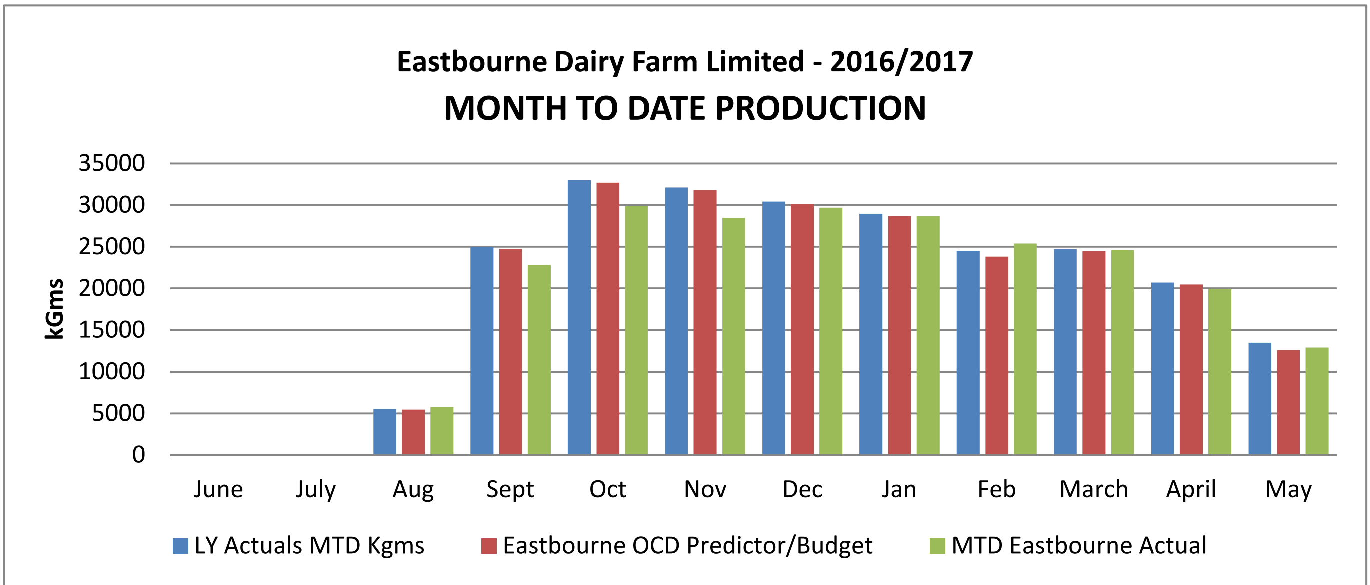
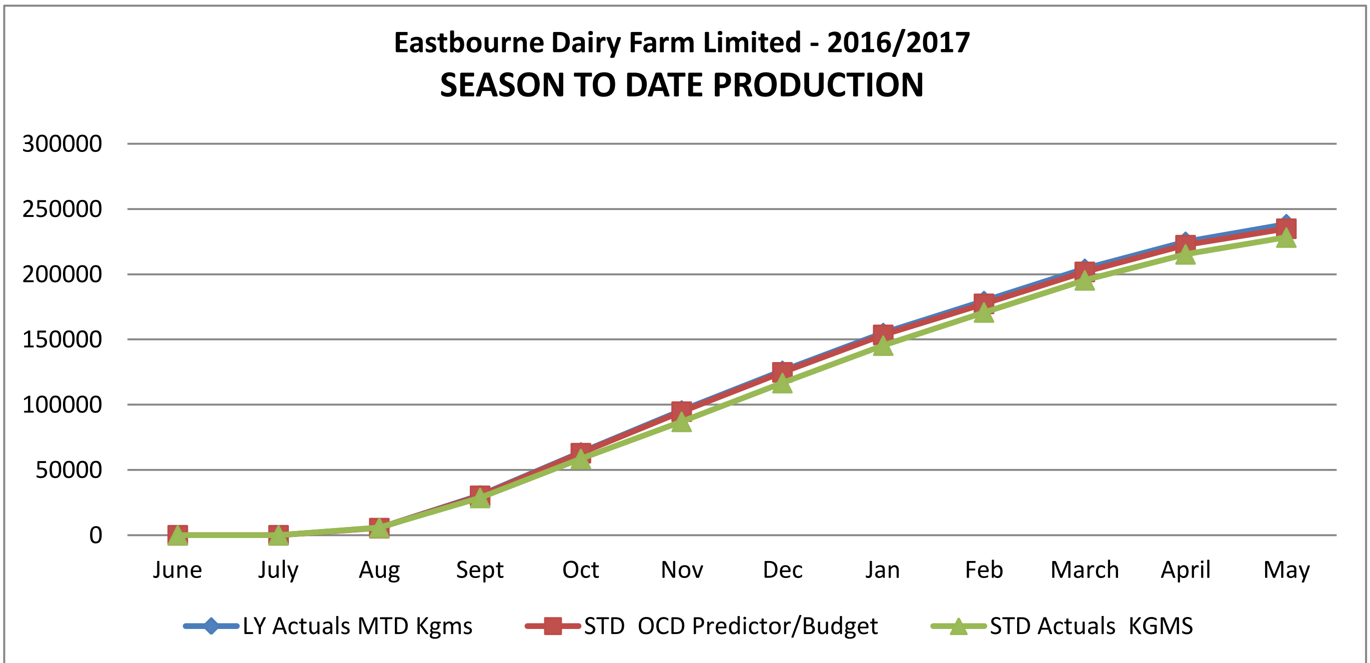
EASTBOURNE DAIRY FARM LIMITED

