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MĀORI
EXCELLENCE
IN FARMING AWARD 2009
SHEEP AND BEEF



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TROPHY

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THE AHUWHENUA TROPHY



BNZ
MĀORI
EXCELLENCE
IN FARMING AWARD 2009
SHEEP AND BEEF

2009 AHUWHENUA TROPHY COMPETITION FINALISTS ARE:

HEREHERETAU STATION
MORIKAU STATION
PAKARAE WHANGARA B5 PARTNERSHIP

THE RUNNER UPS ARE:

POUTO TOPU A TRUST
POHATUROA

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FINALISTS

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45 Pakarae Whangara B5 Partnership

2090 State Highway 35, RD3, Gisborne

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- 60 Aims of the competition, competition prizes, conditions of entry and judging criteria

Watch out for coverage of the Field Days and the
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FROM THE MINISTER OF MĀORI AFFAIRS



E ngā iwi o ngā hau e whā, tēnā koutou katoa.

Kua tae ki te wā e huri ai o tātou whakaaro ki te Ipu Ahuwhenua, he taonga tuku iho i o tātou tipuna ki a tātou.

No reira koutou nga kahohi ora o ratou ma, tena tatou katoa.

He uri katoa tātou nō Rangi rāua ko Papatuānuku.

He iwi ahuhenua tātou, mai rā anō i to tātou takenga mai i Kurawaka.

Nā ngā mahi ahuhenua o tātou tipuna i ora ai i o rātou wā, ā, tae rawa mai ki a tātou i tēnei ao hurihuri.

E kore te tangata e ora i te kai moni! He oranga tonu i ngā mahi ahuhenua, ahakoa te pāheketanga ohanga e raruraru nei te ao katoa.

Nō reira, koutou ngā kaimahi, ngā kaiwhakahaere, ngā pukenga, ngā mana whenua: Kia kaha, kia tika ngā mahi, whāia ngā taumata, hei oranga mo ngā iwi o te ao.

As we think about the Ahuwhenua Trophy, we salute our forebears who established this kaupapa, and those who carry it on today.

Our people are tangata whenua – people of the land. We are descended from Rangi and Papa, and we have been farmers since the first woman was formed from the earth.

Agriculture enabled our ancestors to survive, and the same is true for us in the modern world.

In a global economic recession especially, it is you, the workers and managers, the advisers and experts, the trustees and landowners, who are striving for excellence, to boost production and profitability, to help feed the people of the world.

We wish you all the best for this competition, and we hope you enjoy the exchange of knowledge and experience as much as the final results!

Kia ora anō tātou.

Hon Dr Pita Sharples

MINISTER OF MĀORI AFFAIRS



FROM THE MINISTER OF AGRICULTURE



E ngā mana (To the many prestiges)
E ngā reo (To the many gathered people)
E ngā rau rangatira mā (To the respected leaders)
Tēnā koutou, tēnā koutou, tēnā tātou katoa. (Greetings to you, greetings to you, greetings to us all.)

New Zealanders and the New Zealand economy rely heavily on the primary industry to excel. Māori have an integral part to play, and are major contributors to New Zealand's primary sector. Māori have significant economic interest in land and forestry assets, and strong cultural links with land and water environments.

Māori, with their views around kaitiakitanga, are at the forefront of thinking around the importance of protecting our environment in order to achieve the sustainable use of our resources. By protecting our natural resources, Māori believe we are able to sustain Papatuanuku's ability to provide for the prosperity of all New Zealanders. Our land, our waterways and our biodiversity, both natural and introduced, are essential resources for our survival.

Fortunately for New Zealand, we have some of the best environmental practices in the world.

The Ahuwhenua Trophy highlights those who incorporate all of these views, and is an important part of acknowledging those who are achieving at the highest level, and are role models for other Māori farmers in the industry.

Hon David Carter
MINISTER OF AGRICULTURE



FROM THE CHAIRMAN

Tena Koutou Katoa

I am very proud to introduce this Field Day Handbook for the Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards for 2009.

This is our fifth Sheep and Beef Competition since the re-inauguration of the Ahuwhenua Trophy in 2003. The earlier, very prestigious competition inaugurated by Sir Apirana Ngata and supported by Lord Bledisloe dates back to 1932.

I have been encouraged to see such a strong group of finalists – particularly at a time when all farmers are experiencing tough trading conditions. On behalf of the Executive, I congratulate you all on the quality of your entries.

The competition is open to Māori farming properties either owned individually, or managed by Māori Trusts and Incorporations in New Zealand. This year's contestants demonstrate tenacity, resilience, and a commitment to sustainable farming.

The Ahuwhenua Trophy recognises excellence and achievement in the Māori farming sector – in particular, successful approaches to governance, financing, management and the demonstration of tikanga Māori.

Through the competition we acknowledge the considerable contribution the Māori farming sector currently makes to the New Zealand economy.

