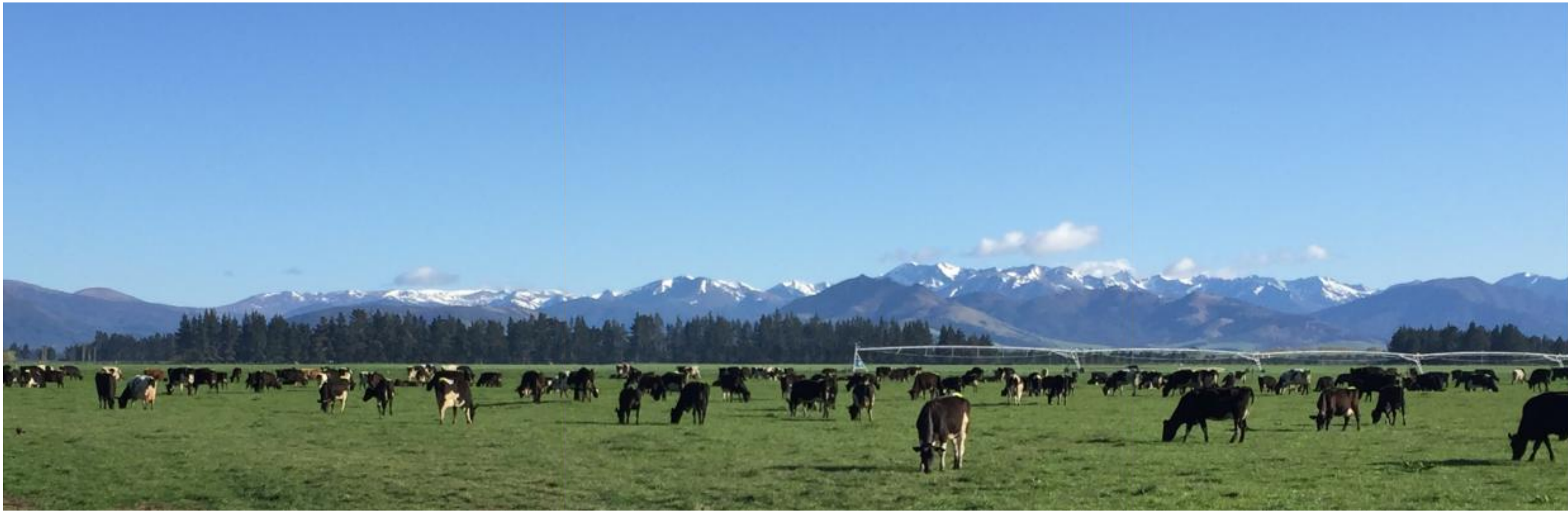
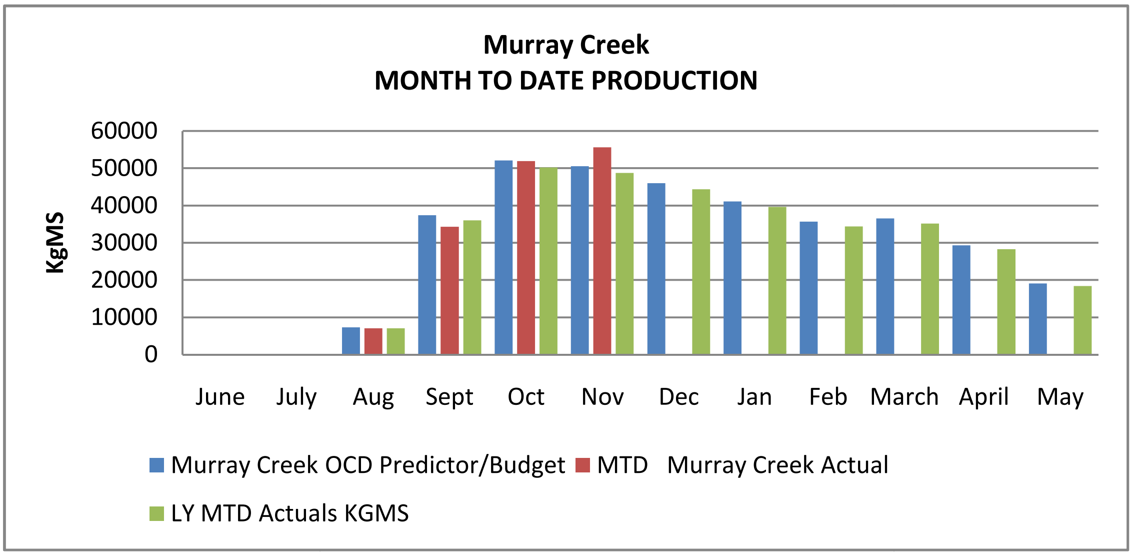
