

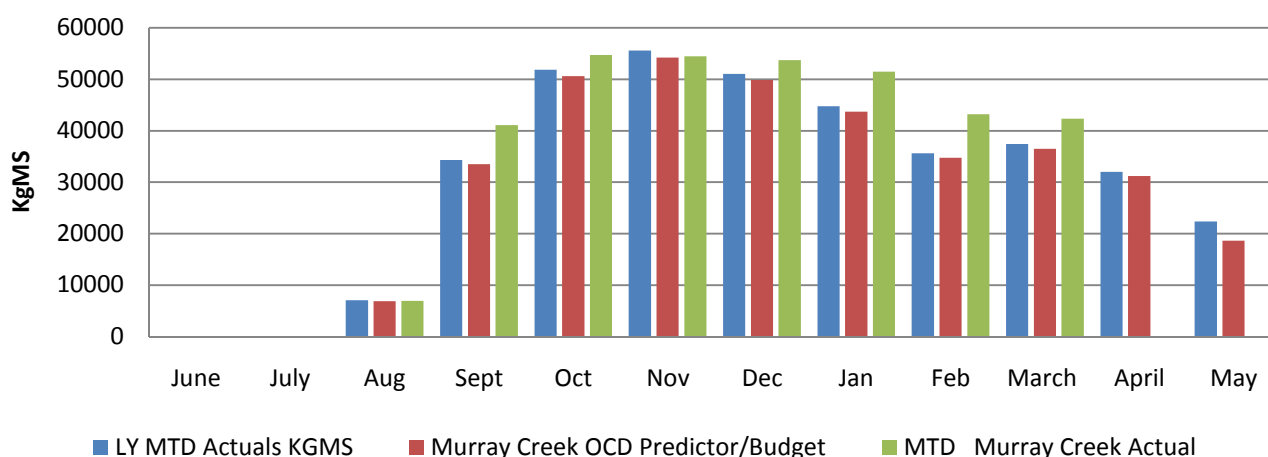
MURRAY CREEK DAIRY FARM LIMITED

AUTUMN 2017 UPDATE

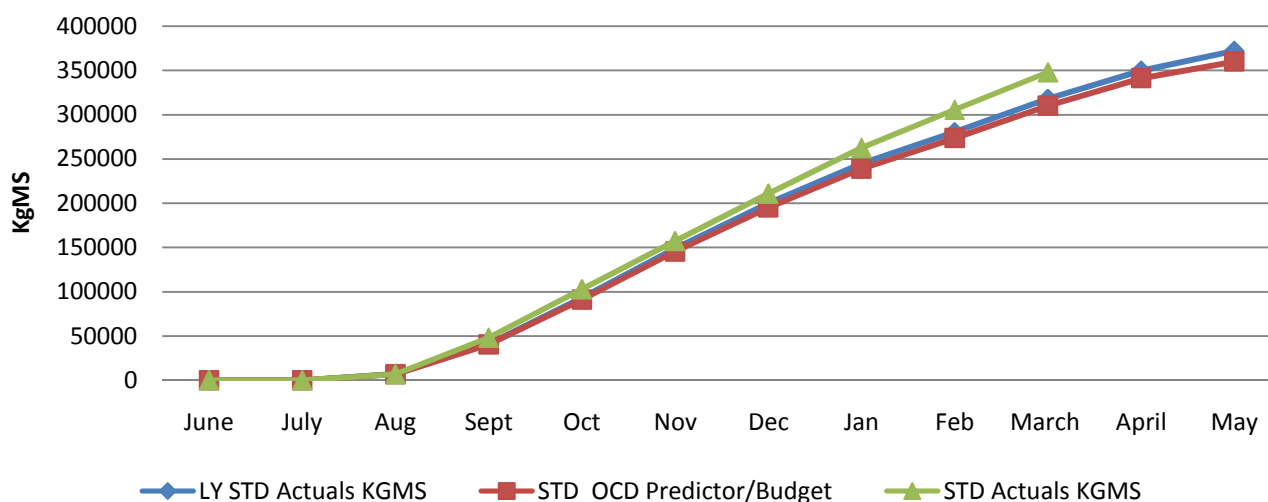


Jason & Sandy have been achieving outstanding production and were 7.8% ahead of target in December, 17.8% ahead in January, 24.3% ahead in February and 15.9% ahead in March. Overall season to date production is 12.2% ahead of target, an excellent achievement. Along with the good production Jason & Sandy continue to maintain excellent milk quality, with a somatic cell count average for the season to date of 115,500, well below the Open Country Dairy (OCD) target of 150,000. This achievement sees the farm currently ranked 51 out of 185 OCD farms in the Southland region.

**Murray Creek 2016/2017
MONTH TO DATE PRODUCTION**



**Murray Creek 2016/2017
SEASON TO DATE PRODUCTION**



OCD are currently holding their milk price at \$6.00/kgMS. OCD indicated this week that the announcement of increased New Zealand milk production, which lead to the fall in the global dairy prices in early March, is expected to continue in the short term, though some of the decline in pricing has been partially offset by currency and the FX going back to US\$0.70 cents. As such we are expecting to see stable dairy prices for the remainder of the current season and into the 2017/2018 season.



Jason & Sandy have continued to work hard to minimise costs where viable, with farm working expenses for Murray Creek on track to be \$3.83/kgMS, which gives the farm a good cash surplus to be able to pay a dividend to investors at the end of the season.

We are also pleased to announce that Jason & Sandy have committed to staying on with us at Murray Creek for the 2017/2018 dairy season.

SHARES FOR SALE

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

There are also shares available in another of our dairy farms Eastbourne 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

A handwritten signature in black ink, appearing to read 'Roger Dickie', written in a cursive style.

Roger Dickie
Director

2017 SHAREHOLDER FARM VISIT

On the 18th March we held our bi-annual shareholder farm visit to Murray Creek. This year was hosted by Richard Bourne and Kate Murdoch from the Roger Dickie New Zealand office, along with our sharemilkers Jason & Sandy Herrick and farm advisor Jack Ballam. We were lucky enough to enjoy some beautiful Southland weather for our visit.

