grazing rounds throughout the season. Need to plan ahead with the aim of achieving targets and fully feeding milkers.



Coldstream Downs Dairy Farm

October 2013 Farm Report

*An Email from the Sharemilkers describing the new season so far,
Monday 7th October.*



Hi there,

What a start of the season it has been so far.

We have achieved to our elusive 2 kg milksolids per cow production which we have never achieved at Coldstream before!!!

The grass keeps growing at a great rate (37-45 last farm walk). We have done 24 hectare of silage on 20th September and got 60 tons of silage. We had followed the paddocks with Urea and pro-gibb and are now at 2600kgdm pasture cover. The first round took too long and was stretching rotation, so we took 12 more hectare for baleage, which is being done today and we may get 170 bales.

So far to date we have mowed 120ha of the farm!! (40% of the farm).

Grass cover has been of excellent quality throughout the farm.

The ex winter crop paddocks were sown on 1st of October as soil temperatures were already at 10 degrees already. Summer turnip paddocks were sprayed and some drainage work is also being done now as well. May be drilling later on the week. We have 230 heifer calves on farm and have had good mating activity with our first herd test tomorrow. We are extremely busy but very happy to be on top of things.

Thanks, Leo

Coldstream Downs Dairy Farm

January 2014 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report

COVER

	ACTUAL	TARGET
Average Cover	2350	2200
Pre Graze	3300	3000
Growth	40	>45
Round Days	32	32
Mown	100%	100%

Key

Kgdm = kgs of dry matter
Kgms= kgs of milk solids
Ha = hectare
R1's = Rising 1 year olds
R2's = Rising 2 year olds
MA = Mixed age cows
Total Farm Area = 350ha
Effective area = 309ha

Coldstream Downs is in a good growing state and potentially growing enough grass to meet requirements.

Area/Cover Summary					
Area	Total	Effective	Grass	Winter Crop	Summer Crop
Existing Milking Platform	350	309	284.0	10	15

There is good feed quality over most of the farm with growth rates exceeding target.

FEED SUPPLY

	284.0 ha's		kgdm	Kgdm/ha
Pasture			-	2350
Palm Kernel			12000	42
Silage Old	100m ³ @	200 kgsdm/m ³	20,000	70
Silage New	650m ³ @	200kgsdm/ m ³	130000	458
Baleage	85 bales @	200 kgsdm/bale	17000	60
Baleage - Winter Crop	150 bales @	201kgsdm/bale	30150	106
Crop - Turnips	15 ha's	8000 kgsdm/ha	120000	423
Crop - Kale	10 ha's @	10000 kgsdm/ha	100000	352
TOTAL				3861

There is a good supply of feed on hand and with turnips the farm is well set up for the season ahead. There has been a big improvement on last year's feed supply. Top effort by Leo and his team. There are two paddocks of whole crop silage that need to be cut now.

For cows to keep producing and gaining condition in April/May they require quality feeding. This they will get with the good supply on hand.

STOCK ON HAND

Milkers	Milkers	Lame	Penicillin	Springers	Dry's	Total
411	341	24	9	0	0	785
52%	43%	3%	1%	0%	0%	100%

We are down on target of 800 peak milk cows but production is still above target.

PRODUCTION POTENTIAL 2013 - 2014

	POTENTIAL			ACTUAL		VARIANCE	
	%	Monthly KGS	YTD Kgs	Monthly kgs	YTD kgs	Monthly	YTD
August	2.50%	8000	8000	9163	9163	114.54%	114.54%
September	9.50%	30400	38400	34063	43226	112.05%	112.57%
October	13.5%	43200	81600	45919	89145	106.29%	109.25%
November	13.5%	43200	124800	44715	133860	99.81%	105.90%
December	12.75%	40800	165600	39311	1733171	94.50%	103.08%
January	11.75%	37600	203200	36600	209771	99.46%	102.43%
February	10.50%	33600	236800				
March	10.50%	33600	270400				
April	9.50%	30400	300800				
May	6.00%	19200	320000				
	100%	320000					

To date the farm is well set up to achieve targeted production of 301,000kgms, but also has the potential to reach 320,000kgms as per above chart.

SCANNING

Recommended scanning date is mid February. This will confirm the cows in calf. Cows not confirmed at this scanning will be either empty or late calvers/inductions.

