AHUWHENUA TROPHY

AGRESEARCH 2006 MAORI DAIRY EXCELLENCE AWARDS

2006 Finalists Field Days Handout

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dexcel
Partners in profitable dairying

YAMAHA

Contents

Foreword

Hon Parekura Horomia
Minister of Māori Affairs

Ko tētahi o ngā tino painga i taku tūranga nei hei Minita Māori, ko te mātakitaki i ngā ekenga taumata a Ngāi Māori. Ko Ngā Tohu Ahuwhenua nei mō te Pāmu Kau, he wa hei whakanui i nga mahi pāmu kau a Ngāi Māori.

I tīmatahia tēnei whakataetae e Tā Āpirana Ngata i 1932, me te āwhina mai a te kāwana tianara o taua wā, a Lord Bledisloe, he tohunga hoki ki te ahuwhenua. Ki ōku whakaaro, he tauira ngā tokorua nei mō te whai painga, mō te kōkiri, mō te whakapau kaha anō hoki ki te eke taumata. E whakapono ana ahau, tērā ka whakahihi pai rāua ki ngā painga e hua mai ana i roto i ngā mahi pāmu Māori.

Nō te āhua tekau tau ki muri, i kīia ngā mahi pāmu Māori he 'taniwha e moe ana'. Eke mai ki tēnei rā, e kite ana ahau tērā he pūrua te nui ake o ngā whenua e pāmutia ana e te Māori i a Te Kaporeihana Whenua, tērā ko Ngāi Māori te hunga e tino whai hea ana i Fonterra, tērā he purua ake ngā hua moni e hua ana i ngā mahi pāmu Māori i te ahumahi waina. Nā konei, ka taea te kī kua oho te taniwha, kua oreore.

E whakanui ana ahau ki a koutou katoa kua uru mai ki tēnei whakataetae, e whakamihi ana hoki ki ngā Māori tokomaha e eke taumata ana i roto i ngā mahi pāmu.

Seeing Maori achievement and success realised is one of the best aspects of my role as Minister of Maori Affairs. The 2006 Ahuwhenua Trophy Maori Dairy Excellence Awards presents us with an opportunity to celebrate Maori dairy farming.

Sir Apirana Ngata started this competition in 1932 aided by the support of agriculturist and governor general, Lord Bledisloe. The lives of both men epitomise in my mind a commitment to excellence, advancement and striving for the best. I believe they'd be proud of the sophisticated potential being unlocked within Maori farming.

Only a decade or so ago, Maori farming was being described as a 'sleeping giant'. Today though, when I see that Maori farm twice as much land as Landcorp does, when I see that Maori are the biggest shareholders in Fonterra, when I see the receipts from Maori farming (which still have plenty of room to improve) earn this country twice as much as the wine industry, I see a giant that is awake and stirring.

I congratulate all who have entered this competition and pay tribute to all the many Maori in Aotearoa who are achieving and succeeding as farmers.

Bob Cottrell
Chairman
Ahuwhenua Trophy Executive Committee

E nga iwi, e nga reo, e nga karangatanga maha o nga hau e wha, tenei te mihi atu ki a koutou katoa.

On behalf of the Ahuwhenua Trophy Executive Committee and this year's major sponsor, AgResearch, I am pleased to introduce this year's finalists.

This year the Award, for the first time since it's reintroduction in 2003, celebrates success in the dairy industry. With Maori contributing over 15% of the Country's total dairy export receipts it is appropriate to examine this growth phenomenon and reward excellence within the industry.

We thank all the entrants into this year's competition and confirm that the standard of all the entrants was of such quality that the judging panel had great difficulty in selecting just three finalists. The entrants have shown, once again, the strength of Maori farming expertise in Aotearoa/New Zealand.

We congratulate the three finalists Kokako Trust, Parininihi Ki Waitotara Incorporation and Aotearoa Trust. We look forward to the field days that each farm will host on the path to deciding the overall winner of this years Ahuwhenua Trophy and the title of Maori Dairy Farmer of the Year.

We also thank our judging panel. They have worked extraordinarily hard to ensure the success of the Awards. Their knowledge of this industry is vast and covers every aspect of dairying from the farm gate to the boardroom. It is the application of these qualities that provides the undoubted success of this Competition.

Introduction

The Ahuwhenua Trophy re-emerged in 2003 after a near 30 year lapse when it was reinstituted by Meat & Wool New Zealand and they awarded the Trophy for excellence in sheep and beef farming in 2003 and 2005. This year the Trophy celebrates Maori excellence in dairy farming.

With the Maori dairy sector now owning over $150 million dairy shares, and Maori representing over 15% of all sheep and beef interests in Aotearoa-New Zealand, exceptional performance must remain the constant benchmark if Maori farmers are to continuously improve and strive for exceptional performance in the sector.

As a nation we can all be proud of the illustrious reputation New Zealand has forged in the dairy farming industry. Half the export earnings of our country emanate from the agriculture sector and as a major export earner it is imperative that we maintain our high standards and recognise the excellence and calibre of talent in our framing industry.

Today the Ahuwhenua Trophy continues its long tradition of upholding Maori excellence in farming and for many incorporations, trusts and whanau, it remains the pre-eminent accolade to win in farming.

Field Day Programme

Agresearch 2006 Maori Dairy Excellence Awards

10 am	Whakatau *(The Host)*
	Response *(Executive Committee)*
	Background to the Competition *Bob Cottrell Chair, Ahuwhenua Trophy, Executive Committee*
10.30 am	Facilitator introduces the programme and facilitates the remainder of the day
	Introduction to finalist farm business including governance, management and an overview of the farm business
11.00 am	Farm Tour
12.30 pm	**LUNCH**
1.00 pm	***Reconvene for afternoon programme***
	Financial and physical analysis and future business direction
1.45 pm	Judges comments and presentation of sponsors prizes
2.00 pm	**FINISH**

Note: (times are approximate)

Kokako Trust

Finalist

Number of Owners: 1,671
Nature of Business: Dairy Farming: Sheep: Beef Farming
Physical Address: Ngatira, Putaruru

History of the Trust

1984 Trustees take control of Kokako Trust from the Department of Maori Affairs
- 1983/84 – Net profit $85,511
- Dry stock plus 208 dairy cows
- Sharemilker – 25,636 kg milk fat (47,474 kg/ms)

1986 J Perrin appointed as farm supervisor

1987 $50,000 farm development on dry stock block
- Fencing subdivision
- Water supply

1988 Added 27 ha flats to dairy from dry stock

1992 Net profit $105,685

1993 Further investment in fertiliser on the dry stock block to lift P levels from 25 to 35

1995 Decision to develop second dairy unit
- Borrowed $500,000
- Net loss $150,500

1999 Bad drought
Term debt down to $220,000
Net profit $145,000

2000 Schweizers start as sharemilkers on No.2 Dairy

2001 Record production

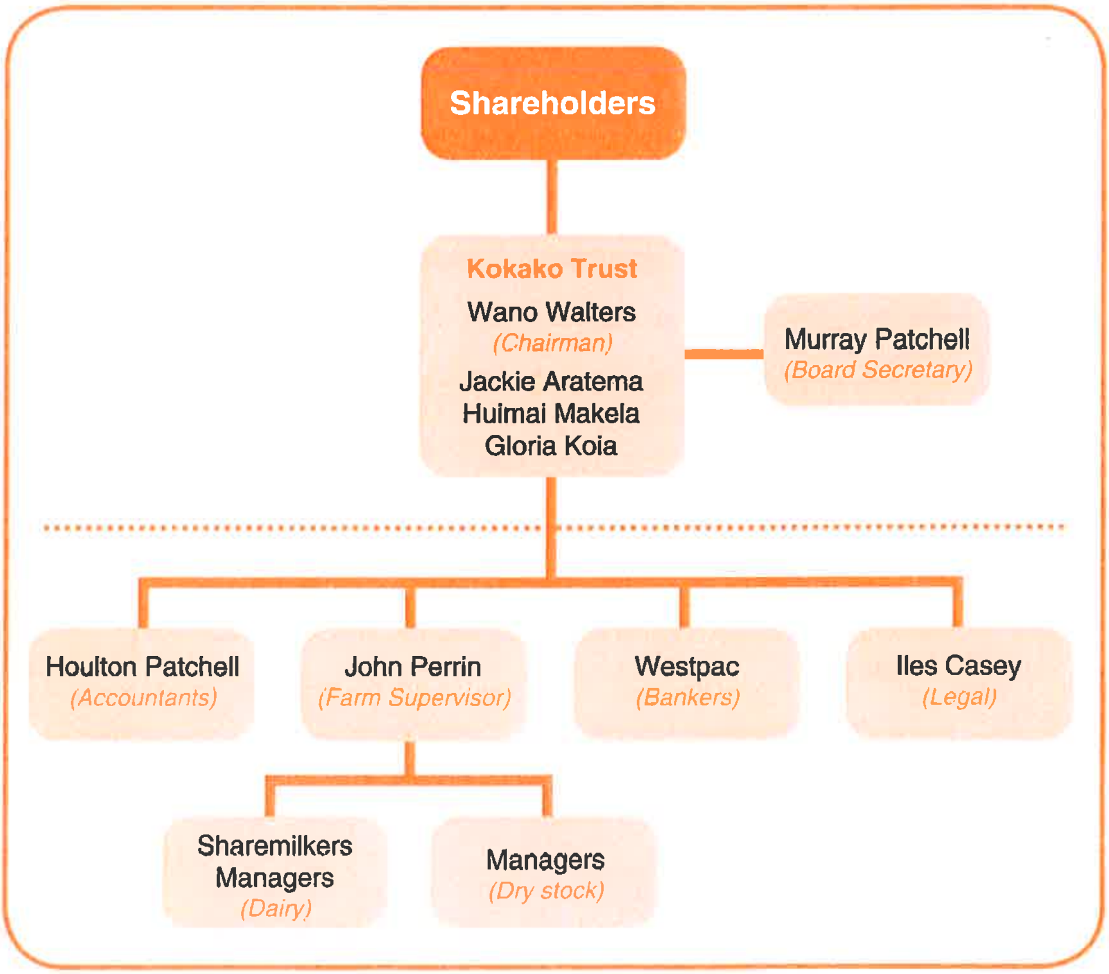
- No.1 Dairy – 100,000 kg/ms
- No2. Dairy – 170,000 kg/ms
- Net profit $536,000
- Purchased 2 adjoining farms 138 ha in total
- Purchased cows and employed 2 managers
- $3.2 million investment
- 400 ha Dairy
- 1,290 cows

2003 405,000 kg/ms

2004 415,533 kg/ms

- Net profit $426,000
- $3.7 million debt
- $7.9 million equity

Governance Structure



Strategy

- Grow the business
- Increase land mass (7,000 acres original block)
- Increase business and area of expertise
- Grow the distributions
- Develop young peoples' interest in farming

