



COLDSTREAM DOWNS DAIRY FARM LIMITED

Farm End of Season Update

June 2013

Dear Shareholder

Coldstream Downs Production for the 2012-2013 season was 271,440kgms. This was 8.5% down on last years production. Once again the Southland weather was testing for our Sharemilkers. They handled the drought well and our farm consultant Jack Ballam was pleased with Leo's proactive management during these tough times.

As the summer drought impacted on the Production total this year, cows were dried off earlier than expected. Supplements were very expensive to buy so rather than buying in extra feed to increase production, Leo decided to dry off cows & cull earlier than normal. This season will see more supplement grown on farm to be well set up for this season.

We look forward to the new season with our Sharemilkers Leo & Maricel staying on.

Please find enclosed your end of season quarterly report and photo's. This will be uploaded onto the website www.rogerdickie.co.nz

Regards

Michelle O'Neill

Forestry, Carbon and Farm Investments

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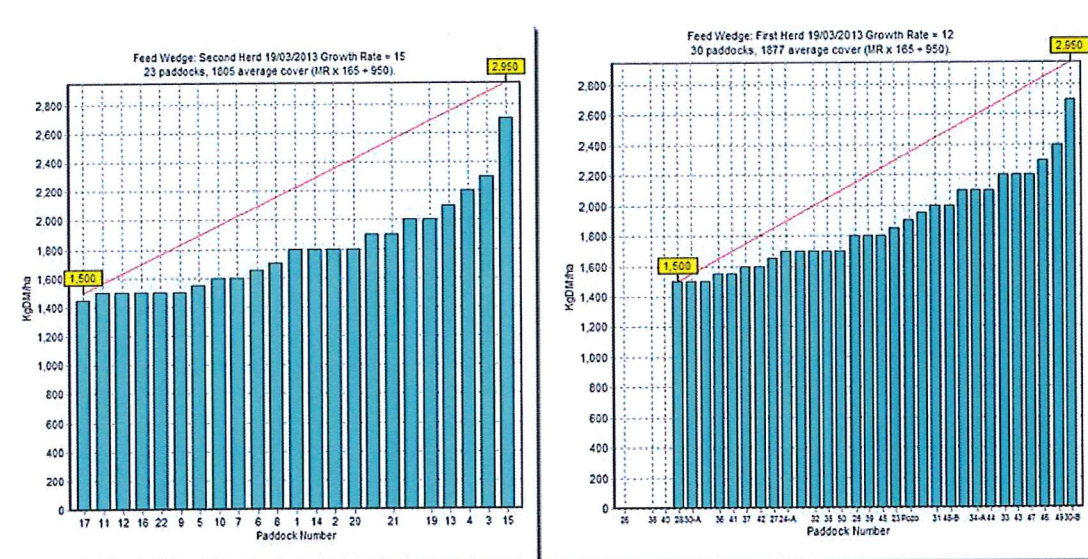
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Coldstream Downs Dairy Farm

Email from Leo our Sharemilkers describing the challenge of the dry summer on Tuesday 19th March 2013



Hi There

As you can see we have been challenged by low grass growth at the start of Autumn. Average pasture cover is 1840kg/ha. This is the lowest since we have been at Coldstream. Grass growth is 14kg/ha. This is only paddocks with increased pasture cover, as there have been 17 paddocks decrease the pasture cover without grazing.

The luck of the Irish brought 11mm of rain on St. Patrick's day, and today we woke up to 4 degrees. I have been unable to push the round out to 40 days. We are still on a 35 day round. We are decreasing the stock rate as we can. The last 30 cows to cull will go just after Easter.

We are using spring silage at the moment as we could not make any extra silage this year. We need to be proactive at sourcing feed for next spring now. There is a huge supply shortage of palm kernel due to the dry conditions we have had and the demand for extra feed. There is no spot market at the moment and will only be able to supply palm kernel from May. We may need to look at an alternative food source.

Jack Ballam (Farm Consultant) is coming for his monthly visit so we will to reassess the feed budget.

All and all Wintering has not been affected greatly by the dry summer. Balage is made, while crops are a little behind but not a great concern so far.