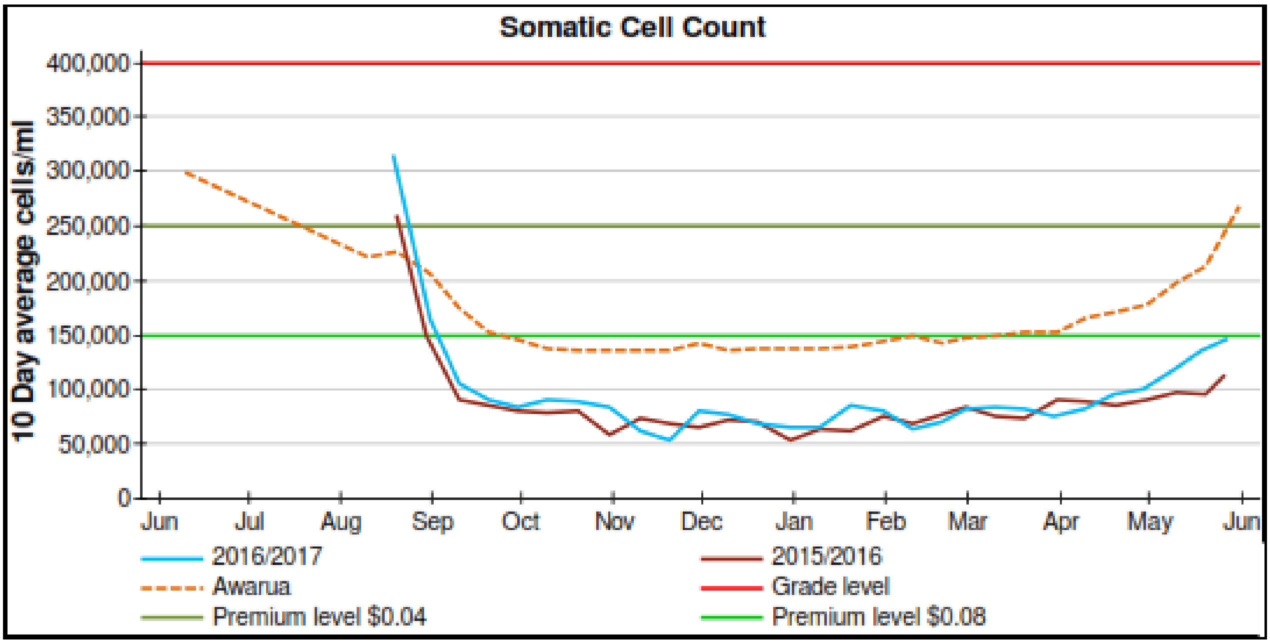
2016/2017 END OF SEASON UPDATE

The production at Eastbourne finished strongly at the end of the 2016/2017 season, with our sharemilker Ben Worker managing the cows well, with good Autumn conditions. Final production for the season was 228,251kgMS, 2.9% behind the target of 235,000kgMS and 4% behind the previous season's production. This season saw Ben peak milk 484 cows on 164 hectares (ha) of land giving production comparisons of 472kgMS/cow and 1,392kgMS/ha.





Ben continued to maintain excellent milk quality throughout the season, with the average somatic cell count (SCC) for the 2016/2017 season being 90,192, well below the Open Country Dairy (OCD) target of 150,000. This achievement sees the farm ranked 18 out of 185 OCD farms in the Southland region. This is an outstanding achievement and one Ben and his team needs to be commended on as it has meant that Eastbourne has been guaranteed the $0.08 milk quality premium.



The milk price from OCD, for the 2016/2017 season is currently holding at $6.00 to $6.10/kgMS. This will be finalised in mid August, before the final settlement payment for the season is received at the end of August. All forecasts for the 2017/2018 season are looking very promising, with OCD offering a milk price range of $6.25 to $6.55/kgMS.

Farm working expenses for the season finished at $4.00/kgMS. This is $0.11 higher than we originally budgeted, however $0.05 can directly be attributed to the increased sharemilker payments as a result of the

The strong finish to the season and good milk price for the 2016/2017 season has meant that Eastbourne has finished off the season with a cash surplus of $540,566.00. A decision on the distribution of this surplus will be made at the Annual General Meeting in October 2017.

2016/2017 ANNUAL GENERAL MEETING

The date for the 2016/2017 Annual General Meeting has been set for Sunday 29th October 2017. The AGM is to be held in Napier, which differs from our original schedule to be in Wellington this year. Instead the AGM will be held in conjunction with the Roger Dickie NZ Forestry Conference, that a number of you will be attending that same weekend in Napier.