Farm Description

Farm Area

Dairy No. 1
152 effective hectares

Dairy No. 2
174 effective hectares

Dairy No. 3
86 effective hectares

Production

2005/06

Dairy No.1

- 160,000 kg/ms
- 1,052 kg/ma/ha
- 445 cows – 2.9 cows/ha
- 359 kg/ms/cow

Dairy No.2

- 200,000 kg/ms
- 1,149 kg/ms/ha
- 540 cows – 3.1 cows/ha
- 370 kg/ms/cow

Dairy No.3

- 80,000 kg/ms
- 930 kg/ms/ha
- 250 cows – 3.1 cows/ha
- 320 kg/ms/cow

2004/05

Dairy No.1

- 150,230 kg/ms
- 988 kg/ms/ha
- 445 cows – 2.9 cows/ha
- 337 kg/ms/cow

Dairy No.2

- 190,606 kg/ms
- 1,095 kg/ms/ha
- 540 cows – 3.1 cows/ha
- 353 kg/ms/cow

Dairy No.3

- 75,085 kg/ms
- 873 kg/ms/ha
- 252 cows – 3.1 cows/ha
- 298 kg/ms/ha

2003/04

Dairy No.1

- 137,188 kg/ms
- 914 kg/ms/ha (150 ha)
- 420 cows – 2.8 cows/ha
- 326 kg/ms/cow

Dairy No.2

- 197,146 kg/ms
- 1,133 kg/ms/ha
- 540 cows – 3.1 cows/ha
- 365 kg/ms/cow

Dairy No.3

- 81,198 kg/ms
- 944 kg/ms/ha
- 250 cows – 2.9 cows/ha
- 324 kg/ms/cow

Tonnes of dry matter available

2005/06

Dairy No.1

- 120,000 kg/dm – Maize silage
- 58,000 kg/dm – Grass silage (stack)
- 56,000 kg/dm – Winter grazing (100 cows @ 10 kg/cow/ day for 56 days)
- 273,600 kg/dm – 180/kg/N/ha @ 10:1 conversion rate

Dairy No.2

- 300,000 kg/dm – Maize silage
- 112,000 kg/dm – Winter grazing (200 cows @10 kg/cow/ day for 56 days)
- 356,700 kg/dm – 205/kg/N/ha @ 10:1 conversion rate

Dairy No.3

- 70,000 kg/dm – Maize silage
- 60,000 kg/dm – Grass silage (stack)
- 28,000 kg/dm – Winter grazing (50 cows @ 10 kg/dm/day for 56 days)
- 154,800 kg/dm – 180/kg/N/ha @ 10:1 conversion rate
- 14,000 kg/dm winter grazing (50 cows @10 kg/dm/day for 28 days)

Economic Farm Surplus (Profit before tax)

2005/06

Dairy No.1

$457,056 gross farm income
$285,509 farm working expenses

- $171,547 – EFS
- $1,128/ha
- $385.49/cow

Dairy No. 2

$387,128 gross farm income
$192,199 farm working expenses

- $194,929 – EFS
- $1,120.28/ha
- $360.97/cow

Dairy No. 3

$330,800 gross farm income
237,959 farm working expenses

- $92,841
- $1,079.54/ha
- $368.41/cow

2004/05

Dairy No. 1

$551,169 gross farm income
$316,397 farm working expenses

- $234,772 – EFS
- $1,544.55/ha
- $527.57/cow

Dairy No. 2

$423,000 gross farm income
$218, 025 farm working expenses

- $204,975 – EFS
- $1,178.01/ha
- $379.58/cow

Dairy No. 3

$373,312 gross farm income
$231,144 farm working expenses

- $142,168 – EFS
- $1,653.11/ha
- $568/cow

Kokako Trust

Dairy Unit Account No. 1

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
INCOME			
Dairy Cattle Trading	18,055	44,730	(26,675)
Milksolids	261,078	421,655	(160,577)
Colostrum & Dumped Milk	667	-	667
Sundry Income	116	-	116
Dividend Received	541	-	541
	280,457	466,385	(185,928)
LESS DAIRY UNIT EXPENSES			
DAIRY UNIT WORKING EXPENSES			
Animal Health & Vet Fees	12,906	30,730	(17,824)
Breeding Expenses	16,641	18,438	(1,797)
Cartage - Livestock	149	-	149
Cartage - General	-	1,000	(1,000)
Bonus Payments - Dairy & Herd Managers	1,000	3,000	(2,000)
Electricity	2,459	-	2,459
Farm Stores	217	-	217
Fertiliser	42,745	48,418	(5,673)
Grazing	13,899	48,968	(35,069)
Landscaping	-	500	(500)
Weed & Pest Control	1,452	4,000	(2,548)
	91,468	155,054	(63,586)
REPAIRS & MAINTENANCE			
Buildings	710	2,000	(1,290)
House	585	2,000	(1,415)
Effluent Pond	-	2,000	(2,000)
Fences & Yards	146	4,000	(3,854)
Plant & Equipment	6,033	10,000	(3,967)
Roads, Tracks & Races	240	18,000	(17,760)
Water Supply	968	4,000	(3,032)
	8,682	42,000	(33,318)
WINTERING COSTS			
Feed - Silage & Hay Fertiliser	688	2,835	(2,147)
Hay/Grass Silage	5,733	13,500	(7,767)
Feed - Urea	10,962	16,720	(5,758)
Feed - Fodder Crops (incl. rogrossing)	135	-	135
Feed - Calf Rearing	3,433	3,000	433
Feed - Maize Silage	5,530	27,600	(22,070)
	26,481	63,655	(37,174)

Kokako Trust

Dairy Unit Account No.1

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
VEHICLE RUNNING			
Fuel & Oil - Vehicles	(208)	-	(208)
Repairs - Vehicles	67	-	67
Fuel & Oil - Tractor	674	2,000	(1,426)
Repairs - Tractor	1,263	6,000	(4,737)
	1,696	8,000	(6,304)
ADMINISTRATION			
Supervision	4,391	7,000	(2,609)
	4,391	7,000	(2,609)
STANDING FINANCE CHARGES			
Insurance	2,981	3,000	(19)
Interest	8	-	8
Rates	3,983	6,800	(2,817)
	6,972	0,800	(2,828)
	139,690	285,509	(145,819)
NET PROFIT/(LOSS)	140,/87	180,876	(40,109)

Kokako Trust

Dairy Unit Account No. 2

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
INCOME			
Milksolids	242,654	395,705	(153,051)
LESS DAIRY UNIT EXPENSES			
DAIRY UNIT WORKING EXPENSES			
Breeding Expenses	2,802	-	2,802
Cartage - Livestock	635	-	635
Farm Stores	277	-	277
Fertiliser	14,526	44,953	(30,427)
Grazing	27,424	37,520	(10,096)
Landscaping	33	200	(167)
Weed & Pest Control	2,833	4,000	(1,167)
	48,530	86,673	(38,143)
REPAIRS & MAINTENANCE			
Buildings	321	3,000	(2,679)
House	388	2,000	(1,612)
Effluent Pond	2,724	3,000	(276)
Fences & Yards	161	1,500	(1,339)
Plant & Equipment	3,000	8,000	(5,000)
Roads, Tracks & Races	3,246	20,000	(16,754)
Water Supply	27	2,000	(1,973)
	9,867	39,500	(29,633)
WINTERING COSTS			
Feed - Silage & Hay Fertiliser	-	1,373	(1,373)
Feed - Urea	7,552	9,078	(1,526)
Feed - Calf Rearing	961	-	961
Feed - Grass to Grass	-	4,675	(4,675)
Feed - Maize Silage	30,410	34,500	(4,090)
	38,923	49,626	(10,703)
VEHICLE RUNNING			
Fuel & Oil - Vehicles	232	-	232
	232		232
ADMINISTRATION			
Supervision	3,222	5,000	(1,778)
	3,222	5,000	(1,778)
STANDING FINANCE CHARGES			
Insurance	2,860	2,900	(40)
Rates	4,621	8,500	(3,879)
	7,481	11,400	(3,919)
	108,255	192,199	(83,944)
NET PROFIT/(LOSS)	134,399	203,506	(69,107)

Kokako Trust

Dairy Cattle Trading Account No.3

(For the period ended 26 January 2006)

	Budget Qty	Budget Ave $	Ytd Qty	Ytd Ave $	Actual Ytd $	Total Budget $	Variance $
SALES							
M A Cows	38	403	11	429	4,721	15,300	(10,579)
Heifer Calves	64	20	11	94	1,030	1,280	(250)
Bobby Bulls	117	20	183	24	4,441	2,340	2,101
	219	443	205	547	10,192	18,920	(8,728)
NET PROCEEDS	219	443	205	547	10,192	18,920	(8,728)

Kokako Trust

Dairy Unit Account No. 3

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
INCOME			
Dairy Cattle Trading	10,192	18,920	(8,728)
Milksolids	186,484	318,638	(132,154)
Colostrum & Dumped Milk	550	-	550
Insurance Claim	1,778	-	1,778
Dividend Received	364	-	364
	199,368	337,558	(138,190)
LESS DAIRY UNIT EXPENSES			
DAIRY UNIT WORKING EXPENSES			
Animal Health & Vet Fees	10,286	15,180	(4,894)
Breeding Expenses	10,146	10,120	26
Cartage - Livestock	149	-	149
Cartage - General	-	100	(100)
Electricity	4,004	6,325	(2,321)
Farm Stores	445	-	445
Fertiliser	17,738	26,730	(8,992)
Grazing	7,370	23,878	(16,508)
Landscaping	107	200	(93)
Shed Expenses	1,571	2,530	(959)
Sundry Expenses	505	-	505
Wages	27,750	67,259	(39,509)
Casual Wages	11,959	2,500	9,459
Weed & Pest Control	595	3,000	(2,405)
	92,625	157,822	(65,197)
REPAIRS & MAINTENANCE			
Buildings	34	1,000	(966)
House	-	500	(500)
Effluent Pond	1,477	-	1,477
Fences & Yards	1,581	3,000	(1,419)
Plant & Equipment	12,502	3,600	8,082
Roads, Tracks & Races	-	10,000	(10,000)
Water Supply	362	2,500	(2,138)
	16,036	20,500	(4,464)
WINTERING COSTS			
Feed - Silage & Hay Fertiliser	1,262	14,985	(13,723)
Hay/Grass Silage	4,653	-	4,653
Feed - Urea	1,827	5,600	(3,773)
Feed - Calf Rearing	3,502	2,500	1,002
Feed - Grass to Grass	-	3,952	(3,952)
Feed - Maize Silage	1,750	16,100	(14,350)
	12,994	43,137	(30,143)

Kokako Trust

Dairy Unit Account No.3

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
VEHICLE RUNNING			
Fuel & Oil - Vehicles	8	-	8
Fuel & Oil - Tractor	298	500	(202)
Repairs - Tractor	651	4,500	(3,849)
	957	5,000	(4,043)
ADMINISTRATION			
Suporvision	4,225	6,000	(1,775)
	4,225	6,000	(1,775)
STANDING FINANCE CHARGES			
Insurance	1,748	1,800	(52)
Rates	2,284	3,700	(1,416)
	4,032	5,500	(1,468)
	130,869	237,959	(107,090)
NET PROFIT/(LOSS)	68,499	99,599	(31,100)