We note the considerable growth in the sector and believe it is sustainable, increasingly successful, and on the move. Māori sheep and beef farmers are the largest group of levy payers to Meat & Wool New Zealand, and I believe we have the ability and the capacity to make a difference, that will benefit shareholders, whanau, and the country as a whole.

Moving to the future, we need to be awake to consumer wants and needs, we need to be innovative, we need to be focused on on-farm productivity that doesn't come at the cost of the environment, and we need to educate and train our people – encouraging them to move back on to the land. Māori collective groups may need to be formed to take advantage of these opportunities.

I want to acknowledge all those who have entered this year's competition as well as celebrating our three excellent finalists. I also want to acknowledge all previous competitors and finalists who have been role models in earlier times.

On behalf of the Executive, I extend thanks to all our sponsors. Your generosity and commitment has been impressive – particularly in the current economic climate. We look forward to sharing another successful Awards night dinner with you at the Gisborne Events Centre on Friday June 19.

Naku noa, na

Kingi Smiler

CHAIRMAN – AHUWHEUNA TROPHY EXECUTIVE COMMITTEE



» History of the Ahuwhenua Trophy

Originally organised and managed by the Department of Māori Affairs and later Te Puni Kōkiri, the Ahuwhenua Trophy competition dates back to 1932 and has long-standing mana in the Māori community.

The competition was established Sir Apirana Ngata, supported by the then Governor General Lord Bledisloe who donated the cup.

There are now two Ahuwhenua trophy cups – one for beef and sheep farming and the other for dairying. The second Dairy Award in the newly re-inaugurated competition was held last year (2008). The current Sheep and Beef Awards are the fifth in the new competition.

An article in *Te Ao Hou* suggests the artist CF Goldie designed the Trophy Cup and Mr Wright, a sculptor at the Auckland School of Art made it.

Originally, the first Ahuwhenua Competition was only open to farmers in the Waiariki Land district. The following year it was extended to other regions including North and South Auckland, Gisborne, Whanganui and Wellington.

The first winner of the trophy was William Swinton from Ruakokore (Bay of Plenty). At least 81 farms were visited in the competition, from Horohoro Block near Rotorua to Maketu and down to Cape Runaway.

The cup has had a colourful life since it was first awarded in 1933. Initially it was held in the Māori section of the Auckland War Memorial Museum until 1936 when it was won by Henry Dewes, a sheep farmer from Tikitiki.

The following year it was lost in a fire that destroyed the Waiapu store where Mr Dewes had it on display.

A new cup was made in 1938 and it moved around the country for the next six years.

In 1943 it was lost in a rail trip from Rotorua to Wellington. A search for it involved the Railways, the Department of Māori Affairs, the Police and the army – apparently the missing case resembled an ammunition box!

As luck would have it, the cup was found three years later in a Frankton store after it was mislaid with someone's personal belongings at the railway station.



In 1954 the competition was divided into two separate awards – to recognise both dairy and sheep farming.

The first winner of the Dairy Award that year was Mrs Mihi Stevens of Rangiahau who won it again in 1960.

Māori women have been prominent in the history of the competition. Mrs Tatai Hall of Te Teko was the first female winner of the cup in 1940 – 12 years later in 1952 it was won by Mrs R. Beazley of Pokeno.

The original competition continued up until the 1980s but interest started to wane and the last of the original competitions was held in 1990.

In 2003, spurred on by Board members Gina Rudland and Wayne Walden, Meat New Zealand re-launched the competition – taking account of the changing face of Māori farming and the increasing importance of Māori incorporations and trusts in the sector.

Meat New Zealand ran successful annual competitions between 2003 and 2005, when their successor organisation, Meat & Wool New Zealand took over the reins – reinvigorating the beef and sheep competition to what it is today.

In 2005, the Ahuwhenua Executive Committee decided on a new structure for the competition with sheep and beef and dairy competitions being run in alternate years.

»» 2009 Ahuwhenua Trophy Finalists

HEREHERETAU STATION – A TRIBUTE TO THE MĀORI SOLDIERS' TRUST

Hereheretau Station, west of Wairoa, has overcome drought, poor natural soil fertility and rampant blackberry infestation to become one of three finalists in this year's prestigious Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards.

First farmed in 1922 by the Māori Soldiers' Trust, the historic 2229-hectare property recently implemented a new strategic direction under administrator John Paki (the Māori Trustee).

Appointments included an experienced farm supervisor (Peter McKenzie), a farm manager and several specialist consultants. One key factor was the ability to develop strategy and make decisions rapidly.

For four years, extensive infrastructure work on fencing, buildings, dams and equipment was completed. Pasture regeneration and much needed blackberry control were implemented.

Together the team focused on stock performance, erosion problems and soil fertility. The district's generally dry climate and the type of hill country being farmed were the main factors in the design of the farm's business strategy which Peter says is low input for high output. Today, the farm supports a 50/50 ratio of sheep and cattle.