We had an excellent visit and learnt a lot about the farming system and pasture quality from Jason & Jack. As was commented by a number of those attending, it was great to see Jason & Sandy taking great pride in the property, especially with planting around the cowshed that Sandy has completed, all of which has improved the overall presentation of the property.

Jason and Jack outlined some of the improvements that could potentially be completed over the next few years to continue to improve the property. This included the installation of a Protrack drafting system, further development of the hill block, continued maintenance of the farm houses, milk cooling system at the cowshed and installation of a travelling irrigator for effluent spreading. The directors are considering a number of these for the coming few seasons, as cashflow allows.



VOSM SUMMER REPORT – Jason & Sandy Herrick



December was a good month for production with cows milking very well and holding well. Weather was very cold for December and we only managed to grow enough feed to meet demand. Regular rainfall earlier in the month meant there were very few irrigation days.

January was also a very cold month weather wise, but with very little rainfall, irrigation was in full swing. Due to lower than demand growth rates we have had to introduce a little supplement to maintain cover and feed ahead of the cows.

February started out as cold as January but summer finally showed up in late February, but with no rainfall. This has meant we have had to continue irrigating and the dry land is now being affected by the low moisture. Production is still going very well with the cows producing well up on last February and March's production.

The extra production over the summer months is largely due to the drinking water supply improvements we made to the hill block last summer. This has allowed better feed management and led to better quality feed, through being able to feed the cows more regularly on the hill block.

We have also completed the installation of the new gardens around the cowshed and now it's a waiting game for them to establish. They should look really good in seasons to come.



Thankyou

Jason & Sandy Herrick