Further details of the AGM will follow with the Annual Report.

SHARES FOR SALE

There are a number of shares available for Eastbourne Dairy Farm Limited.

There are also shares available in another of our dairy farms Murray Creek Dairy Farm Limited and our sheep and beef station 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.

Kind Regards

Roger Dickie
Director

VOSM SUMMER REPORT – Ben Worker

We had another good autumn to cap off a good 2016/2017 season here at Eastbourne Dairy Farm.

With our main goal being getting all the cows in good condition before dry off, the favourable weather over the months of March, April and May and the 3n2 and OAD milking rosters made this achievable with the average condition score being 4.8. This means the cows won't need to put on as much weight over winter, and they will all be in good condition come calving.

The winter grazing is looking very well set up, the kale crops are growing well and there is plenty of baleage on hand to supplement the cows.

After our second scan in March we had an overall empty rate of 12%, which was slightly higher than last year, but with the horrible weather during mating this wasn't too much of a surprise, although still disappointing.

As we were going to be short on overall cow numbers, the farm purchased 18 in calf heifers, which will get our winter numbers back up nearer 520 cows.

The runoff is looking good heading into winter, with both classes of young stock wintering there. The R2s (in calf heifers) are looking great going into winter and calving. The R1s are also looking very good leading into winter; they are 35kg ahead of target currently so I'm very pleased with the way they are growing.

Myself, my staff and the cows are looking forward to a well deserved winter break. We will work closely with the McKee's who are wintering the cows in Waikaia and monitor how the cows are doing over their time away grazing.

Kind Regards

Ben Worker