"Of the 6700 ewes, 1580 go to a terminal sire and are lambed early in July. Those lambs and ewes go off the property before Christmas when prices are high – a move that also saves labour costs and animal health issues later in the year," Peter McKenzie says. In recent years, Hereheretau has shifted its sheep farming focus from breeding and selling store lambs, to finishing stock, with the bulk going to the works as prime lamb.

A 570 Angus/Hereford cross breeding herd is run, with most progeny being fattened to 300 kgs carcase weight at 2.5 years. To help with this fattening programme, a 110 hectare beef unit has been developed on the easy/rolling country towards the back of the Station.

Peter McKenzie says the Hereheretau management team gets huge support from the Māori Trustee and his representatives.

Over the last five years Hereheretau Station has provided grants totalling \$221,000 to the Māori Soldiers' Fund and Sir Apirana Ngata Scholarship, which benefits young Māori from all over the country. The education fund became the major recipient of Hereheretau Station profits as the number of World War I soldiers, the original beneficiaries, gradually declined.

Conservation values are also important at Hereheretau – 172 hectares of native bush has been fenced off, and gullies have been planted with willows for erosion control and to provide stock with shade. Twenty-four hectares of the 'harder country' has been planted in pine trees. Four years ago, the purchase of a neighbouring farm was another move that provided greater economy of scale to the whole Hereheretau enterprise.

"There's a huge potential to 'grow' the business. We believe the on-going funding for the Māori Soldiers' Trust for education will be substantial. It fits our philosophy, which is simply to farm better and smarter with the land we've got, and to create a stronger balance sheet, so if opportunities for growth arise, Hereheretau is in a position to fund them," Peter McKenzie says.

»» 2009 Ahuwhenua Trophy Finalists

MORIKAU STATION – ONE OF MĀORIDOM'S OLDEST INCORPORATIONS

Ninety-nine year old Morikau Station, near Ranana on the Whanganui River, is one of three finalists in this year's prestigious Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards. The station is also one of Māoridom's oldest incorporations.

However, it is the recent innovative approach by the Morikaunui Incorporation to stock and pasture management, infrastructure, staff development and genetic improvement that have earned it a place in this year's finals.

Four years ago, a comprehensive strategic management programme involved recruiting a new manager, engaging a farm consultant, and a human resources consultant. A development programme then set about up-skilling core staff, streamlining stock movements with new building infrastructure, including new satellite yards, six kilometres from the main woolshed. The programme also involved an intensive rotational grazing system and a pasture renewal programme.

"All this saved us man-hours and led to faster, more efficient shearing and improvements in the health of our animals. This is evident in their weights and the returns we've been getting," Incorporation Chair Ms Hari Benevides says. During the past three years, revenue from Morikau Station has increased by 31 per cent while expenditure has decreased by just over 12 per cent. It now runs 28,000 stock units on 4,799 hectares (2,400 hectares effective).

A progressive breeding programme to improve genetic purity has been put in place from a breeding base of Romney sheep and Angus cattle. A better balanced 70/30 stock management

system – favouring sheep – has seen breeding ewe numbers increasing and breeding cow numbers decreasing.

"We are building up pasture quality and the genetic base of the stock. The genetic improvement will be permanent and cumulative with every generation better than the previous one," says Ms Benevides.

The Morikaunui Incorporation is a strong supporter of the local community. It sponsors the broadband internet connection for the Whanganui Awa School and the Sisters of Compassion property at Hiruharama. Each year a horse trek across the flats and high country of this historic property raises funds for one of the local marae and the school. "We encourage staff involvement in the local community and school fund raising, not only does the community benefit, so do the staff and their families," Ms Benevides says.

Like all farms in the district, Morikau was affected by the drought, which an 84 year-old neighbour (and Incorporation Shareholder) describes as the worst he's ever seen. Morikau didn't have to sell any capital stock to get through the drought and is now in a great position to take advantage of any upturn in the industry "because it has a strong stock base, better infrastructure and water reticulation, committed staff, management and stakeholders with a commitment to the future of Morikau," Hari Benevides says.

When Morikau Station was first farmed it was under the auspices of the Aotea Māori Land Board. It wasn't until 1955, when the current Incorporation was formed, that the owners regained direct control of their land.

»» 2009 Ahuwhenua Trophy Finalists

PAKARAE WHANGARA B5 PARTNERSHIP – A PASSIONATE COMMITMENT TO THE LAND

Strong governance and a passionate commitment to the land and future generations are hallmarks of the Pakarae Whangara B5 Partnership, one of three finalists in this year's prestigious Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards.

The Partnership was formed in 2006 when two neighbouring farms, Pakarae and Whangara B5, combined to form a 5600-hectare property expected to run 60,000 stock units within the next five years.

A major goal for the Partnership Board, is to see Ngati Konohi lands and people brought back together. They expect this to result in a sustainable farming operation that "nurtures the land" and delivers an effective farm surplus of \$350 per hectare, as well as jobs for rangitahi.