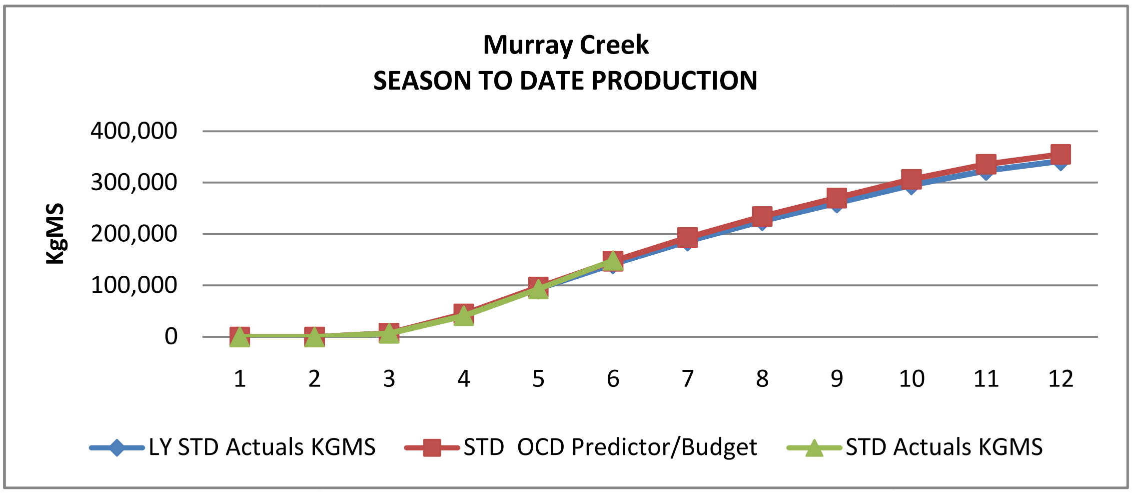