Kokako Trust

General Profit & Loss Account

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
GROSS INCOME			
Net Farm Profit(Loss)	(93,654)	27,799	(121,453)
Dairy Unit No. 1 Profit(Loss)	140,767	180,876	(40,109)
Dairy Unit No. 2 Profit(Loss)	134,399	203,506	(69,107)
Dairy Unit No. 3 Profit(Loss)	68,499	99,599	(31,100)
	250,011	511,780	(261,769)
LESS: ADMINISTRATION EXPENSES			
Accident Compensation Levy	890	10,205	(9,315)
Annual General Meeting	2,050	1,300	750
Audit Fees	5,150	5,100	50
Entertainment Expenses	668	-	668
Entertainment Expenses Non-deductible	668	-	668
General Expenses	1,262	2,000	(738)
Legal Costs	-	500	(500)
Plans & Survey Costs	-	1,000	(1,000)
Printing, Stationery & Advertising	4,448	5,000	(552)
Te Arawa Future Training Trust	12,240	-	12,240
Secretarial & Accounting	18,794	30,000	(11,206)
Share Register	2,340	2,500	(160)
Subscriptions	382	500	(118)
Supervisors Fees & Expenses	11,865	22,500	(10,635)
Trustees Fees & Expenses	3,676	9,000	(5,324)
	64,433	89,605	(25,172)
STANDING FINANCE CHARGES			
Insurance - Trustees	3,575	3,500	75
Interest Term Loan	148,573	233,805	(85,232)
Interest (Bank Seasonal Loan)	1,809	5,837	(4,028)
	153,957	243,142	(89,185)
NET PROFIT/(LOSS)	31,621	179,033	(147,412)

Kokako Trust

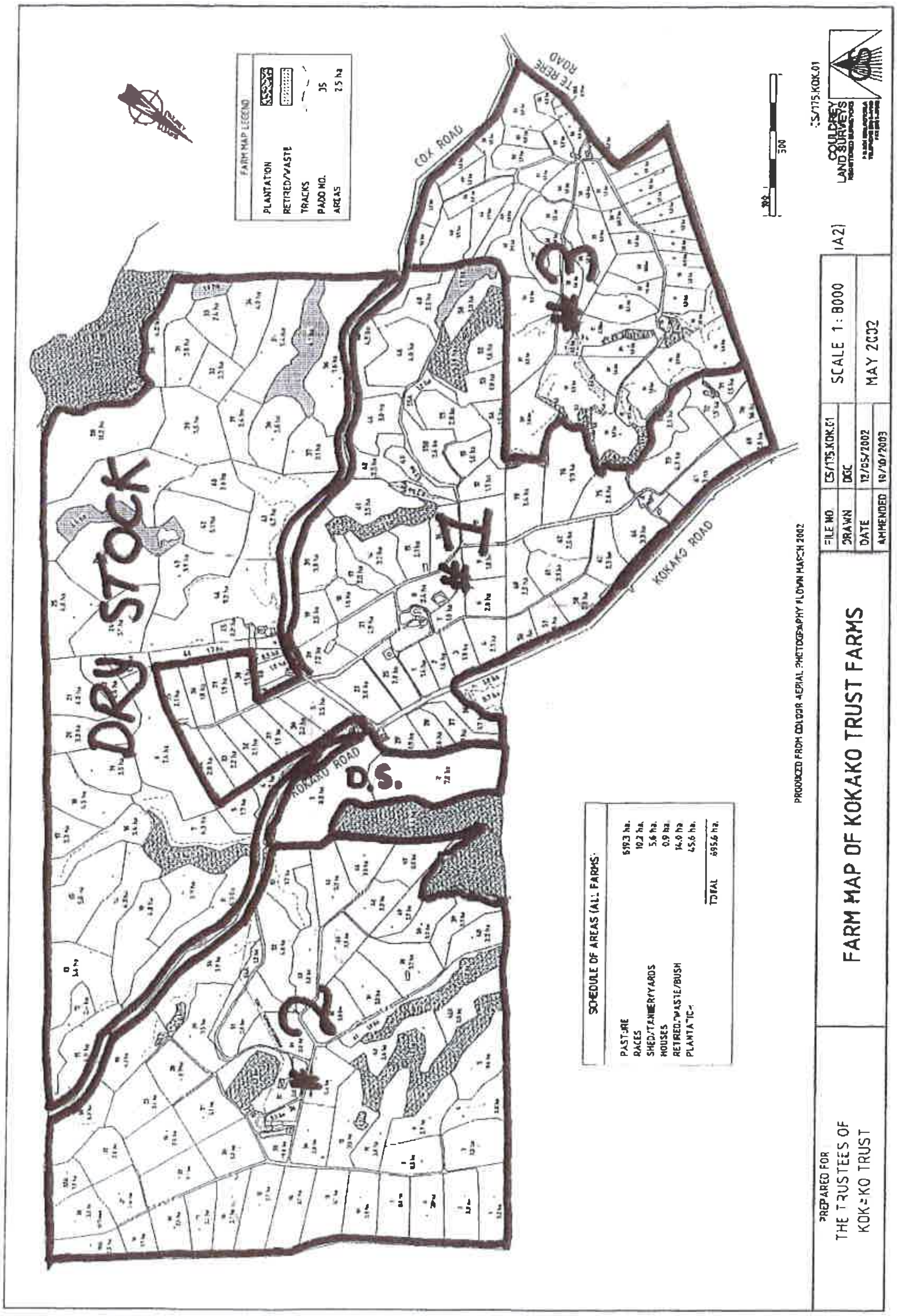
Budget Summary Account

(For the period ended 26 January 2006)

	Actual YTD $	Total Budget $	Variance $
INCOME			
NET PROFIT/(LOSS)	31,621	179,033	(147,412)
PLUS CAPITAL INCOME			
IRD - Prior Years Taxation	492	-	492
	32,113	179,033	(146,920)
LESS CAPITAL EXPENDITURE			
Shares - Livestock Improvement Corp.	43	-	43
Shares - Ballance	6,678	-	6,678
Sheep Unit			
Deck & French Doors	5,033	10,000	(4,967)
Dairy Unit No. 1			
Effluent	7,135	7,135	
Shares - Fonterra Co-op Group Ltd	-	61,167	(61,167)
Peak Notes - Fonterra	-	17,040	(17,040)
Pulsators	11,762	14,000	(2,238)
Dairy Unit No. 2			
Effluent Extension	11,052	9,655	1,397
Ceramic Range DBL Oregano	1,939	-	1,939
Dairy Unit No. 3			
Fencing	-	5,000	(5,000)
Effluent	3,000	3,000	-
2005 Transport Tray	1,206	-	1,206
	47,848	126,997	(79,149)
LESS			
Taxation	7,073	58,000	(50,927)
Dividends	1,280	40,000	(38,720)
Grants	-	12,000	(12,000)
Education Grants	-	10,000	(10,000)
Kaumatua Grants	47,850	30,000	17,850
	(56,203)	(150,000)	93,797
NET SURPLUS/(DEFICIT)	(71,938)	(97,964)	26,026

Kokako Trust

Farm Map of Kokako Trust Farms



Parininihi Ki Waitotara Incorporation

PKW Farms Limited – Finalist

History of the Incorporation

1976 Incorporation formed under Act of Parliament

1977 Maori Trustee transferred assets in Incorporation –

- 364 leases (perpetual leases, 21 year rent reviews)
- 22,000 hectares

1981 Purchased lessee's interest – Kairau road

1987 Entered syndicate –

- Owned 3 farms – $450k investment
- Sold farms 2005 – $3 million profit (PKW share)

1990 First rent review for Incorporation – 5 years to settle

- Sold Kairau road farm
- Purchased free hold farm Opanaki (estimated production capability 42,000 kg/ms) 2006 budget – 130,000 kg/ms

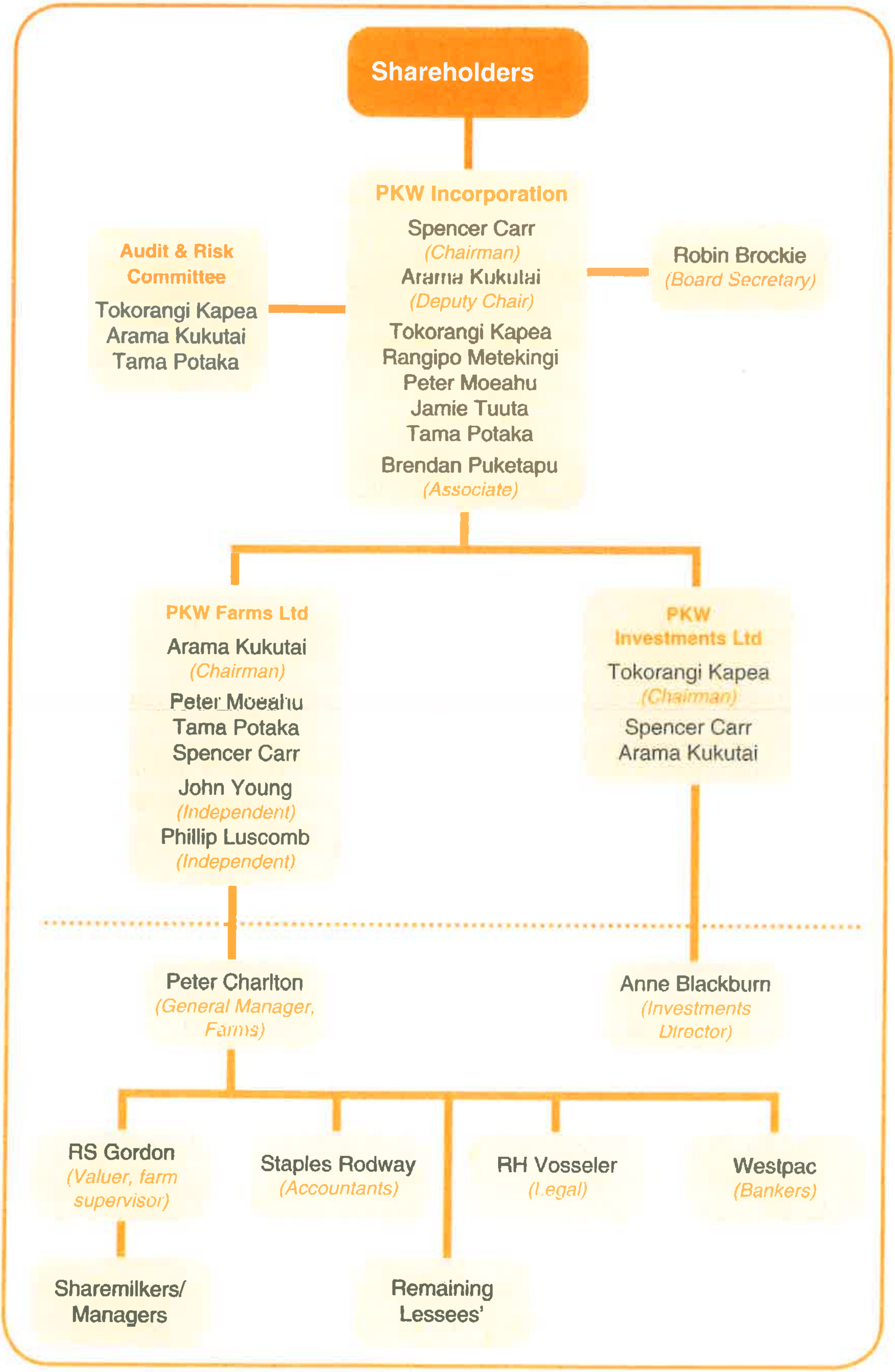
1993 Purchased at auction Manaia road property

1997 Maori Reserved Land Amendment Bill passed – reduced rental review periods to 7 years

1998 Removed statutory rents and introduced market rents
First right of refusal on sales given to incorporations
Payment of compensation
Land management plan approved by shareholders at meetings around the motu

2000 Purchase lessees' interests – 2 properties; 1 lessee sharemilker

Governance Structure



Vision Statement

To be the best corporate dairy farmer in New Zealand

Mission Statement

Successfully complete the land development and management objectives of the Land Management Plan in a socially responsible way

Strategy

1. Effective land management

Further investment in the (50/50) farm model, within the spending projection of $30 million over the next 5 years based on available options to purchase. Returning 4% – 6% pa on investment before projected cost of borrowing.