Partnership Board Chair, Ingrid Collins has been a member of the Whangara B5 Incorporation for 35 years. She became the first woman to chair a Māori Incorporation when she was elected to the Incorporation in 1986. The shareholders, all of whom belong to the Te Aitanga-a-Hauiti hapu, of Ngati Konohi, are kept well-informed and involved in the business.

"We guard our land ferociously. It is our taonga tuku iho. Our overriding aim is to ensure its sustainability, its development and its availability to mokopuna for generations to come, and for the benefit of all our shareholders."

"We feel a responsibility to ensure succession planning is foremost in our minds. Developing our rangatahi is one of the ways we can achieve this," Mrs Collins says.

Pakarae Whangara B5's farming operations have undergone some major transformations in the past two years and more are planned. The farm

has changed its genetics programme for sheep and cattle, as well as its finishing policy for cattle. It has also undertaken a major sub-division of paddocks, invested capital in fertiliser, and developed a substantial water reticulation system. All of this has been achieved through the leadership of the new general manager Richard Scholefield and his dedicated team of employees.

Mrs Collins says it is important to maintain contact with all owners through regular newsletters, field days and the annual general meeting. They need to be kept informed about strategic planning, and they need to support the direction the Partnership is taking. "We need to balance the need for further investment in the farms with the need to meet the owner's expectations around distributions. So far this balancing act has been managed," she says.

Pakarae Whangara B5 also supports a number of local community projects.

These include the building of a retaining wall to prevent the hapu's urupa slipping into the sea, support for the Paikea Whitireia Trust in their restoration of Waho-te-Rangi and Whitireia whare and a new marae ablution block, as well as support for 'Pa Wars', an eclectic East Coast marae-based competition of games and activities – from chess to touch rugby "and everything in between."

"We believe the social cohesion aspect of these activities is important to our people and we'll continue to show our support for the Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards competition," Mrs Collins says. The support of these initiatives, and the maintenance of a significant dividend to owners, can only be made possible through the continued operation of a successful business. "It's about profits with passion," Ingrid Collins says.

»» Looking Back

THE 2007 FINALISTS

Life has been busy and on the move for the three 2007 Ahuwhenua Trophy finalists – with new land acquisitions and drought management being key themes for most of them.

Pah Hill Station, southwest of Ohakune, was the winner that year of the prestigious Ahuwhenua Trophy. The other finalists were Matariki Partnership, northwest of Ruatoria, and the Tuaropaki Trust, 30 kilometres northwest of Taupo.

Since winning in 2007, Pah Hill Station, part of the Atihau-Whanganui Incorporation (AWHI) has re-formed into a new entity called Te Pa. This new 5720-hectare station is an amalgamation of Pah Hill and its next-door neighbour Omerei Station.

AWHI runs six sheep and beef stations and a dairy unit – comprising 206,000 stock units and 5,000 hectares of forestry.

The Incorporation has recently undertaken a major review of its business and has also negotiated a \$26.5 million settlement with the Crown, allowing it to retire most of the \$31.5 million worth of debt it acquired while resuming its own land held in a variety of leases since 1903.

When Pah Hill Station won the prestigious Ahuwhenua Trophy it was a 1,900 (effective) hectare sheep and beef farm supporting 11,000 breeding ewes, 650 breeding cows and replacement stock. Now amalgamated with Omerei, Te Pa has almost doubled in size to 3,950 hectares supporting up to 48,000 stock units.

The Matariki Partnership runs two adjoining properties in the Waiomatatini Valley north of Ruatoria. Established in 2003, the partnership combines the skills and experience of two long-standing East Coast Māori farming entities: Ahikouka A6B, established over 80 years ago by Sir Apirana Ngata, and the Waiomatatini C Trust, established when the Department of Māori Affairs returned the land to its owners in 1963.



The Partnership runs sheep and beef on a 2,480-hectare property; 1,390 hectares is in pasture, 150 hectares is in exotic pine, 80 hectares in native bush and the remaining 860 hectares is in unusable gorse and manuka-covered hillsides.

Matariki has suffered through two years of drought since winning the Eastern Regional Award in 2007. The Partnership has commissioned a feasibility study to develop an irrigation scheme extracting water from the Waiapu River. The Partnership board is now calling for estimates to have the work undertaken.

As a result of recent dry weather conditions, Matariki has reduced the number of breeding animals on the farm in order to finish as many of its own animals as possible. This has also allowed it some flexibility around trading options.

During the 2007 competition Matariki had a small area of land in sweet corn for the first time. It has now increased this to 80 hectares growing a mixture of sweet corn and maize.

The Tuaropaki Trust had its genesis back in 1952 when a group of families decided to amalgamate their land titles to develop the Tuaropaki land as a collective body.

The Trust has established a unique range of businesses including: sustainable farming, geothermal power generation – supplying electricity to the national grid, temperature controlled horticulture – including export tomatoes and paprika, and satellite/ wireless communications in both New Zealand and West Australia.