MURRAY CREEK DAIRY FARM LIMITED – SPRING 2015

Winter and spring this season has been one that has seen a number of challenges for Jason & Sandy and their team. Regular snow along with extremely wet weather conditions during calving made things very difficult, with Jason having to have his calving cows on his driveway at one point as this was the only dry place for the cows to calve. These conditions also made an impact on the milk production at the start of the season, however Jason has managed the cows extremely well over this period and has now regained the lost production with the November production being 10% ahead. This gain in production has meant he is now 1.1% ahead of the production target for the season. The graphs below shows the production for the season to date.





The 2015/2016 season continues to be financially challenging, but signs of recovery have slowly started to emerge in the market with the Global Dairy Trade and the Futures Market lifting slightly. Despite theses positive signs a lift in milk price seems unlikely to happen until the 2016/2017 season. Open Country Dairy (OCD), who we supply, is currently maintaining their forecast payout of between $4.30-4.60. To ease cash flow pressures OCD have split the settlement payments from three lump sum payments to being spread through the season.

The directors have decided to take up OCD's fixed price milk offer for production from January to April. This offer was over subscribed, so only 18% of our milk production will receive the fixed price milk offer of $5.20. In light of the current milk payout situation this is a good addition to the cashflow.

While the payout continues to be low we are still working closely with Jason & Sandy to minimise costs where possible. This has meant we have prioritised repairs and maintenance spending to only essential items. We have had to replace the vacuum pump at the cowshed, plus we have scheduled to complete some work on the laneways that have been damaged with the wet conditions over winter and spring. We are also in the process to upgrade the waterline system to the hill paddocks, as a number of issues arose over spring around water pressure and the reliability of the supply.

Jason and Sandy continue to show a huge amount of cimmiment and enthusiasim for the farm, despite having to deal with a number of inhertited problems with the farm and the dairy shed. I would also like to acknowledge the great assistance that my fellow director Steve Barr has given Jason & Sandy while managing these issue.

FARM VISIT
In October our Farm Administrator Kate Murdoch got the opportunity to visit Coldstream. This was a great chance for her to become familiar with the property, along with getting a greater understanding of how the property works and its layout. It was also good for Kate to meet Jason and to help build their working relationship. Below you will see a few photos from her visit.

BOBBY CALVES

There has been a lot of coverage recently in the media regarding the treatment of bobby calves within the dairy industry. Though the footage that was shown was disturbing and disappointing, this does not represent the 95% of farmers that are compliant with all animal welfare requirements.

We take pride in the welfare of all our animals and have ensured all our facilities are up to standard. This issue is something we take very seriously and have taken advice from Penny Timmer-Arends, our VOSM at our Eastbourne Dairy farm, about this matter. Along with running Eastbourne with her partner Ben Worker, Penny also works part-time for the Ministry of Primary Industries (MPI) in the animal welfare team in Southland.

Jason & Sandy take pride in their care of all the animals in their care. Sandy takes ownership of all calf rearing and does an excellent job at rearing all our replacement calves and ensures the care and standards of bobby calves leaving the farm is at its highest.

SHARES FOR SALE

There are a number of shares available for Murray Creek Dairy Farm Limited. These are listed below;

LIST DATE	NUMBER OF SHARES AVAILABLE	LIST PRICE
15/06/2010	25,000	$1.20
15/02/2012	35,000	$1.00
18/04/2013	30,000	$1.00
30/04/2014	25,000	$1.25
21/11/2014	25,000	$1.00
04/12/2014	25,000	$1.00
03/12/2014	75,000	$1.10
04/12/2014	25,000	$1.30
19/01/2015	25,000	$0.95

There are also shares available in another of our dairy farms Eastbourne Dairy Farm Limited and our sheep and beef station Pukekaka Station.

If you are interested in purchasing additional shares please contact Richard Bourne on (06) 345 5329 or email richardb@rogerdickie.co.nz

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.

Roger Dickie

VOSM SPRING REPORT – Jason & Sandy Herrick

A new season with new and character building challenges. Calving had been a very wet one and we did have to work long and hard to get the final result we achieved. Calf survival to sale is up on the previous season with strong 4 day old calf sales.

The cows had a tough start with the weather and just coming through the wet winter as well held there condition fairly well but we did have to put some extra feed in through September /October.

With production back a bit in September/October the extra feed put in through these months has now set the cows up and are producing the best production this farm has ever achieved. The last cow calved on the 28th October, which made it a longer calving but necessary with nil inductions.

Animal health was also very good in this time with very minimal health issues arising, therefore made it a lot easier to deal with.

Some other challenges through this busy time with some shed breakdowns and water issues, were dealt with swiftly and decisions made quickly to rectify the problems. The support we have received through these issues has been awesome and very warmly received.

Mating is also going very well and the cows appear to be conceiving and holding, but time will tell when we pregnancy test through March. The bulls will be going out with the entire herd to clean up after AI on the 4th December, as we will have achieved our insemination target. We had a 93% submission rate after 3 weeks and currently sit on 98% of entire herd mated.

We are really enjoying our time on Murray Creek and the challenges it brings to get this farm in a higher producing state and it is good to see we are now starting to see the results of the work and effort put in.

Kind Regards

Jason & Sandy Herrick