Objectives:

- Maximise use of existing farm infrastructure
- Maximise herd size up to 800
- Minimise development costs
- Maximise cashflow from operations
- Optimise the opportunities to expand herd size up to 1,500 where appropriate
- Maximise the available resource input from the sharemilker
- Maintain balanced investment in development [25%] v's acquisition [75%]
- Cowshed to pasture no more than 2 km

2. Effective financing of investment

Objectives:

- Maximise the cashflow from the operations
- Implement innovative financing arrangements for acquisitions [vendor finance, deferred settlements, JV investments etc] – sub-committee to consider financing options
- Develop and maintain the 5 year GAP model of available funding v's required investment [development costs & acquisitions]

3. Effective farm operations

Objectives:

- Quality livestock on farm – balance superior breeding against cost of investment
- Engage the best sharemilkers

4. Effective management of resources

Objectives:

- Engage [employ or contract] the best management [farm, project, finance etc]
- Environmentally sustainable management of resources [industry/TRC]

5. Quality active investments

Objectives:

- Achieve prescribed return on investment
- Establish and maintain strong management reporting
- Establish, maintain Lactanz as PKW and industry benchmarks
- Appropriately quantified research initiatives and review the monitoring process

6. Effective cultural and social responsibilities

Objectives:

- Maximise employment opportunities
- Effect joint investment with iwi/hapu
- Facilitate professional development of beneficiaries [scholarships and training]
- Achieve preferred employer status
- Achieve "best" farm practice

Business Plan 2005 – 2010

1. To implement the Land Management Plan in regards purchase and development of identified properties.
2. To attempt to prioritize lands required for (1) above.
3. To increase milk production at the lowest possible cost.
4. To review and discuss sharemilking versus management
5. To prepare a career path for sharemilkers/managers –
    a. To discuss with sharemilkers the maximum term on farm before proceeding to a bigger unit. Sharemilkers on larger units to exit.
    b. Education of employees of PKW Farms Ltd and/or sharemilkers, eg AG ITO courses, AI courses/training.
    c. In conjunction with the education sub-committee, encourage younger shareholder whanau members to attain higher education in the industry, eg Taratahi, Telford, Massey, and Lincoln.
6. To review sharemilker percentages – Larger units. Capital cost of PKW versus value of sharemilkers inputs.
7. Review opportunities for joint ventures –
    a. Purchase lessees' improvements and employ vendor as sharemilker/manager.
    b. Partnerships – ownership/operations
8. To continue riparian plantings as per agreement with Taranaki Regional Council.
9. Added value.

Farm Description – Farm 12

Sharemilkers: Ross and Shelly Clark Managers: Gary and Sandra Wapp

Farm Area

36 effective hectares (milking platform)

Production

2004/05

- 53,905 kg/ms
- 1,497 kg/ms/ha
- 130 cows – 3.6 cows/ha
- 414 kg/ms/cow

2003/04

- 57,915 kg/ms
- 1,608 kg/ms/ha
- 130 cows – 3.6 cows/ha
- 445 kg/ms/cow

Tonnes of dry matter available

2004/05

- 12,000 kg/dm – silage bales
- 30,000 kg/dm – Copra palm kernel
- 85 kg's nitrogen
- 14,000 kg/dm winter grazing (50 cows @10 kg/dm/day for 28 days)

2003/04

- 12,000 kg/dm – silage bales
- 30,000 kg/dm – Copra palm kernel
- 85 kg's nitrogen
- 14,000 kg/dm winter grazing (50 cows @10kg/dm/day for 28 days)

Economic Farm Surplus

2004/05

- $2,780 per hectare
- 34% – farm working expenses of gross farm income
- .99c – cost of production per kg/ms

Parininihi Ki Waitotara Incorporation

Key Performance Indicators *(End December 2005)*

Farm Number	Milker	Eff. Area Milking Platform	Effective Milkers	Cumulative Quarterly Production milksolids	Production per Effective ha	Production Per Effective Milker	Gross Income	Gross Income Per Effective ha	Gross Income per Effective Milker	Economic Farm Surplus /eff ha	Economic Farm Surplus /eff Milker
2	Bishop	95	344	69,191	728	201	$ 115,005	$ 1,211	$ 334	$ 624	$ 172
3	McCleod	106	300	63,523	599	212	$ 107,237	$ 1,012	$ 357	$ 459	$ 162
4	Rupapera	138	490	87,258	632	178	$ 142,332	$ 1,031	$ 290	$ 489	$ 138
5	Van der fits	155	500	111,181	717	222	$ 163,977	$ 1,058	$ 328	$ 479	$ 149
6	Corrigan	121	340	66,717	551	196	$ 113,047	$ 934	$ 332	$ 110	$ 39
8	Wineera	65	220	40,067	616	182	$ 65,750	$ 1,012	$ 299	$ 245	$ 72
9	Clarke	159	480	96,091	604	200	$ 160,236	$ 1,008	$ 334	$ 503	$ 167
10	Savage	55	160	29,978	545	187	$ 50,047	$ 910	$ 313	$ 419	$ 144
11	Mellow	255	855	161,839	635	189	$ 244,858	$ 960	$ 286	$ 454	$ 135
12	Clarke	36	120	29,479	819	246	$ 50,492	$ 1,403	$ 421	$ 462	$ 139
13	Wapp	94	255	60,634	645	238	$ 102,892	$ 1,095	$ 403	$ 543	$ 200
15	Luscombe	165	550	104,821	635	191	$ 169,033	$ 1,024	$ 307	$ 464	$ 139
17	Fredrickson	140	470	99,559	711	212	$ 179,376	$ 1,281	$ 382	$ 613	$ 183
18	Foley	59	185	39,740	674	215	$ 66,498	$ 1,127	$ 359	$ 625	$ 199
19	Walker	337	900	172,457	512	192	$ 241,635	$ 717	$ 268	$ 201	$ 75
		1980	6,169	1 232,534			$1,972,415				

Schedule of Farm Working Expenses

Farm Number	Milker	Grazing	Feed Purchases	Hay/Sileage Purchases	Other Direct Farm Expenses	Maintenance Fertiliser	Nitrogen	Property Maintenance	Other	Overheads	Total Farm Working Expenses	
2	Bishop	$1,654	$4,806	$0	$ -	$ 4,108	$ 15,712	$ 12,733	$ 2,881	$ 13,822	$ 55,686	
3	McCleod	$11,106	$0	$0	$ -	$ 7,936	$ 9,894	$ 11,697	$ 3,406	$ 14,583	$ 58,622	
4	Rupapera	$19,694	$3,200	$1,290	$ -	$ 19,192	$ 5,084	$ 6,535	$ 5,094	$ 14,665	$ 74,784	
5	Van der fits	$8,359	$13,641	$3,175	$ 303	$ 21,042	$ 1,769	$ 20,030	$ 3,635	$ 17,780	$ 89,704	*
6	Corrigan	$11,399	$13,874	$0	$ 62	$ 19,756	$ 14,601	$ 24,925	$ 2,881	$ 13,130	$ 99,728	
8	Wineera	$0	$2,076	$456	$ -	$ 6,433	$ 9,914	$ 13,532	$ 3,081	$ 14,322	$ 49,844	
9	Clarke	$10,108	$3,613	$0	$ -	$ 10,145	$ 18,132	$ 20,030	$ 2,888	$ 15,338	$ 80,224	*
10	Savage	$0	$0	$0	$ -	$ 6,873	$ 3,339	$ 1,522	$ 2,891	$ 10,362	$ 26,987	
11	Mellow	$12,419	$9,455	$3,605	$ 1,738	$ 41,177	$ 9,243	$ 20,330	$ 4,889	$ 26,553	$ 129,079	*
12	Clarke	$0	$3,574	$0	$ -	$ 4,832	$ 1,496	$ 9,835	$ 2,897	$ 11,233	$ 33,867	
13	Wapp	$5,498	$7,000	$0	$ -	$ 6,410	$ 2,236	$ 13,357	$ 3,037	$ 12,329	$ 51,867	
15	Luscombe	$10,299	$6,000	$324	$ -	$ 15,449	$ 23,205	$ 19,433	$ 2,881	$ 14,876	$ 92,467	
17	Fredrickson	$11,352	$8,024	$4,595	$ 2,015	$ 8,535	$ 16,465	$ 25,000	$ 3,261	$ 14,294	$ 93,541	
18	Foley	$2,676	$0	$0	$ -	$ 7,907	$ 4,881	$ 285	$ 2,881	$ 11,010	$ 29,640	
19	Walker	$13,099	$0	$18,960	$ -	$ 42,580	$ 43,876	$ 20,000	$ 3,409	$ 32,135	$ 174,059	
		$ 116,009	$ 70,457	$ 32,405	$ 4,118	$ 222,267	$ 164,135	$ 205,281	$ 47,131	$ 222,610	$ 1,084,413	

*Property maintenance for farms 5, 9, 11 and 19 has been put in at $20,000 each, and farm 17 has been put in at $25,000. Additional property maintenance costs considered to be capital expenditure are as follows: Farm 5 $110,126, Farm 9 $ 63,622, Farm 11 $213,697, Farm 17 $44,250 and Farm 19 $14,082.