Since winning the North/Central Regional Award in 2007 the Trust has taken on a 650 hectares adjacent forest, converting it to 450 hectares of grazing land for sheep and beef.

The Trust maintained its stock numbers at about 23,000 through the drought and has concentrated on growing additional feed, giving it a year-round stabilising effect.



This winter, Tuaropaki plans to increase its stock numbers to 25,000. Their key strategies for managing the drought have been to reduce stock numbers, be patient, and try to keep stock at a good weight.

The Trust has continued its programme to up-grade accommodation for staff. It has also introduced electronic

identification on all its deer and cattle. It is working on an environmental water-sampling programme with Environment Waikato.

The 2007 winners join with the Executive team in wishing the 2009 finalists all the best for a successful competition.

Tuaropaki lands total 2,734 hectares, on which they run 10,000 sheep, and about 12,000 cattle as well as deer. They also operate two dairy units. Land not suitable for pastoral farming is used for afforestation or set aside for conservation.

THE AHUWHENUA TROPHY AWARDS' DINNER

2007 finalists, whanau and supporters celebrate at the 2007 Ahuwhenua Trophy – Māori Excellence in Farming Awards' Night Dinner at the Events Centre in Rotorua.



better off bnz partners



BNZ recognises the important contribution that Māori farming makes to local communities and the wider agribusiness sector, which is why we've supported in the Ahuwhenua Trophy since it was re-instated in 2003. Once again we are supporting this year's 2009 BNZ Māori Excellence in Farming Award.

From a judging perspective it is an honour and a privilege to be involved again this year as we showcase some of the best sheep and beef farming businesses from around the country. I commend all entrants into the competition who have opened their operations up for scrutiny, showing their desire for continuous improvement and commitment to their shareholders.

Multiple Ownership and Intergenerational Wealth Transfer have been at the fore for Māori Incorporations and Trusts for many years. The structures and process which has been set-up to address these issues have left a legacy of strong governance and management – key attributes for any successful business. Indeed, Māori farming businesses are showing a real determination in an economic environment that is proving challenging for many.

As a Trophy judge I've seen real advances in the standard of entrants over the last six years. From that experience it's clear to me that those individuals running successful Māori farming businesses share a number of key personal attributes. They include a willingness to learn (from many sources – including their peers); a good understanding of the market in which they operate; a readiness to adopt new technology where it's clear that it will help their business; and dedication to the growth of people in

the business. The other key attribute for success, particularly when times are tough, is flexibility – being able to alter the 'plan' to suit the market conditions, and importantly, having the support to do so.

While we can assure ourselves that the fundamentals of our sector are right, and that demand for New Zealand produce is improving – farming businesses need to know that they have the support of their bank.

At BNZ Partners our role is to help our clients capitalise on opportunities in the upturns and face the challenges in the tough times. Key to that support is the strength and stability of BNZ. One of an elite group of only 28 banks worldwide that are rated AA or better, BNZ is well capitalised (well in excess of the Reserve Bank's minimum requirements), and is an approved institution under both the Crown retail and wholesale deposit guarantee schemes.

We are proud of our history with Māori farming businesses. And through BNZ Partners we're making it easier for them to access a range of support – bringing relationship managers and banking specialists together in local teams to meet their banking needs, whether agribusiness, business or wealth management related. We're also establishing BNZ Partners Centres to provide a local meeting resource and networking hub.

We know that even in a recession there are opportunities to be had – and there are good 'operators' looking to finance those opportunities and grow. Importantly, BNZ Partners are empowered to make decisions locally and provide business specific insights. It means our Partners are well placed to provide funding for quality initiatives.

With support and the right solutions, Māori farming operations can thrive and keep the focus on their shareholders. We enjoy working with them to achieve their business and community goals for today, tomorrow and future generations.

Campbell Parker

Regional Managing Partner – South Island
BNZ PARTNERS



»» Hereheretau Station

Hereheretau Road,
Whakaki, Wairoa
23 April 2009



FIELD DAY PROGRAMME

9.15	Powhiri
9.35	Morning tea
10.00	Introduction to Ahuwhenua Trophy and Field Day Programme
10.10	History, governance and business structure
10.50	Travel to Stop 1 – Airstrip. Take in northerly aspect country, development of blackberry-infested areas programme
11.40	Travel to Stop 2 – Development of back flats, forage crops, stock policies
12.55	Lunch at Back Flats
1.15	Travel to Stop 3 – Okeroa Gateway. Fertiliser, fencing, erosion control
2.10	Travel back to woolshed along Hereheretau Road – tea/coffee
2.35	Reconvene programme at woolshed. Financial performance, future strategic direction and questions
3.20	Award ceremony and presentation
4.00	Barbecue and refreshments

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors that a number of potential hazards exist in the course of travelling over the property in vehicles, moving around the yards and facilities, and in handling stock.

While the owners have taken all reasonable care in making your visit to the property as safe as possible, they clearly point out that you enter the property at your own risk.

