

COLDSTREAM DOWNS DAIRY FARM LIMITED

Farm Update

Dear Shareholder

October 2013

With the start of another season well under way, the weather for June and July was brilliant and we couldn't have asked for better, very mild and dry.

Please find enclosed the farm quarterly report. Included with this posting is correspondence from Leo talking about life on the farm. These reports will also be uploaded to the website www.rogerdickie.co.nz

Actual milk production of 9162.7kgms for August exceeded the target we set of 7218kgms. This is a great start to the season although still a way to go to reach the target of 301,000kgms by the end of the season. You maybe aware the target was dropped in February last year from 320,000kgms to 301,000kgms, this was due to the severe drought that hit the country. For those reasons production has been set at 301,000kgms this year in anticipation of things that can happen.

Our farm consultant Jack Ballam is very pleased with how the farm is looking. The grass cover is in excellent condition, a result of a good spring so far with no pasture damage. Overall Jack comments with Leo's hard work through the drought and the past three months Leo has set the farm up for a good season.

I have included a few photo's to show the great job Leo is doing as well as the condition of farm and animals.

Please find enclosed your copy of the Annual Report, Valuation and Financial Statements for the year ending 31 May 2012.

We advise that the Annual General Meeting (AGM) has been set for 2013 and will be held on 5th November in at Wellington Airport Conference Centre's DeHavilland room. Included with this posting is your Agenda and Proxy Form and a map of the conference area at the airport. We look forward to seeing you at the AGM.

Regards



Michelle O'Neill

Coldstream Downs Production

301,000 KG MS

BUDGET

Month	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	Target 2013-2014
June						0
July						0
August	9162.7	9691.6	7731.8	6427.5	7498.3	7218
September	32687.7	32439.1	30803.4	30429.5	29871.6	32756
October		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	41850.4	271440	297037.7	283671.6	299355.8	300,999

As at 30 September 2013

Month To Date This Season 32,687.70 kgms

Month To Date Last Season 31,153.50 kgms

Variance % 4.9 %up

Year To Date This Season 41,850.40 kgms

Year To Date Last Season 40,845.10 kgms

Variance % 2.5 %up

Coldstream Downs Dairy Farm

July 2013 Farm Report

Interpreted information covering the opening feed supply & stock on hand at the start of the season taken from the Farmwise Report

COVER

Based on the average pasture cover of 2400kgms/ha, the farm is very well placed to meet feed requirements for the coming months.

Area/Cover Summary				
Area	Total	Effective	Grass	Winter Crop
Existing Milking Platform	350	310	301.5	8.5

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

FEED SUPPLY

			kgdm	Kgdm/ha
Pasture			-	2400
Grain (crushed barley)	120 tonne contracted			
Palm Kernel				0
Silage	100m ³ @	200 kgsgdm/m ³	20,000	66
Baleage – on crop	113 bales @	210 kgsgdm/bale	23730	79
Baleage - Springers	31 bales @	211 kgsgdm/bl	6541	22
Straw	50 bales @	150 kgsgdm/bale	7500	25
Crop - Kale	8.5 ha's @	9700 kgsgdm/ha	82450	273
TOTAL				2915

Coldstream is in a very good feed position. Target is to drip feed cows back from grazing as per table below.

STOCK ON HAND

	On Farm	Grazing 1	Grazing 2	Total
Mixed Age Cows	45	80	532	657
In Calf Heifers		180		180
Total to Calve	45	260	532	837
Empty Carry Over's	18			18
R1's (yearlings)			235	235
TOTAL STOCK	63	260	777	1090

With most of the cows out to winter grazing, grass cover is in good supply to see through the rest of the season. Calving is planned for 8th August and the cows will slowly be introduced back to the farm as they get closer to calving. This is strategic planning so pasture growth is not slowed as would be if the whole herd returned at the same time.

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.