Parininihi Ki Waitotara Incorporation

Farm Working Expenditure per cents per kg Milk Solids

		Grazing/per kg m.s	Feed Purchases perkg.m.s	Hay/Sileage Purchasesper kg m.s	Other Direct Farm Expenses per kg m.s	Maintenance 'Fertiliser per kg m.s	Nitrogen per kg m.s	Property Maintenance per kg m.s	Other per kg m.s	Overheads per kg m.s	Total Farm Working Expenses per kg m.s
2	Bishop	$0.02	$0.07	$0.00	$0.00	$0.05	$0.23	$0.18	$0.04	$0.20	$0.80
3	McCleod	$0.17	$0.00	$0.00	$0.00	$0.12	$0.16	$0.18	$0.05	$0.23	$0.92
4	Rupapera	$0.23	$0.04	$0.01	$0.00	$0.22	$0.06	$0.08	$0.06	$0.17	$0.86
5	Van der fits	$0.08	$0.12	$0.03	$0.00	$0.19	$0.02	$0.18	$0.03	$0.16	$0.81
6	Corrigan	$0.17	$0.21	$0.00	$0.00	$0.30	$0.22	$0.36	$0.04	$0.20	$1.49
8	Wineera	$0.00	$0.05	$0.01	$0.00	$0.16	$0.25	$0.34	$0.08	$0.36	$1.24
9	Clarke	$0.11	$0.04	$0.00	$0.00	$0.11	$0.19	$0.21	$0.03	$0.16	$0.83
10	Savage	$0.00	$0.00	$0.00	$0.00	$0.30	$0.11	$0.05	$0.10	$0.35	$0.90
11	Mellow	$0.08	$0.06	$0.02	$0.01	$0.25	$0.06	$0.12	$0.03	$0.16	$0.80
12	Clarke	$0.00	$0.12	$0.00	$0.00	$0.16	$0.05	$0.33	$0.10	$0.38	$1.15
13	Wapp	$0.09	$0.12	$0.00	$0.00	$0.14	$0.04	$0.22	$0.05	$0.20	$0.86
15	Luscombe	$0.10	$0.06	$0.00	$0.00	$0.15	$0.22	$0.19	$0.03	$0.14	$0.88
17	Fredrickson	$0.11	$0.08	$0.05	$0.02	$0.03	$0.17	$0.25	$0.03	$0.14	$0.94
18	Foley	$0.07	$0.00	$0.00	$0.00	$0.20	$0.12	$0.01	$0.07	$0.28	$0.75
19	Walker	$0.08	$0.00	$0.11	$0.00	$0.25	$0.25	$0.12	$0.02	$0.19	$1.01

Farm Working Expenses as a % of Farm Working Expenses

		Grazing as % F.W.E	Feed Purchases AS % F.W.E	Hay/Sileage Purchases as a % F.W.E	'Other Direct Farm Expenses as a % of F.W.E	Maintenance 'Fertiliser as a % F.W.E	Nitrogen as a % F.W.E	Property Maintenance as a % F.W.E	Other as a % of F.W.E	Overheads as a % of F.W.E	Total Farm Working Expenses
2	Bishop	3%	9%	0%	0%	7%	28%	23%	5%	25%	100%
3	McCleod	19%	0%	0%	0%	14%	17%	20%	6%	25%	100%
4	Rupapera	26%	4%	2%	0%	26%	7%	9%	7%	20%	100%
5	Van der fits	9%	15%	4%	0%	23%	2%	22%	4%	20%	100%
6	Corrigan	11%	14%	0%	0%	20%	15%	24%	3%	13%	100%
8	Wineera	0%	4%	1%	0%	13%	20%	27%	6%	29%	100%
9	Clarke	13%	5%	0%	0%	13%	23%	25%	4%	19%	100%
10	Savage	0%	0%	0%	0%	33%	12%	6%	11%	38%	100%
11	Mellow	10%	7%	3%	1%	32%	7%	15%	4%	21%	100%
12	Clarke	0%	13%	0%	0%	14%	4%	29%	9%	33%	100%
13	Wapp	11%	13%	0%	0%	16%	4%	26%	6%	24%	100%
15	Luscombe	11%	6%	0%	0%	17%	25%	21%	3%	16%	100%
17	Fredrickson	12%	9%	5%	2%	9%	18%	27%	3%	15%	100%
18	Foley	9%	0%	0%	0%	27%	16%	1%	10%	37%	100%
19	Walker	8%	0%	11%	0%	24%	25%	11%	2%	18%	100%

Parininihi Ki Waitotara Incorporation

Key Performance Indicators – Monthly Milk Solids *(End January 2006)*

Farm Number	Milker	July	August	September	October	November	December	January	February	March	April	May	June	Total
2	**Bishop(40332)**													
	Actual Mth	292	8,068	14,997	16,697	15,468	13,669	13,091						82,282
	Cuml. YTD	292	8,360	23,357	40,054	55,522	69,191	82,282	82,282	82,282	82,282	82,282	82,282	82,282
	Mth Budget	0	9,200	14,950	16,100	14,950	13,800	12,650	11,500	11,500	8,050	2,300	0	115,000
	Cuml. YTD	0	9,200	24,150	40,250	55,200	69,000	81,650	93,150	104,650	112,700	115,000	115,000	115,000
	Mth Variance	292	-1,132	47	597	518	-131	441	-11,500	-11,500	-8,050	-2,300	0	32,718
	Cuml. YTD Var.	292	-840	-793	-196	322	191	632	-10,868	-22,368	-30,418	-32,718	-32,718	-32,718
3	**McCleod(41892)**													
	Actual Mth	294	9,086	13,573	14,775	13,352	12,443	11,968						75,491
	Cuml. YTD	294	9,380	22,953	37,728	51,080	63,523	75,491	75,491	75,491	75,491	75,491	75,491	75,491
	Mth Budget	0	8,050	14,950	16,100	14,950	14,375	13,225	12,075	12,075	8,050	1,150	0	115,000
	Cuml. YTD	0	8,050	23,000	39,100	54,050	68,425	81,650	93,725	105,800	113,850	115,000	115,000	115,000
	Mth Variance	294	1,036	-1,377	-1,325	-1,598	-1,932	-1,257	-12,075	-12,075	-8,050	-1,150	0	39,509
	Cuml. YTD Var.	294	1,330	-47	-1,372	-2,970	-4,902	-6,159	-18,234	-30,309	-38,359	-39,509	-39,509	-39,509
4	**Rupapera(40407)**													
	Actual Mth	184	9,418	16,559	21,650	20,886	18,561	16,717						103,975
	Cuml. YTD	184	9,602	26,161	47,811	68,697	87,258	103,975	103,975	103,975	103,975	103,975	103,975	103,975
	Mth Budget	0	8,250	15,750	21,000	21,750	20,250	19,500	15,750	17,250	9,000	1,500	0	150,000
	Cuml. YTD	0	8,250	24,000	45,000	66,750	87,000	106,500	122,250	139,500	148,500	150,000	150,000	150,000
	Mth Variance	184	1,168	809	650	-864	-1,689	-2,783	-15,750	-17,250	-9,000	-1,500	0	46,025
	Cuml. YTD Var.	184	1,352	2,161	2,811	1,947	258	-2,525	-18,275	-35,525	-44,525	-46,025	-46,025	-46,025
5	**Van der fits(41981)**													
	Actual Mth	2,435	15,251	23,099	26,869	22,707	20,820	21,117						132,298
	Cuml. YTD	2,435	17,686	40,785	67,654	90,361	111,181	132,298	132,298	132,298	132,298	132,298	132,298	132,298
	Mth Budget	0	11,550	21,450	23,925	21,450	19,800	18,150	16,500	15,675	10,725	5,775	0	165,000
	Cuml. YTD	0	11,550	33,000	56,925	78,375	98,175	116,325	132,825	148,500	159,225	165,000	165,000	165,000
	Mth Variance	2,435	3,701	1,649	2,944	1,257	1,020	2,967	-16,500	-15,675	-10,725	-5,775	0	32,702
	Cuml. YTD Var.	2,435	6,136	7,785	10,729	11,986	13,006	15,973	-527	-16,202	-26,927	-32,702	-32,702	-32,702

Farm Number	Milker	July	August	September	October	November	December	January	February	March	April	May	June	Total
6	Corrigan(42292)													
	Actual Mth		5,426	12,866	16,585	16,855	14,985	13,854						80,571
	Cuml. YTD	0	5,426	18,292	34,877	51,732	66,717	80,571	80,571	80,571	80,571	80,571	80,571	80,571
	Mth Budget	0	7,800	13,650	16,900	18,200	16,250	14,300	12,350	12,350	11,700	6,500	0	130,000
	Cuml. YTD	0	7,800	21,450	38,350	56,550	72,800	87,100	99,450	111,800	123,500	130,000	130,000	130,000
	Mth Variance	0	-2,374	-784	-315	-1,345	-1,265	-446	-12,350	-12,350	-11,700	-6,500	0	49,429
	Cuml. YTD Var.	0	-2,374	-3,158	-3,473	-4,818	-6,083	-6,529	-18,879	-31,229	-42,929	-49,429	-49,429	-49,429
8	Wineera(41951)													
	Actual Mth	214	5,121	8,247	9,803	8,643	8,039	7,645						47,712
	Cuml. YTD	214	5,335	13,582	23,385	32,028	40,067	47,712	47,712	47,712	47,712	47,712	47,712	47,712
	Mth Budget	0	7,650	10,625	11,900	11,900	10,200	9,350	8,075	8,500	5,950	850	0	85,000
	Cuml. YTD	0	7,650	18,275	30,175	42,075	52,275	61,625	69,700	78,200	84,150	85,000	85,000	85,000
	Mth Variance	214	-2,529	-2,378	-2,097	-3,257	-2,161	-1,705	-8,075	-8,500	-5,950	-850	0	37,288
	Cuml. YTD Var.	214	-2,315	-4,693	-6,790	-10,047	-12,208	-13,913	-21,988	-30,488	-36,438	-37,288	-37,288	-37,288
9	Clarke(42178)													
	Actual Mth	1,749	11,942	21,076	22,713	19,820	18 791	16,380						112,471
	Cuml. YTD	1,749	13,691	34,767	57,480	77,300	96 091	112,471	112,471	112,471	112,471	112,471	112,471	112,471
	Mth Budget	0	12,400	20,150	23,250	20,925	18 600	17,050	14,725	15,500	9,300	3,100	0	155,000
	Cuml. YTD	0	12,400	32,550	55,800	76,725	95 325	112,375	127,100	142,600	151,900	155,000	155,000	155,000
	Mth Variance	1,749	-458	926	-537	-1,105	191	-670	-14,725	-15,500	-9,300	-3,100	0	42,529
	Cuml. YTD Var.	1,749	1,291	2,217	1,680	575	766	96	-14,629	-30,129	-39,429	-42,529	-42,529	-42,529
10	Savage(41897)													
	Actual Mth	323	3,565	6,345	7,246	6,388	6,111	5,740						35,717
	Cuml. YTD	323	3,888	10,233	17,479	23,867	29,978	35,717	35,717	35,717	35,717	35,717	35,717	35,717
	Mth Budget	0	4,160	6,760	7,280	7,280	6,240	5,200	5,200	5,200	4,160	520	0	52,000
	Cuml. YTD	0	4,160	10,920	18,200	25,480	31,720	36,920	42,120	47,320	51,480	52,000	52,000	52,000
	Mth Variance	323	-595	-415	-34	-892	-129	540	-5,200	-5,200	-4,160	-520	0	16,283
	Cuml. YTD Var.	323	-272	-687	-721	-1,613	-1,742	-1,203	-6,403	-11,603	-15,763	-16,283	-16,283	-16,283

