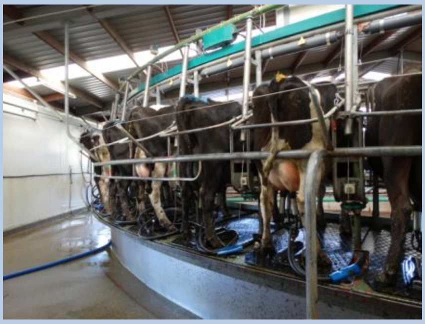
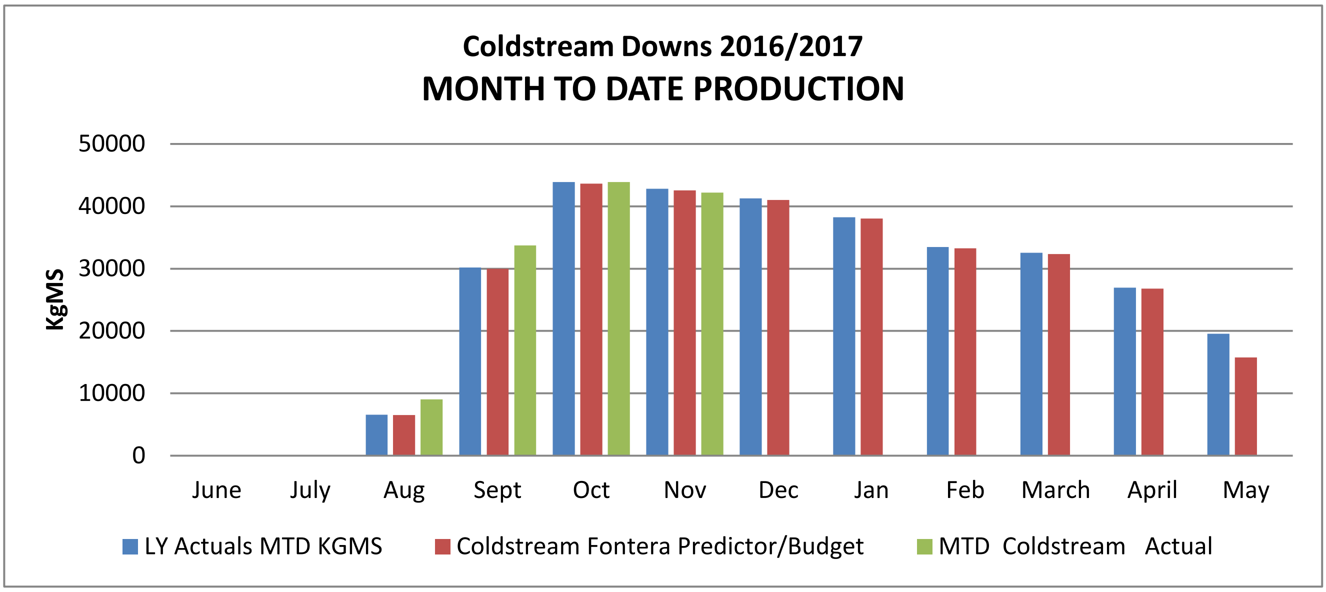


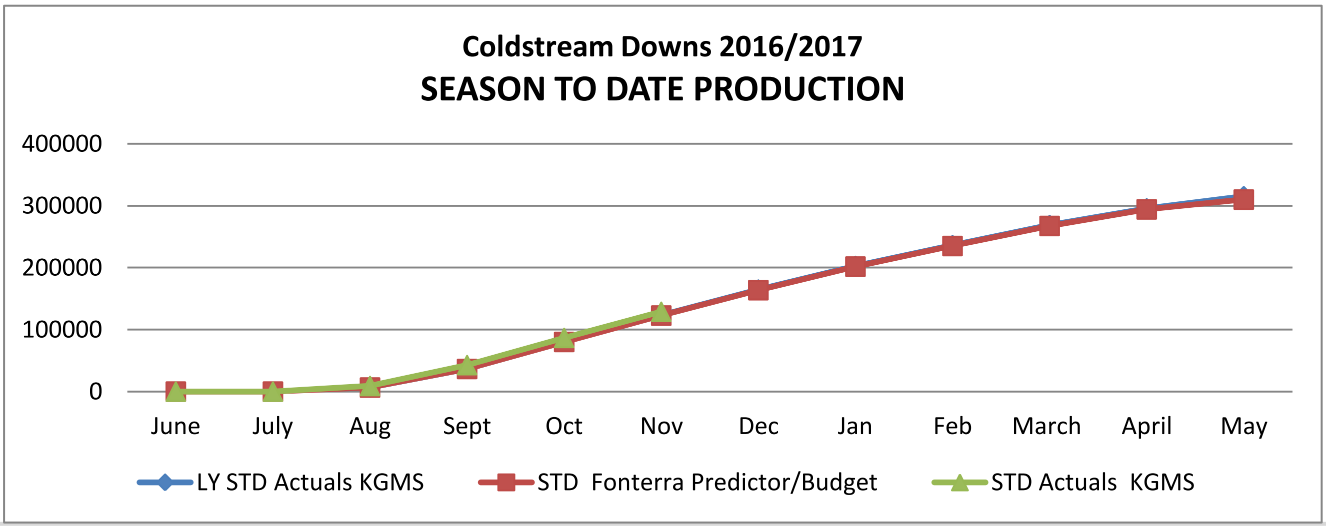
Coldstream Downs Dairy Farm Limited

SUMMER 2016

Seasons Greetings Everyone.