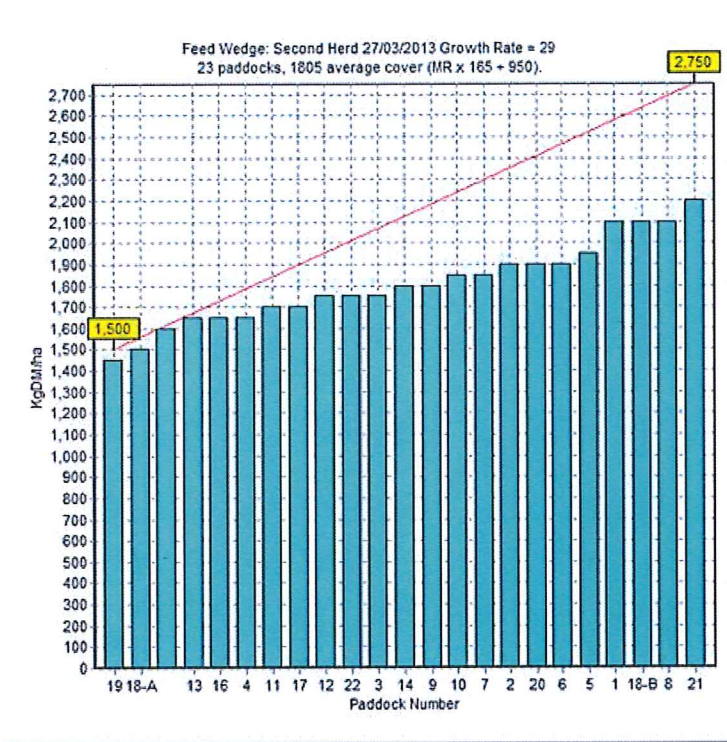
Thanks

Gaucha Farms Ltd.

Leo Pekar & Maricel Prado

Coldstream Downs Dairy Farm

Updated Email from Leo our Sharemilkers on Wednesday 27th March 2013



The pastures are responding well to last weekend's rain (4.5mm). Grass growth has increased to 30kg dm/ha/day. The last three farm walks measured 15 kg dm/ha/day. Average pasture growth has increased from 1800kgdm to 1900kg/dm. Although pre-grazing covers are still low but slowly improving with the rain fall.

We dried off 50 culls last week. Today we have dried off 90 keepers that we will graze till the end of May, 10km walk from the winter grazier.

Stocking rate has lowered to 1.9 cows/ha. Demand is now 32 kg/ha/day. With more rain growth will recover and push the round out.

Production has dropped drastically and we were down 6000kgms for March. This is due to feeding and milking 150 less cows than the same time last year. Season to date we are down 3000kgms as at the same time last year.

Thanks

Gaucha Farms Ltd

Leo Pekar & Maricel Prado

Coldstream Downs Dairy Farm

April 2013 Farm Report

Interpreted information covering the feed supply & stock on hand taken from the Farmwise Report 2nd May

COVER

	ACTUAL	TARGET
Average cover	2011	>2200
Pre graze	2350	3000
Growth	27	>45
Round Days	50	40

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	New Grass	Winter Crop
Existing Milking Platform	350	311	296.5	4.5	10

There is low cover and a slow recovery after the very dry Autumn. Our aim is to keep milking until end of May and reach target of 301,000kg/ms.

FEED SUPPLY

	296.5 ha's		kgdm	Kgdm/ha
Pasture			-	2011
Palm Kernel			6000	202
Silage	190m ³ @	220 kgsdm/m ³	41800	141
Baleage Springers	88bls @	200	17600	59
Baleage Crop	225 bls @	200	45000	152
Crop	10 Ha's @	12000	120000	405
TOTAL				2354

It has been good value to the farm to allow milking to continue for as long as we have as it has set the farm up for next season. We need to keep the feed going into the milking cows to help with production. Target for milk solids is 301,000kg. This target might not be reached due to dying some cows off earlier than last year and the harsh dry weather over the past few months.

Budget Growth/Requirement Grass

			March	April	May
Growth	Kgsdm/ha/day		20	30	20
Cows / ha			2.24	1.92	1.72
Demand	Kgsdm	Cow/day	18	18.5	18.5
Demand	Kgsdm	Ha/day	40	36	32
Variance	Growth Demand		50%	84%	63%

Coldstream Downs Production

301,000 KG MS

BUDGET

Month	2012-2013	2011-2012	2010-2011	2009-2010	Target 2012-2013
June					0
July					0
August	9691.6	7731.8	6427.5	7498.3	7218
September	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	271440	297037.7	283671.6	299355.8	300,999

As at 31st May 2013

KGMS

Month To Date This Season	11,143.80
Month To Date Last Season	20,709.90
Variance %	46.2% Down

Year To Date This Season	271,440.00
Year To Date Last Season	296,656.50
Variance %	8.5% Down

Coldstream Downs



Very Dry February-March 2013



April 2013