Farm Number	Milker	July	August	September	October	November	December	January	February	March	April	May	June	Total
11	Mellow(42049)													
	Actual Mth	498	19,220	37,072	37,884	34,151	33,014	28,800						190,639
	Cuml. YTD	498	19,718	56,790	94,674	128,325	161,839	190,639	190,639	190,639	190,639	190,639	190,639	190,639
	Mth Budget	0	15,400	32,200	40,600	36,400	35,000	30,800	29,400	28,000	22,400	9,800	0	280,000
	Cuml. YTD	0	15,400	47,600	88,200	124,600	159,600	190,400	219,800	247,800	270,200	280,000	280,000	280,000
	Mth Variance	498	3,820	4,872	-2,716	-2,249	-1,986	-2,000	-29,400	-28,000	-22,400	-9,800	0	89,361
	Cuml. YTD Var.	498	4,318	9,190	6,474	4,225	2,239	239	-29,161	-57,161	-79,561	-89,361	-89,361	-89,361
12	Clarke(42184)													
	Actual Mth	192	3,082	6,066	7,257	6,658	6,214	5,588						35,067
	Cuml. YTD	192	3,274	9,340	16,597	23,255	29,479	35,067	35,067	35,067	35,067	35,067	35,067	35,067
	Mth Budget	0	3,360	6,160	7,840	7,280	7,000	6,440	5,600	5,320	4,480	2,520	0	56,000
	Cuml. YTD	0	3,360	9,520	17,360	24,640	31,640	38,080	43,680	49,000	53,480	56,000	56,000	56,000
	Mth Variance	192	-278	-94	-583	-612	-786	-852	-5,600	-5,320	-4,480	-2,520	0	20,933
	Cuml. YTD Var.	192	-86	-180	-763	-1,375	-2,161	-3,013	-8,613	-13,933	-18,413	-20,933	-20,933	-20,933
13	Wapp(41531)													
	Actual Mth	357	7,419	13,414	14,112	13,224	12,108	11,061						71,695
	Cuml. YTD	357	7,776	21,190	35,302	48,526	60,634	71,695	71,695	71,695	71,695	71,695	71,695	71,695
	Mth Budget	0	4,950	13,750	15,950	14,850	13,750	12,650	11,000	10,450	9,350	3,300	0	110,000
	Cuml. YTD	0	4,950	18,700	34,650	49,500	63,250	75,900	86,900	97,350	106,700	110,000	110,000	110,000
	Mth Variance	357	2,469	-336	-1,838	-1,626	-1,642	-1,589	-11,000	-10,450	-9,350	-3,300	0	38,305
	Cuml. YTD Var.	357	2,826	2,490	652	-974	-2,616	-4,205	-15,205	-25,655	-35,005	-38,305	-38,305	-38,305
15	Luscombe(41944)													
	Actual Mth	80	9,172	23,059	24,982	23,183	24,345	21,422						126,243
	Cuml. YTD	80	9,252	32,311	57,293	80,476	104,821	126,243	126,243	126,243	126,243	126,243	126,243	126,243
	Mth Budget	0	10,450	24,700	30,400	23,750	24,700	22,800	18,050	19,000	12,350	3,800	0	190,000
	Cuml. YTD	0	10,450	35,150	65,550	89,300	114,000	136,800	154,850	173,850	186,200	190,000	190,000	190,000
	Mth Variance	80	-1,278	-1,641	-5,418	-567	-355	-1,379	-18,050	-19,000	-12,350	-3,800	0	63,758
	Cuml. YTD Var.	80	-1,198	-2,839	-8,257	-8,824	-9,179	-10,558	-28,608	-47,608	-59,958	-63,758	-63,758	-63,758

Farm Number	Milker	July	August	September	October	November	December	January	February	March	April	May	June	Total
17	Fredrickson(42047)													
	Actual Mth	751	11,901	20,669	23,550	22,086	20,602	18,207						**117,766**
	Cuml. YTD	751	12,652	33,321	56,871	78,957	99,559	117,766	117,766	117,766	117,766	117,766	117,766	**117,766**
	Mth Budget	0	13,500	19,500	21,000	18,750	18,750	15,750	14,250	15,000	9,750	3,750	0	**150,000**
	Cuml. YTD	0	13,500	33,000	54,000	72,750	91,500	107,250	121,500	136,500	146,250	150,000	150,000	**150,000**
	Mth Variance	751	-1,599	1,169	2,550	3,336	1,852	2,457	-14,250	-15,000	-9,750	-3,750	0	**32,234**
	Cuml. YTD Var.	751	-848	321	2,871	6,207	8,059	10,516	-3,734	-18,734	-28,484	-32,234	-32,234	**-32,234**
18	Foley(41528)													
	Actual Mth	90	4,400	8,563	9,496	9,069	8,122	7,760						**47,500**
	Cuml. YTD	90	4,490	13,053	22,549	31,618	39,740	47,500	47,500	47,500	47,500	47,500	47,500	**47,500**
	Mth Budget	0	4,800	7,800	8,400	7,200	7,200	6,600	6,000	6,000	4,800	1,200	0	**60,000**
	Cuml. YTD	0	4,800	12,600	21,000	28,200	35,400	42,000	48,000	54,000	58,800	60,000	60,000	**60,000**
	Mth Variance	90	-400	763	1,096	1,869	922	1,160	-6,000	-6,000	-4,800	-1,200	0	**12,500**
	Cuml. YTD Var.	90	-310	453	1,549	3,418	4,340	5,500	-500	-6,500	-11,300	-12,500	-12,500	**-12,500**
19	Walker(40061)													
	Actual Mth	6,252	19,015	33,423	40,193	39,667	33,907	30,644						**203,101**
	Cuml. YTD	6,252	25,267	58,690	98,883	138,550	172,457	203,101	203,101	203,101	203,101	203,101	203,101	**203,101**
	Mth Budget	0	14,300	33,800	41,600	32,500	33,800	31,200	24,700	26,000	16,900	5,200	0	**260,000**
	Cuml. YTD	0	14,300	48,100	89,700	122,200	156,000	187,200	211,900	237,900	254,800	260,000	260,000	**260,000**
	Mth Variance	6,252	4,715	-377	-1,407	7,167	107	-556	-24,700	-26,000	-16,900	-5,200	0	**56,699**
	Cuml. YTD Var.	6,252	10,967	10,590	9,183	16,350	15,457	15,901	-8,799	-34,799	-51,699	-56,899	-56,899	**-56,899**
	Budget Year to Date		135,820	392,015	694,260	966,395	1,225,110	1,461,775						
	Actual Year to Date		155,796	414,824	708,636	980,803	1,232,534	1,462,528						
	Budget Variance		**19,976**	**22,809**	**14,376**	**14,408**	**5,424**	**753**						

Above Budget		Below Budget	
Van der fits(41981)	15,973	Wineera(41951)	-13,913
Walker(40061)	15,901	Luscombe(41944)	-10,558
Fredrickson(42047)	10,516	Corrigan(42292)	-6,529
Foley(41528)	5,500	McCleod(41892)	-6,159
Bishop(40332)	632	Wapp(41531)	-4,205
Mellow(42049)	239	Clarke(42184)	-3,013
Clarke(42178)	96	Rupapera(40407)	-2,525
		Savage(41897)	-1,203
	48,857		-48,105

Aotearoa Trust

Finalist

Tribal Affiliation: Ngati Raukawa ki Wharepuhunga
Number of Owners: 716
Nature of Business: Dairy Farming: Sheep: Beef Farming
Physical Address: Wharepapa South

History of the Trust

1953	Wharepuhunga 16B8 Title of 4200 acres/1700 ha was created with the amalgamation of small land holdings in the area with land development commenced under the control of Maori Affairs.
1981	Land vested in the "Aotearoa Trust"
1982 (Jun)	Control of the Land transferred to Trustees Debt $427,000
1982 (Oct)	Application to Rural Bank for $130,000.00 to develop the first Dairy Unit.
1983 (Jun)	First 300 Cow Dairy Unit commenced operation
1985 (Jun)	Second Dairy Unit commenced operation with additional borrowing of $100,000
1985	Interest Rates to 10%
1986	Interest Rates to 11% Maori Affairs 13% Rural Bank 21% Overdraft Limit $100,000 Debt $514,000
1986	Governance/Management Issues arose culminating in a Trustee resignation in 1988. We remained in very politically troubled waters through Debt until the mid nineties from various challenges from a small group of vocal shareholders who

continued to challenge the Trust's Governance and Management. In hindsight, whilst frustrating and very costly, Trustees quickly resolved to unite as a tight and consistent governance board which allowed the Trust to move forward with a substantial majority shareholder backing.

Dividend $44,000

Debt $502,000

1990	Interest Rates to	15% Maori Affairs 16% Rural Bank

1991 Leased 105ha of adjoining land – allowed the expansion of Dairy Units. Consolidated all debt to National Bank.

Debt $740,625

1992 *Aotearoa Trust – A Profile of Growth*

Commissioned and published as a permanent record of Land and Trusts history.

Dividend $50,000

Early 1993 Investigated Southland Dairy opportunities

Two properties were purchased for dairy conversion

1993 (Jun) Commenced development in Southland

Dividend $60,000

1994 (Jun) Commenced Dairying operations

1995 Tougher times with drop in beef and lamb schedules.

Interest Rates 9.25%

Payout on Milksolids $3.20kg

Debt $3,100,000

1996 Opportunity to purchase the 105ha adjoining the Trust arose and decision made to buy at a cost of $1.2 million.

2000 The cost of the land base expansion had placed real financial pressure on the business and a decision was made to realise on one of the Southland properties. This allowed a more rapid repayment of debt and funds to address development on the Main Station. The Main Station had been the spring board to securing the Dairy operation but had been bled a little and there was a requirement to meet deferred maintenance and the inevitability of 50 year old development assets requiring upgrade or replacement. The back of this work has now been broken while at the same time substantially consolidating our capital position.