RECOMMENDED GRAZING TARGETS

Target Date	01 Feb	01 Mar	10 Mar	10 Apr	01 May
Round length	30	35	40	50	50
Hectares	285	285	285	285	300
Hectares per day	9.50	8.14	7.13	5.70	6.0
Cows in milk	780	760	750	740	720
Cows per ha	2.74	2.67	2.63	2.60	2.40
Sq m's per cow /12hrs	122	107	95	77	83
Sq m's per cow /24hrs	82	93	105	130	120
Cows /ha/12hrs	164	187	211	260	240
Kgs dm per cow	18	18	18	19	19
Total kgs dm required	14,040	13,680	13,500	14,060	13,680
Kgsdm / ha required	1478	1680	1895	2467	2280
Grazing residual	1600	1600	1600	1600	1600
Pre grazing cover	3078	3280	3495	4067	3880

March is the key month to build cover to allow milking though April and May using minimal supplements. It is preferred to have a good wedge of feed built up.

Coldstream Downs Dairy Farm

*Here is a email from the Leo
24th February 2014*

Hi there

With 2014 is racing thru the kids at school the days are getting shorter and hints of Autumn just around the corner.

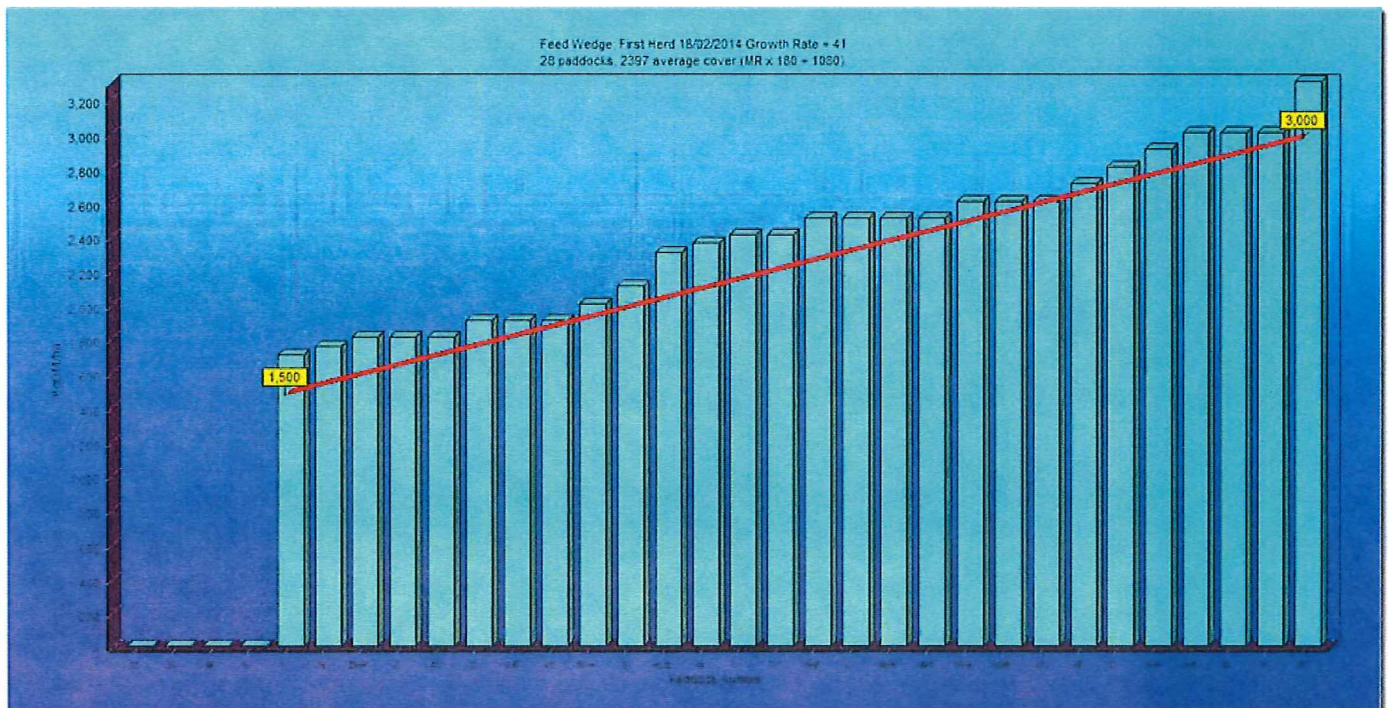
The season so far has been great for production and grass growth, it has also had its challenges. Great start and good peak production. So far we have had record production for the months of August, September, November and February.