	Kgs N/ha	%of Farm	Average kgsN/ha
Non Effluent	211	75%	158
Effluent Area	70	25%	18
TOTAL			176

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

July 2013 Farm Report

*Interpreted information of a Feedflo Budget for calving taken from the Farmwise Report
as at 1st August 2013*

Jack Ballam (Farm Wise Consultant) visited Coldstream Downs on the 1st August 2013 and developed this plan to help control the pasture management and round lengths. The first round will start on the 3rd August and will be 49 days. The effective area is 300ha, average paddock size is 3ha, cows wintered is 840 and the stock rate is 2.8 cows/ha.

Predicted calving spread

	Date (start of week)	No. Cows calving	Percentage of cows to calve	Total Cows Calved	Cows on Farm	Average Milking cows	Average Dry cows
Week 1	3-Aug	75	9%	75	220	38	183
Week 2	10-Aug	145	17%	220	365	148	218
Week 3	17-Aug	145	17%	365	510	293	218
Week 4	24-Aug	145	17%	510	585	438	148
Week 5	31- Aug	75	9%	585	655	548	108
Week 6	7-Sept	70	8%	655	720	620	100
Week 7	14-Sept	65	8%	720	760	688	73
Week 8	21- Sept	40	5%	760	795	740	55
Week 9	28-Sept	35	4%	795	825	778	48
Week 10	5-Oct	30	4%	825	840	810	30
Week 11	12-Oct	15	2%	840	840	833	
Total		840	100%	840	840	840	

Predicted Dry & Springing Cows

	Average dry cow	Area/cow/day M2	Pre grazing cover	Residual cover	Pasture Intake (kgdm)	Supplement (kgdm)	Total Intake	Area Grazed Per week
Week1	183	40	3400	1300	8.4	3.6	12.0	5.1ha
Week 2	218	40	3400	1300	8.4	3.6	12.0	6.1ha
Week 3	218	40	3400	1300	8.4	3.6	12.0	6.1ha
Week 4	148	40	3400	1300	8.4	3.6	12.0	4.1ha
Week 5	108	40	3400	1300	8.4	3.6	12.0	3.0ha
Week 6	100	40	3400	1300	8.4	3.6	12.0	2.8ha
Week 7	73	40	3400	1300	8.4	3.6	12.0	2.0ha
Week 8	55	40	3400	1300	8.4	3.6	12.0	1.5ha
Week 9	48	40	3400	1300	8.4	3.6	12.0	1.3ha
						Total Area Grazed		32.1ha

Predicted Milking Cows

	Average dry cow	Area/cow/day M2	Pre grazing cover	Residual cover	Pasture Intake (kgdm)	Supplement (kgdm)	Total Intake	Area Grazed Per week
Week 1	38	80	3400	1550	14.8	0.2	15	2.1ha
Week 2	148	80	3400	1550	14.8	0.7	15.5	8.3ha
Week 3	293	85	3400	1550	15.7	0.3	16.0	17.4ha
Week 4	438	90	3300	1550	15.8	0.8	16.5	27.6ha
Week 5	548	95	3100	1550	15.7	1.3	17.0	36.4ha
Week 6	620	105	3100	1550	16.3	1.2	17.5	45.6ha
Week 7	688	110	3100	1550	17.1	0.9	18.0	52.9ha
Week 8	740	115	3100	1550	17.8	.07	18.5	59.6ha
Week 9	778						19.0	
						Total Area Grazed		249.8ha

Coldstream Downs Dairy Farm

August 2013 Farm Report

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

Hi there everyone

August is almost finishing and we are having a great season so far. The weather has been mild and we have seen significant growth in pasture cover over the past 4 months and this has been better than expected. If the good weather conditions continue, we will make some silage next month. Overall average pasture cover is 2600kg with 31ha grazed to date. We are offering the cows as much grass as they can eat, but with the mild temperatures demand is lower than predicted. We have grazed 5ha less than planned; this is 15% less grass eaten.

Cows have calved as expected with a strong head of calving with 40.5% calved up to the 20th of August and there has been no loss in the condition of the cows. There are 110 heifer calves in the sheds to date and we have had no scouring issues. Cows are milking ahead of targets with no reports of mastitis.

The last of our staff is arriving on the 22nd after a mammoth odyssey with immigration. This should give us more time and roster options at this busy time of the year.

Thanks

Gaucha Farms Ltd.

Leo Pekar & Maricel Prado