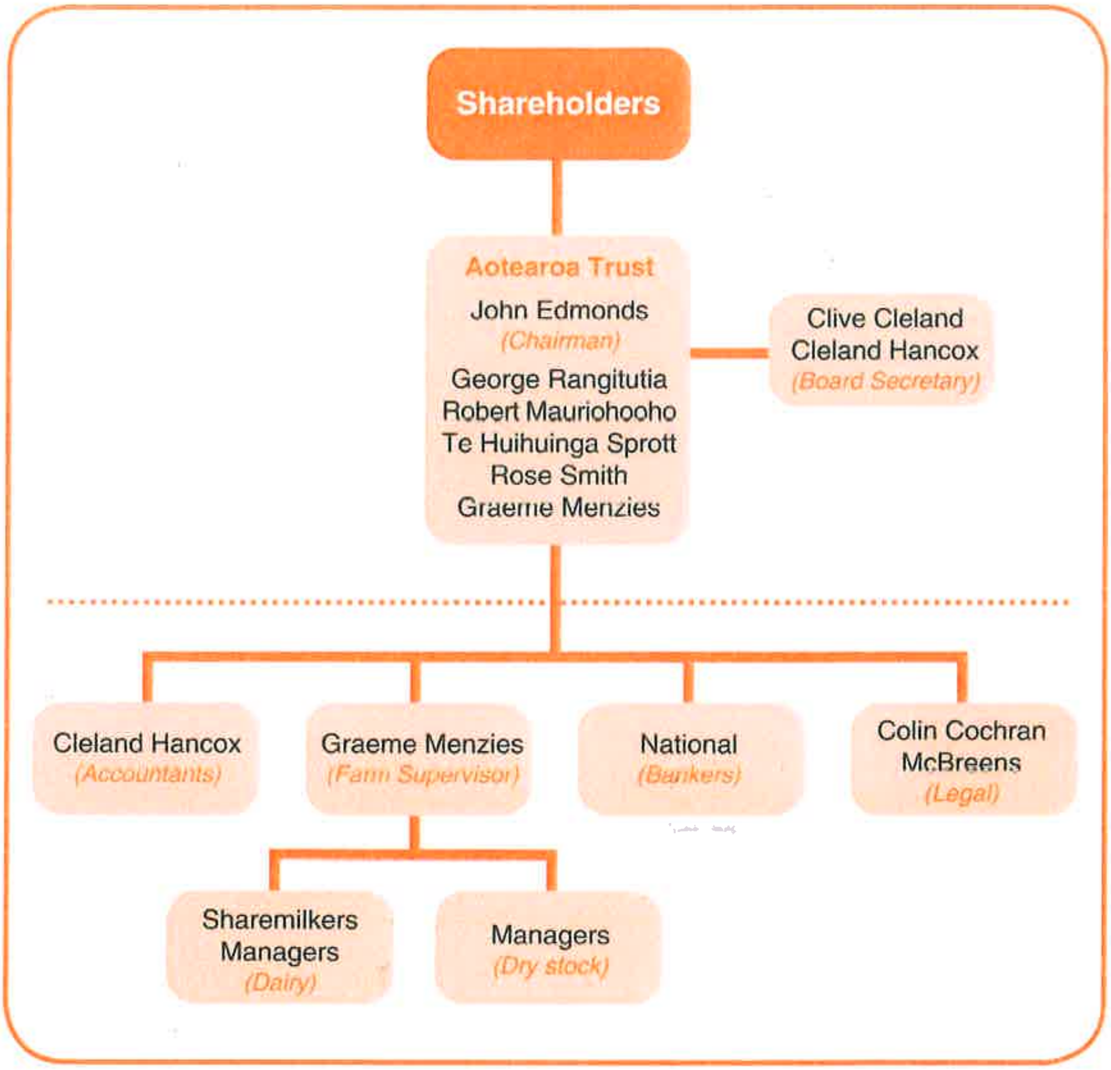
Debt $4,800,000

Dividend $100,000

2006 Debt $300,000

Dividend $125,000

Governance Structure



Mission Statement

Ko Wharepuhunga te Maunga
Ko Raukawa te Iwi
Ko Aotearoa te Papa
Ko Hoturoa te Tangata
He moemoe a na nga Kaitiaki o te whenua
Kia kau ki te whonua I waiho tia iho e o tataou tupuna, matua.
Hei painga mo te Iwi, taenoa ki nga uri whakatapu o Raukawa.

To be guardians of the land and assets passed down by our ancestors, for the benefit of our people and future generations of Raukawa,

- To protect and enhance the standing and mana of Hoturoa
- To profitably manage, develop and grow the Trust's asset base for the long term benefit of the owners
- To ensure adequate financial provision is made for a continuity of dividend returns
- To provide for ongoing education funding for the benefit of owners' families

Strategy

- Develop the land in a productive and profitable manner to generate an income for the benefit of owners, maintenance of trading stock, capital equipment replacement and other capital investment for growth
- Profitable growth of the farming base as opportunities arise and without any compromise of heritage land
- Introduce a fixed revenue stream to provide for a return to shareholders by way of dividends, education grants and marae support
- Growth from external investment opportunities
- Maintain profitability and adequate cash flow
- Maintain sustainable dividends to beneficial owners
- Allocation of grants and scholarships for education to affiliated whanau

Aotearoa Trust

Aotearoa Budget

(Year ending 30 June 2006)

	BUDGET SUMMARY	
Income (Net)		
Aotearoa Station	$472,530	
Tututawa	$339,090	
Te Kaiwhatina	$284,400	
Te Mania	$204,500	
Sundry	$30,000	
		$1,330,520
Overhead Expenses		
Administration	$220,700	
Interest	$61,000	
		$281,700
Trading Surplus		$1,048,820
Capital Expenditure		
Capital Building	$20,000	
Capital Plant	$185,000	
Water Supply	$40,000	
Contractural Mortgage Repayments	$10,000	
Education & Marae Grants	$40,000	
Dividend	$125,000	
TAX	$200,000	
		$620,000
SURPLUS/(DEFICIT)		**$428,820**

Aotearoa Trust

Aotearoa Budget

(Year ending 30 June 2006)

MAIN STATION					
INCOME	Quantity	Price			Last Year
Sheep Sales					
Lambs & Hoggets	4500	$60.00	$270,000		
2/th Ewes	0		$0		
Cull Ewes	800	$40.00	$32,000		
				$302,000	
Less Purchases					
Rams	12	$1,000.00	$12,000		
Lambs	0	$30.00	$0		
				$12,000	
Sheep Surplus				**$290,000**	
Wool (Kgs)	24000	$2.60		**$62,400**	
Cattle Sales					
2 Yr Cattle	1000	$1,150.00	$1,150,000		
Rising 2 Year Hfs		$0.00	$0		
Bulls	550	$800.00	$440,000		
Cows					
				$1,590,000	
Less Purchases					
1 & 2 Yr Cattle	400	$700.00	$280,000		
Calves - Male	750	$125.00	$93,750		
Weaners - Male	170	$400.00	$68,000		
1 yr Bulls	150	$500.00	$90,000		
				$531,750	
Cattle Surplus				**$1,058,250**	
Grazing (Per Head/Week)	240	$6.00		$74,880	
Grazing (Winter - Cow)	700	$16.00		$56,000	
Hay & Silage Sales	9000	$4.00		$36,000	
Maize Income - Grain					
Maize Income - Silage nett	100ha			$100,000	
TOTAL INCOME				**$1,677,530**	
EXPENDITURE					
Labour		$180,000			
Animal Health/Calf Rearing		$210,000			
Feed		$48,000			
Pasture Maintenance		$250,000			
Cropping Expenses		$90,000			
Shearing Expenses		$45,000			
Repairs & Maintenance		$300,000			
Vehicle Expenses		$30,000			
General Expenses		$52,000			
TOTAL EXPENSES				**$1,205,000**	
STATION SURPLUS				**$472,530**	

Allow for a decrease in cattle numbers by 100 & sheep numbers by 90.

Aotearoa Trust

Aotearoa Budget

(Year ending 30 June 2006)

INCOME					
	TUTUTAWA DAIRY NO 1				
	Quantity	Price			Last Year
520 Cows					
Milk Solids	178,000	$4.00	$712,000		
				$712,000	
Stock Sales					
Cull Cows	135	$350.00	$47,250		
Bobby Calves	330	$68.00	$22,440		
Stock Purchases	$25	$1,000	$25,000	$94,690	
TOTAL INCOME				$806,690	
EXPENDITURE					
Labour Contract & Calves			$150,000		
Animal Health			$45,000		
Feed			$60,000		
Grazing			$65,000		
Pasture Maintenance			$85,000		
Repairs & Maintenance			$25,000		
Breeding Expenses			$12,000		
Vehicle Expenses			$8,000		
General Expenses			$14,000		
Lease			$3,600		
TOTAL EXPENSES				$467,600	
SURPLUS				**$339,090**	

Aotearoa Trust

Aotearoa Budget

(Year ending 30 June 2006)

TE KAIWHATINA DAIRY NO 2

INCOME	Quantity	Price			Last Year
520 cows					
Milk Solids	178,000	$4.00	$712,000		
				$712,000	
Stock Sales					
Cull Cows	110	$400.00	$44,000		
Bobby Calves	360	$40.00	$14,400		
				$58,400	
TOTAL INCOME				$770,400	
EXPENDITURE					
Labour Contract			$150,000		
Animal Health			$45,000		
Feed			$60,000		
Grazing			$65,000		
Pasture Maintenance			$90,000		
Repairs & Maintenance			$25,000		
Breeding Expenses			$12,000		
Vehicle Expenses			$25,000		
General Expenses			$14,000		
TOTAL EXPENSES				$486,000	
SURPLUS				**$284,400**	

Aotearoa Trust

Aotearoa Budget

(Year ending 30 June 2006)

TE MANIA - SOUTHLAND					
INCOME					Last Year
	Quantity	Price			
410 Cows					
Milk Solids	170000	$4.00	$680,000		
				$680,000	
Bobby Calves 50%			$3,000		
				$3,000	
TOTAL INCOME				$683,000	
EXPENDITURE					
Labour			$340,000		
Feed			$12,000		
Grazing			$65,000		
Pasture Maintenance			$35,000		
Repairs & Maintenance			$15,000		
General			$11,500		
TOTAL EXPENSES				$478,500	
SURPLUS				**$204,500**	