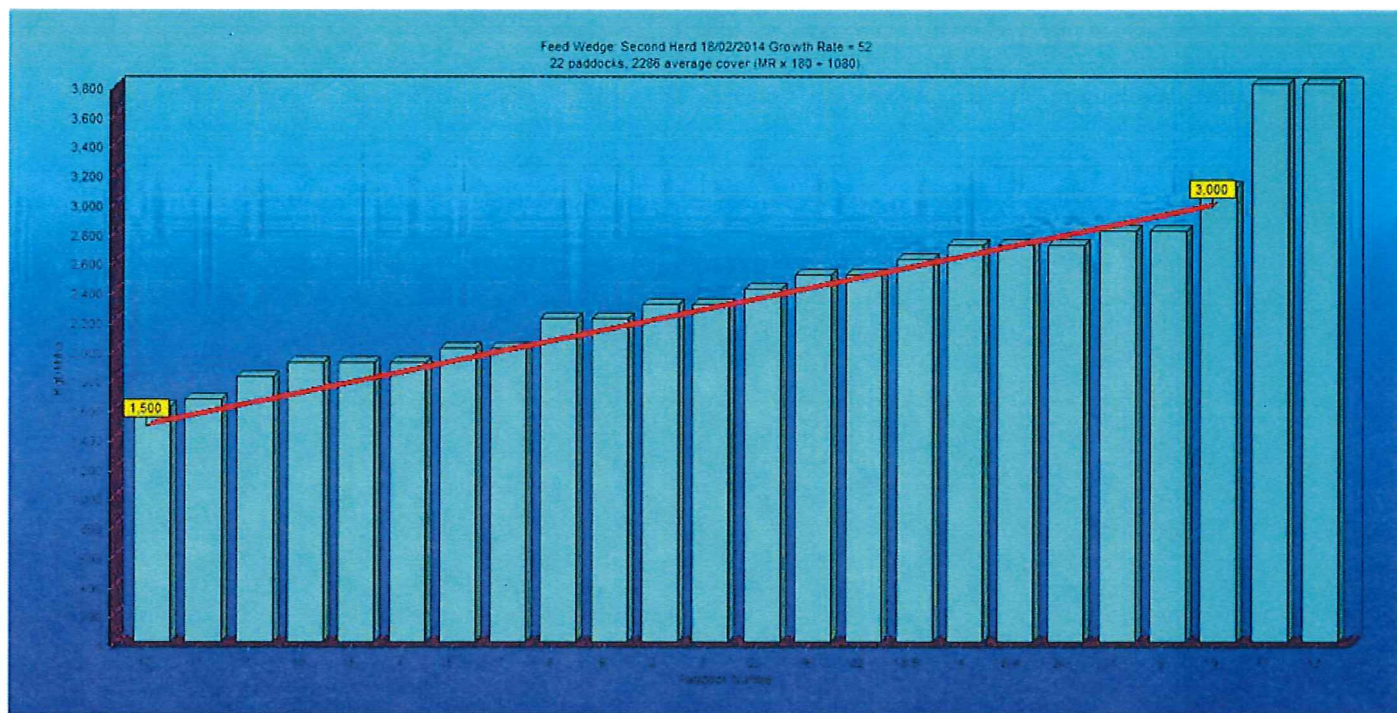
Grass growth has been steady and given us a great head start. December was dry but still green until one day close to Christmas the weather turned cold and wet, and it never stopped until mid January. Lamentably after that we got dry quickly but always green as we caught some showers along the way. Grass growth averaged 30-40 for the lasts 10 weeks (grass demand is 40 while supplementing turnips).

Feed on hand:

- Silage: 220 tons
- Whole crop: 70 tons
- Total 290 tons = 362 Kg/cow = 966 Kg/Ha

We are still feeding Summer turnips with 4 bales of spring baleage and palm kernel per day (total 5.5-6 Kg/day), that will carry on for the next 2 weeks. Winter crop is looking great, great plant population budgeting on 13 ton crop 10.5. There was 200 bales made this Spring at home sitting on crops. So we're 73 bales short of target (26 bales/Ha=273). I'm currently looking at baleage to buy.





Above is the feed wedge from last week.

Surplus has been taken off. Round is 40 days thanks to turnip feeding.