The 2016/2017 season started with unprecedented spring conditions, which meant Coldstream experienced good early grass growth and production. Jason has achieved excellent early production being 17% ahead of target at the end of September. In October the cow's production dropped slightly, but through Jason's good management he is still maintaining production 5% above the target, which keeps him on track to achieve good final production at the end of the season.





ROGER DICKIE
NEW ZEALAND

PO Box 43, Waverley 4593 PH: (06) 346 5329 www.rogerdickie.co.nz

This season has also seen the return of more sustainable milk prices. Significant increases in the prices achieved by the Global Dairy Trade (GDT) over the first few months of this season, has resulted in New Zealand dairy companies increase their payout forecast for the season. Fonterra, who we supply, have announced their forecast milk payout of $6.00 with an estimated dividend of 0.40cents giving a total payout of $6.40. This lift in the payout has included an increase in the advanced rate that we are paid on a monthly basis, which has resulted in a much stronger monthly cash position.

Industry analysts see the payout holding around the $6.00 mark for the current 2016/2017 season and holding at this level for the start of the 2017/2018 season. Our farm working expenses are on track to be $4.29/kgMS, so it is looking promising for a cash surplus at the end of the season. It is interesting to note that today (21/12) ASB lifted their forecast price for this year to $6.50 and forecast similar or better for next season.

HERD VALUATION ERROR

After the Coldstream AGM, the directors have contacted the valuer regarding him not doing the actual head count of stock at the close of the 2015/2016 season (as was discussed in the Annual Report). We are currently awaiting the valuer's response and will keep you posted as to the resolution of this matter.

2017 SHAREHOLDER FARM VISIT

The date for the next bi-annual shareholder visit to Coldstream has been set for Saturday 18th March 2017. Further details for the day will follow early in the new year.

SHARES FOR SALE

There are currently no shares available for Coldstream Downs Dairy Farm Limited.

However, there are shares available in our other farms Eastbourne Dairy Farm Limited, Murray Creek Dairy Farm Limited and Pukekaka Sheep & Beef Farm Limited.

If you are interested in purchasing additional shares please contact Richard Bourne on (06) 346 5329 or email richardb@rogerdickie.co.nz. Please note our office will be closed from 5pm Friday 23rd December and will reopen Monday 9th January 2017.

On behalf of the directors and the Roger Dickie New Zealand team we would like to wish you all a very Merry Christmas and a Happy New Year.

Kind Regards

Roger Dickie
Director

VOSM SUMMER REPORT – Jason Checketts

As another spring has come to an end, so has our busy time on farm. With the finish of the artificial breeding (AB) part of mating now completed for another season and with most of the general farm work all up to date, we can now look forward to a slightly more relaxed time over the Christmas break.

Since my last report we have continued to see a very good grass growth, which in turn has allowed for cows to be fed very well over mating and also ensuring going into the New Year we will are well setup, with an excellent pasture wedge of good quality grass.

We have been able to harvest 95 tonnes of dry matter silage into the silage stack, which was made on farm in mid-October. This is more than we were able to make for all of last season. This will be used for the spring period next season.

Whilst still having good growth rates I have another paddock ready to make into baleage now and if growth conditions continue it certainly won't be the last for the season.

All the crops are looking fantastic, with the summer turnips well ahead of last season and the fodder beat is off to a great start too.

Mating has gone well over all, the first week was a little slow, but the second and third week we certainly saw a lot of good numbers being mated on a daily basis. This gave us an 88% submission rate after the first 21 days, which is a pleasing result.

The bulls were put out in the first week of December, which means we did 5 ½ weeks of AB this year. The bulls will be out with the cows until the 10th of January and then I plan to do another 10 days of AB using short gestation semen to bring the last few cows forward on their calving by at least a week. This ensures we can maximise our number of days in milk and help to get these late calvers in calf again next season.

Milk production has been tracking well. Currently we are 5,500 kgMS ahead for the season and at the moment we are tracking the same as last year on a daily basis. Hopefully we can continue this level of production and perhaps increase the gap even further so that we are looking to get over 320,000 kgsMS for the season. If this can be achieved it will be a pleasing result, with milking less cows than last season and being able to do more production means that we are on the right track.

Seasons Greetings

Jason Checketts