Aotearoa Trust

Aotearoa Budget

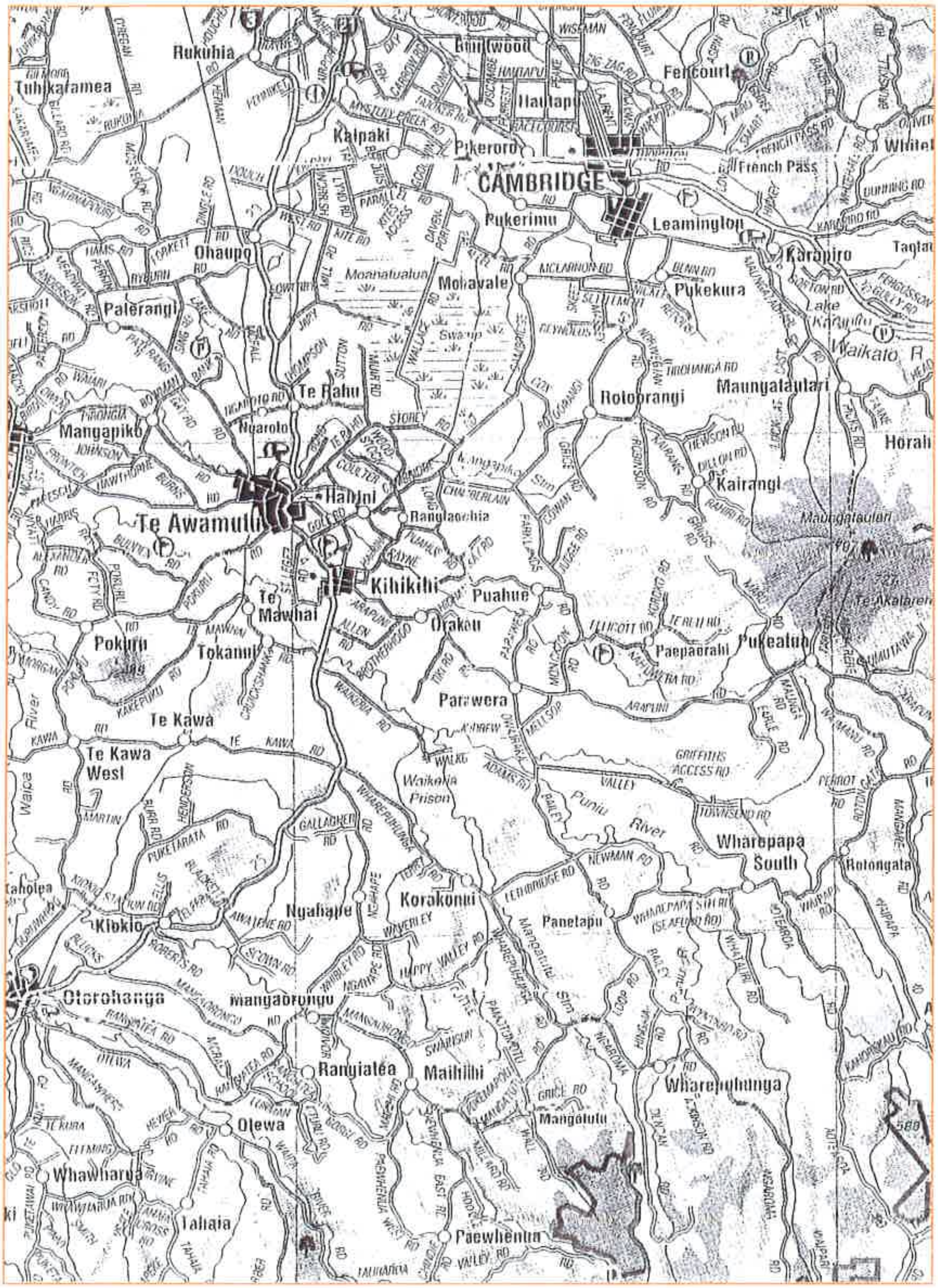
(Year ending 30 June 2006)

OVERHEAD EXPENSES

ADMINISTRATION	Budget		Last Year
Compliance Expenses	$2,000		
Shareholder Meetings	$5,000		
Trustee Meetings	$25,000		
Honoraria	$11,000		
Management Fees	$60,000		
Travelling	$10,000		
Secretarial/Accountancy	$45,000		
Bank Charges	$1,000		
Audit Fees	$3,500		
Consultants Fees	$5,000		
General Expenses	$3,000		
Legal Fees	$40,000		
Postage & Stationery	$6,000		
Subscriptions	$700		
Telephone & Tolls	$3,500		
		$220,700	
INTEREST			
National Bank O/D	$5,000		
National Bank T/L	$36,000		
Unclaimed Dividends	$20,000		
		$61,000	
TOTAL OVERHEAD EXPENSES		**$281,700**	

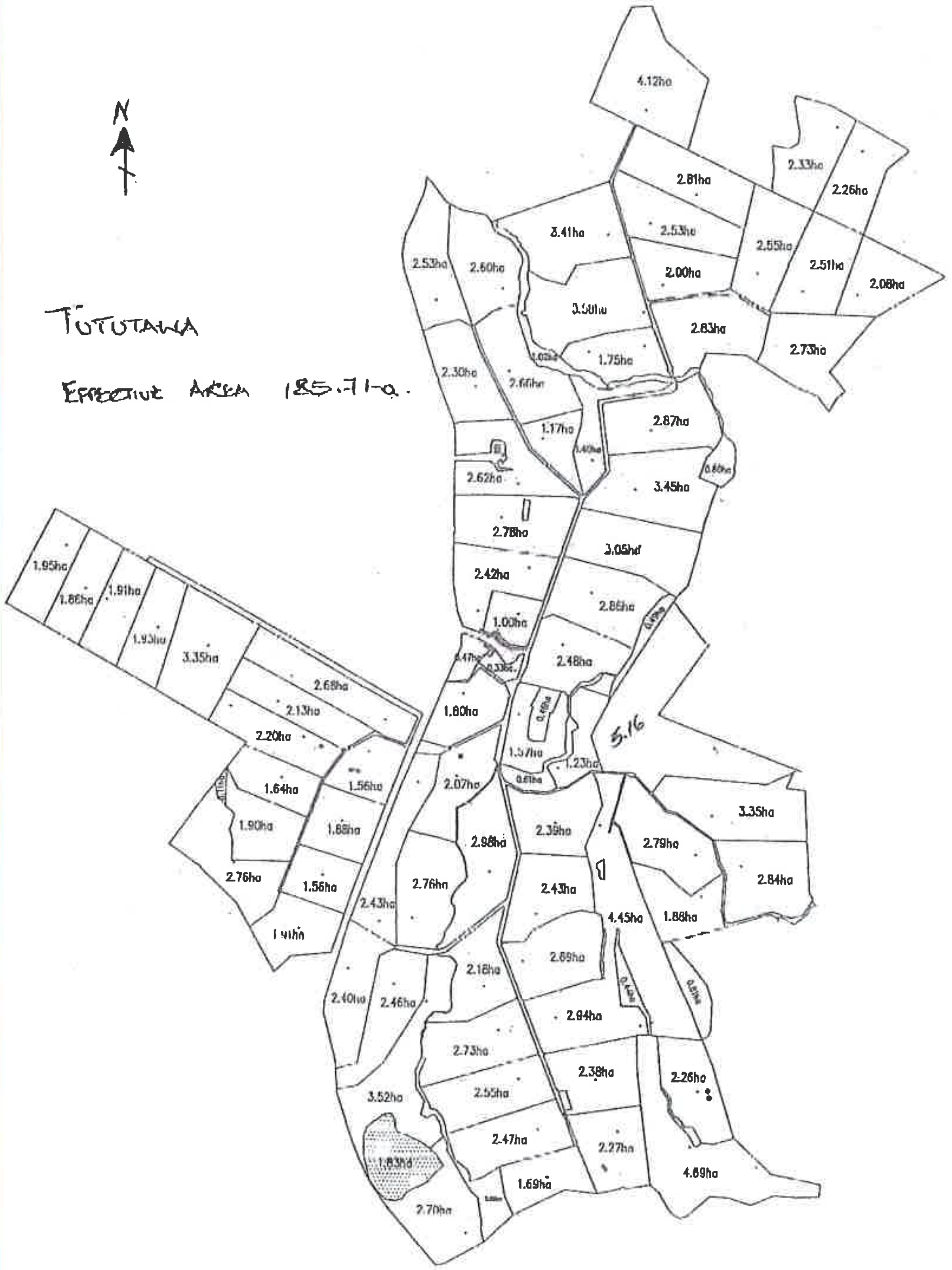
Aotearoa Trust

Farm Map



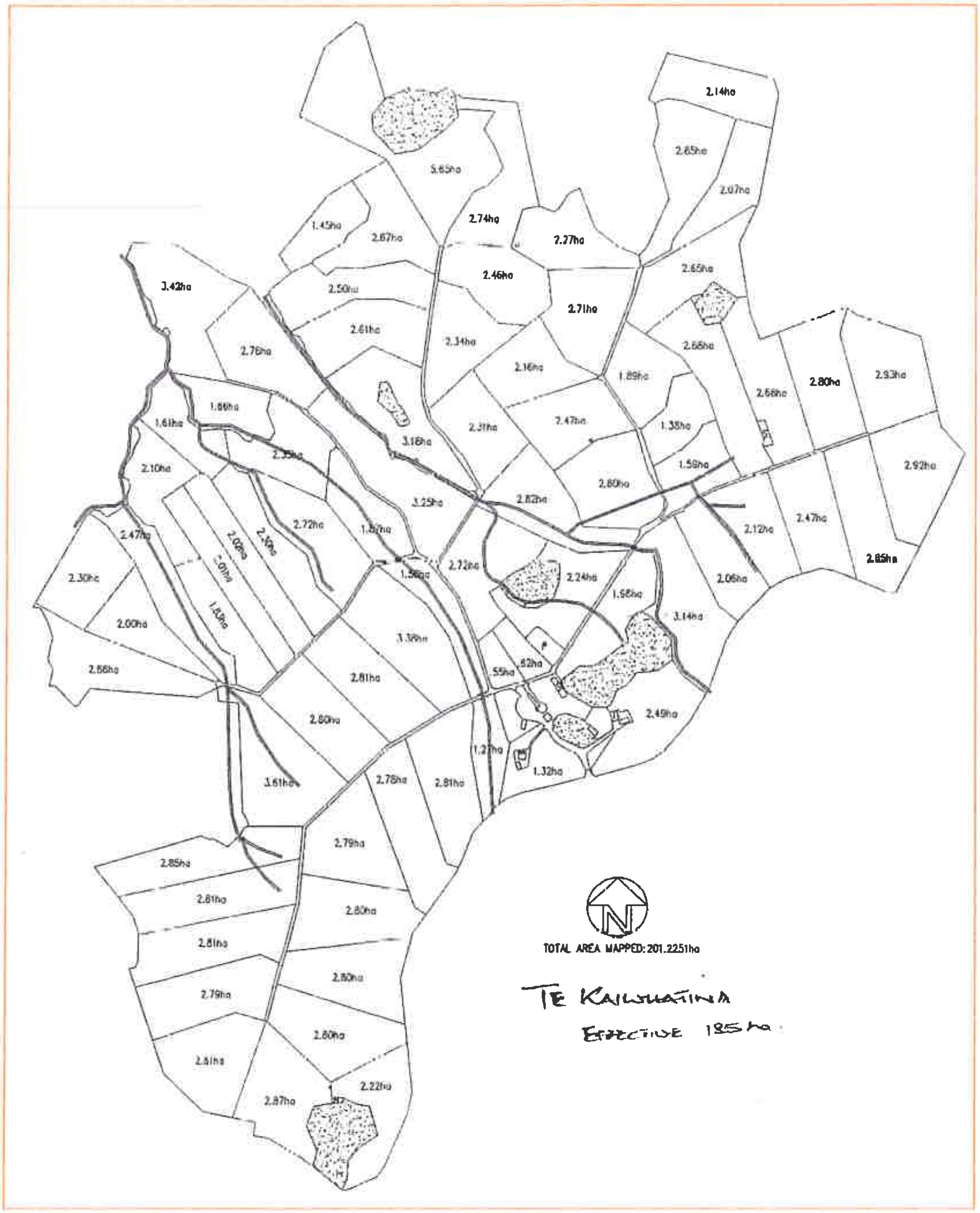
Aotearoa Trust

Farm Map



Aotearoa Trust

Farm Map



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