The owners will accept no responsibility for any accident or injury to any person or property that takes place while you are visiting.

Hereheretau Station

HISTORY

The historic Hereheretau Station was formed in 1922 by the Māori Soldiers' Trust, to assist Māori soldiers returning from World War 1. The Station is now managed and administered by the Māori Trustee.

The Māori Soldiers' Trust has been associated with this property for 87 years. In 1922, the Trust leased two Crown Blocks of 220 hectares, Hereheretau 2A and 2D, for a 33-year term with the right of renewal for a further 33 years.

The Soldiers' funds were invested in Hoata Station (Tikitiki), Hoia Station (Hicks Bay) and Hereheretau Station (near Wairoa). The stations all suffered badly in a small depression following the war, and Hoata had to be abandoned in 1925 with huge losses. At this time an Act was passed entrusting the Native Trustee with the administration of the remaining assets, then estimated at £12,000. These were lost during the great depression, but the Native Trustee, having regard to the social significance of the fund, made loans to it. This meant that up until 1941 the fund was in debt to the Native Trustee by about £4000.

When wool prices rose sharply after World War 2 the fund rapidly transformed itself from a liability into a handsome asset. Māori, who through the years had remained convinced of the potential importance of the fund, began to plan for its use. Fittingly, the Sir Apirana Ngata memorial hui of July 1952 was the occasion for the first big meeting on the future of the fund. It was attended by 50 veterans, under the chairmanship of the Rev. Dan Kaa, Mr M. R. Jones acting as secretary.

It wasn't easy for this meeting to define purposes for the fund because, with the introduction of Social Security and various other benefits and pensions, many of the needs of veterans had been met. So, the question was what use could now be made of the considerable sum of money at the veterans' disposal?

The Waiomatatini meeting gave an answer that was remarkable in its intelligence and far-sightedness. It resolved to pay £5,000 to the Ngarimu Scholarship Fund, with a new national memorial scholarship to

Sir Apirana Ngata being created. The meeting also recommended that the freehold of Hereheretau Station be procured and subsequently vested in the Māori Trustee as a way of ensuring the new scholarship fund was maintained for future generations.

In 1952 Hereheretau Station was acquired. During this period various parcels of Māori land were either purchased or partitioned off, thereby altering the area of freehold land to the 1,693 hectares held in later years.

In 1998 the Māori Trustee commissioned a review on the financial and operational performance of the past five years at Hereheretau. The exercise also addressed the existing structure and strategic direction of the enterprise.

The ensuing Chappell Report, presented in early 1999, recommended restructuring of operations, including supervision based on a Contract for Services. All recommendations contained in the report were adopted and implemented before the beginning of the 1999/2000 financial year.

The five-year strategic plan was re-drafted, with established goals and objectives being clearly defined. New budgeting and reporting regimes were introduced, along with a development programme to re-position Hereheretau.

In late 2003 the Trust saw an opportunity to buy a neighbouring farm of 489 hectares carrying 3,800 stock units. Preliminary negotiations were undertaken by the Māori Trustee and a proposal was put to the Trust. On 30 June 2004 the new property acquisition was settled, with total in-going cost at \$2.067 million.

In 2005 Hereheretau joined with five other Māori-owned stations in the Wairoa District to participate in Te Taumata Programme – an initiative of the newly established Tairāwhiti Land Development Trust seeking increased farm productivity over the three-year term of the programme. In 2006 Hereheretau joined the TLDT Bernard Matthews Sheep for Profit Programme with the goal of lifting the performance of the Hereheretau flock over the ensuing three years.

Hereheretau Station

VISION STATEMENT

GOAL

To fully maintain Hereheretau Station at a level that will enable the generation of maximum productive and financial performance from this station.

OBJECTIVES

- To obtain stock performances that exceed the district average
- To finish all lambs
- To achieve better than average returns from all other stock
- To generate for Hereheretau a financial surplus before interest and taxation of at least 4% on capital employed.

WHAT IMPRESSED THE JUDGES

GOVERNANCE

- Clear definition of the governance structure – this resulted in efficient interaction between the governance and farm teams.
- Connection to the kaupapa, and account taken of the moemoea and aspirations of the venture.

FARM

- The farm was very well presented – stock, pastures and infrastructure were all in good condition.
- The extent to which feed supplies and animal condition are monitored, and the information used in farm management decisions is commended.

STAFF

- The level of knowledge and commitment of all the staff was impressive – all wanted to be part of the day's discussion. The Trust is fortunate to have staff of such calibre.

ENVIRONMENTAL

- The active preservation of the native bush area is creditable.

FINANCIAL

- Members of the Committee of Management were very well informed.
- Clear processes and frequent assessment of performance result in a high standard of financial management and performance.
- Responsible management was shown, with expenditure being reduced when revenue has fallen.
- Excellent and consistent performance allowed repayment of the loan principal as well as the contribution to scholarships.