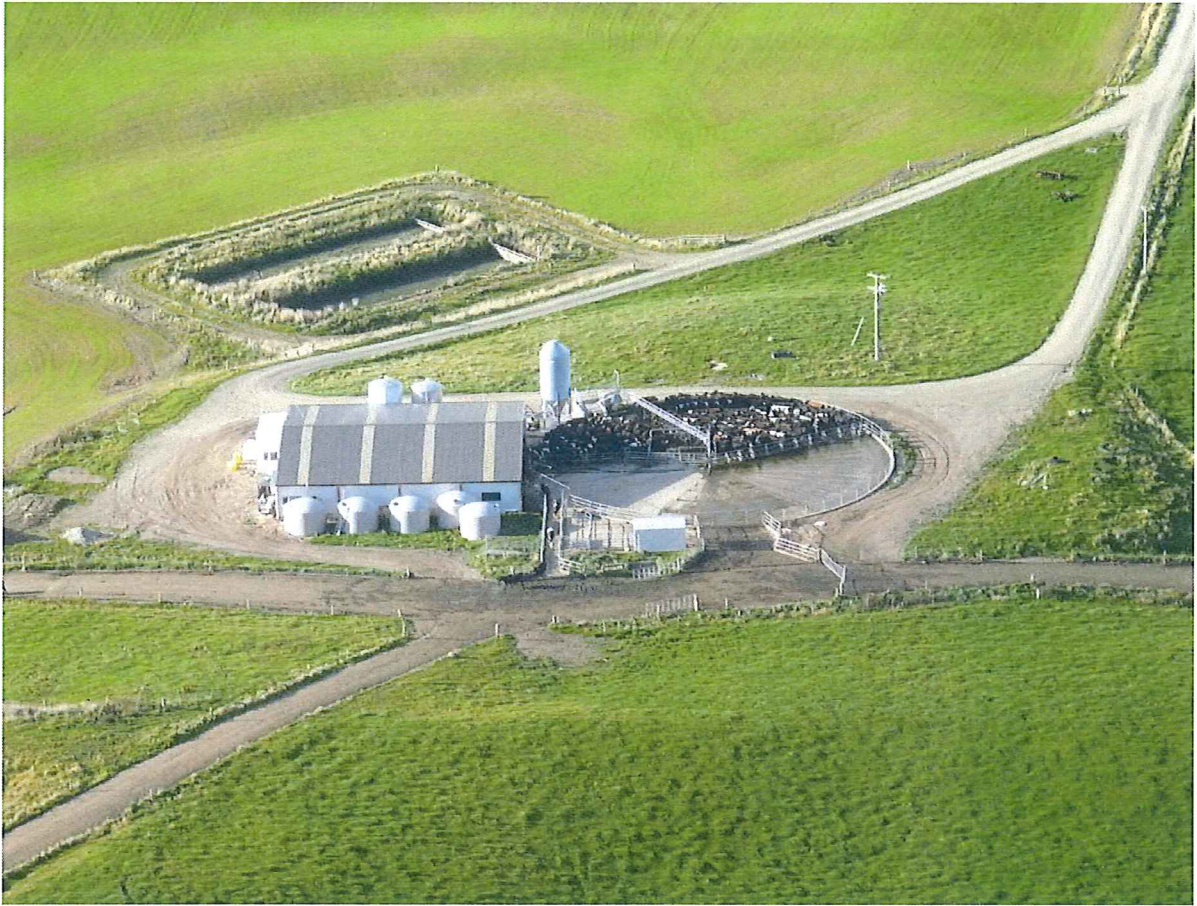
We have had 15mm of rain over the last couple of days, so hopefully growth will catch up over the next fortnight to reach the 3200 pre-grazing cover required to maintain round once we finish feeding turnips.

I have included a few aerial photo's of the farm to show how great it is looking.

Thanks

Leo & Maricel







Coldstream Downs Dairy Farm

April 2014 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report

COVER

	ACTUAL	TARGET
Average Cover	2380	2200
Pre Graze	3300	3000
Growth	42	>45
Round Days	40	40
Mown	100%	100%

Key

Kgdm = kgs of dry matter
 Kgms = kgs of milk solids
 Ha = hectare
 R1's = Rising 1 year olds
 R2's = Rising 2 year olds
 MA = Mixed age cows
 Total Farm Area = 350ha
 Effective area = 309ha

Excellent cover wedge and good quality of feed.

Area/Cover Summary					
Area	Total	Effective	Grass	Winter Crop	New Grass
Existing Milking Platform	350	309	284.0	9.5	10

Winter crop is doing great need to follow up with a round of Nitrogen application@ 120kgs urea ha flown on.
 New grass has be sown in the summer turnip paddocks and is looking good.

FEED SUPPLY

			kgdm	Kgdm/ha
Pasture			-	2380
Palm Kernel			5000	42
Silage - Old	100m ³ @	200 kgsdm/m ³	20000	70
Silage - New	650m ³ @	200 kgsdm/m ³	130000	458
Silage - Whole Crop	300m ³ @	200 kgsdm/m ³	60000	211
Silage - Grass silage	300m ³ @	200 kgsdm/m ⁴	60000	211
Total Silage	346kgsdm for	780 cows	270000	951
Baleage	85 bales @	200 kgsdm/bale	17000	60
Baleage - Winter crop	150 bales @	201kgsdm/bale	30150	106
Crop Turnips	15 ha's	8000 kgsdm/ha	120000	423
Crop - Kale	10 ha's @	10000 kgsdm/ha	100000	352
TOTAL				5264

Assess supplements on hand and monitor the rate of use to ensure target at 31st May quantities are on hand.

EQUIPMENT

The silage wagon is getting older and requires ongoing maintenance. It has been approved to ad this into the new seasons budget