Hereheretau Station

DIRECTORY

TRIBAL AFFILIATION The Māori Soldiers' Trust

TRUSTEE

The Māori Trustee is responsible for managing the assets through the Māori Soldiers Trust Act 1957.

FARM STAFF

Manager: Gary Watson

Shepherd: Paul Te Aho

Permanent Casual: Ngati Luke (Shepherd)

Station Supervisor: Peter Mckenzie

Māori Trustee Representative: Vince Connolly

FARM DESCRIPTION

The property is situated on Hereheretau Road. The property comprises 2,229 hectares of which 83% is deemed effective area, plus an additional 24 hectares in pine plantations and 172 in amenity bush. The operation is presently wintering 17,233 stock units, with sheep:cattle ratio at 51:49%.

A typical East Coast /Wairoa property with a good range of contour and aspects. Has limited erosion.

Total Area:	2,229 hectares
Effective Grazing:	83% or 1,839 hectares
Soils:	Flats: silt loam. Easier terraced land: sandy loam with ash overlay. Steeper hill: mudstone and silt /stone
Contour:	627 hectares flat/easy hill. 728 hectares medium hill. 484 hectares steep hill. 366 hectares waste. 24 hectares pines
Rainfall:	1,875 mm. Summers can be dry
Fertiliser:	2006/07- 287 tonne; 2007/08 - 111 tonne; est. 2008/09 - 235 tonne Nitrogen and lime use is included in the tonnage figures
Ph Average:	5.6
Olsen P Average:	14 Range 10-24
Subdivision:	124 paddocks ranging from 3 hectares to 52 hectares. Mostly conventional fences
Water Supply:	Natural water - river, springs, dams and creeks
Pasture:	Typical hill country pasture - rye grass, clover and native grasses On easy rolling/flat country re-grass through a forage cropping programme Steeper country re-grass through a two-year blackberry development programme

»» Hereheretau Station

GOVERNANCE AND MANAGEMENT

A three-monthly report is sent to the Māori Trustee on the various activities in relation to the farm. In particular it covers the physical farming of the property (e.g any particular farming or climatic occurrences that are likely to affect the year's profitability in any one area), stock liveweights, stock tallies, lambing, calving and any other relevant statistics.

Comments are made on income and expenditure and any variation from normal in the Cash Flow Budget. Comments are also made on any farm valuations as they come to hand, and whether or not these should be disputed.

An Annual Report is prepared and presented to the Trustee Committee; the supervisor attends the Annual Meeting of the Trustee Committee of the Māori Soldiers' Trust. The Māori Trustee representative, Vince Connolly, inspects the property at least four times per year and reports directly back to the Māori Trustee.

The Māori Trustee has been empowered under the Māori Soldiers' Act 1957 to occupy and manage the land and all other assets for the purpose of the Trust. The Trustee has delegated Vince Connolly to be his representative for day to day management of the farming operation (a role scheduled to return to regional management). Vince reports directly back to the Trustee. Lewis Wright has been contracted to supervise Hereheretau and employ the necessary staff. The small governance team of the Trustee/his representative (Vince Connolly), the farm supervisor (Pete McKenzie) and farm manager (Gary Watson) are very flexible around the day to day station management and can make decisions very rapidly.

A Five Year Forecast and Strategic Plan is always in front of the governance team. This is reviewed at the annual Budget Meetings.

The Trustee under the Māori Soldiers' Act has full discretion in participation in governance training. Under the contract for services, Lewis Wright has to provide supervision and management of the station which meets the goals and objectives of the Trustee.

The supervisor and the Māori Trustee's Representative update the actual income and expenditure versus the Annual Budget on a monthly basis. This report is available to the Māori Trustee. The Māori Trustee's representative has a day to day working relationship with the supervisor. The Annual Budget is revised in February of each financial year, when performance issues are discussed and adjustments are made to the annual programme. These adjustments would cover seasonal and/or market variations.

Under the contract for Supervision Services the Māori Trustee selects his supervisor. This contract can be terminated within two months, or immediately if the supervisor fails to perform his obligations under the contract. The supervisor's performance is reviewed annually, based on Accounts Analysis, comparing the farm with other like farms in the Wairoa/Gisborne region.



Hereheretau Station

KEY PRODUCTION INFORMATION

OPENING STOCK NUMBERS	SU	2005/06	2006/07	2007/08	2008/09
Ewes	1.0	7,097	7,096	7,288	6,763
Ewe Hgts	0.7	3,438	3,235	2,000	1,500
Other	0.8	212	465	747	1,315
Rams	0.8	106	129	137	126
Total Sheep		10,853	10,925	10,172	9,704
Total Sheep Stock Units		9,758	9,836	9,395	8,966
Cows & R3 Heifers	6.0	562	566	572	561
R2 Heifers	5.0	246	247	236	230
R1 Heifers	4.0	248	240	233	250
R2 & R3 Steers/Bulls	5.0	310	293	254	302
R1 Steers/Bulls	4.0	256	244	254	267
Breeding Bulls	5.0	22	21	19	22
Total Cattle		1,644	1,611	1,568	1,632
Total Cattle Stock Units		8,278	8,137	7,925	8,204
Total Stock Units		18,036	17,973	17,320	17,170

KEY KPIs					
Scanning %		N/A	154.0	147.7	151.0
Ewe Lambing %		120.5	118.4	125.0	128.0
Prime Lamb Weight kgs		16.2 ave	15.5 ave	15.8 ave	
Sheep Losses %		4.7	4.1	6.1	
Calving % Cows		87.8	87.4	89.9	
Cattle Losses %		1.2	0.8	2.0	
Wool kgs/Sheep SU wintered		5.8	3.9*	7.4	
SU per Full Time Labour Unit		5,939	5,675	5,694	

Note * Wool on sheep's back carried over balance date

Hereheretau Station

PRODUCTION GOALS

KEY MEDIUM TO LONG TERM PRODUCTION GOALS

- To maintain the carrying capacity at 17,300 Stock Units (9.4 Su/eff ha) under a 50:50 cattle: sheep ratio.
- To increase the per head performance by improving lambing in the medium term to 135%, and finishing all lambs to works. To maintain a 90% calving percentage and finish the revenue progeny to reasonable carcass weights.
- To develop a small, secure bull unit (say 220 trade bulls) where margin trading will improve cattle returns.
- To utilise Lewis Wright Accounts Analysis data to make sure Hereheretau's Economic Farm Surplus (EFS) is equal to like, well-run farms, while also maintaining the station assets with high productive repairs and maintenance expenditure.

KEY SHORT TERM PRODUCTION GOALS

- To continue developing the back flats through a forage/cropping/cultivation programme followed by increased fertiliser application, improved water supply, improved drainage and more subdivision. Through this, improved weight gains will be achieved in both cattle and sheep.
- While market prices are high, continue with a two-year blackberry development programme over say 50 ha per year.
- Concentrate on fencing on the newly purchased farm.

BUSINESS KPIs (BASED ON BNZ ANALYSIS)

<i>Ratios based on Effective Area</i>	2005/06	2006/07	2007/08
Opening SU per Effective Hectare	9.81	9.77	9.42
GFI (adj) per Effective Hectare	\$511.39	\$447.72	\$469.81
Economic Farm Surplus per Effective Hectare	\$145.58	\$86.84	\$128.08
Farm Working Expenses per Effective Hectare	\$365.64	\$360.88	\$341.56
<i>Ratios based on Opening Stock Units</i>			
Total Farm Expenses per Opening SU	\$37.28	\$36.93	\$36.27
GFI (adj) per Opening SU	\$52.86	\$49.72	\$50.92
<i>Farm Working Expenses as % of GFI</i>	71.52%	80.60%	72.73%
<i>Economic Farm Surplus/(Deficit) as % of GFI</i>	28.48%	19.40%	27.27%

»» Hereheretau Station

BUSINESS GOALS AND STRATEGIES

GOALS

Business growth goals

To fully maintain Hereheretau Station at a level that will enable the generation of maximum productive and financial performance from this station.

To repay loan principal of \$100,000 per year and to provide an annual payment of at least \$40,000 to the Māori Soldiers' Fund. To maintain the station with high annual productive R&M expenditure.

To create a very strong Balance Sheet through good productive and financial management so the business can grow for the benefit of the Māori Soldiers' Fund.

Key performance indicators that drive business decisions

EFS per stock unit and per effective hectare.

Targets are: \$254/eff. Hectare: \$27/EFS/SU over 5 years.

Productive R & M expenditure as a percentage of Gross Farm Income
– a minimum of 18–21% p.a (over 5 years).

Investment criteria for new investments

That the new investment long term will improve the “bottom line” and in the short term will not hinder the above goals.

STRATEGIES

Goal achievement

We will achieve our goals through sound, conservative management which is very flexible and monitored closely.

Focus areas

Sheep management.

Standards – to keep all facets of management at a high level. We do not accept “average”.

Key strategies

Working with Don McColl on Sheep for Profit Programme.

Changing the mix of staff employed – i.e. permanent Fencer-General will be employed to be based on the property, replacing an existing shepherd. Shepherd's position will be covered by a permanent casual who may live off the station.



»» Hereheretau Station

LIVESTOCK POLICIES

S H E E P

6,700 Coopworth-Romney cross ewes were wintered in 2008, with the farm moving towards straight Coopworth eczema-tolerant flock.

- 1,580 ewes mated (15 February) to terminal sire. Progeny and CFA ewes sold pre-Christmas, with remainder of ewes going to Coopworth ram around 1 April
- Scanning results 2007: 148%, wastage 16%, projected lambing 125%, actual lambing 125%
- Scanning results 2008: 151%, projected lambing 124%, actual lambing 128%
- This year 3,297 lambs sold to date for \$80.03/head, and 833 ewes sold for \$47.86/head
- No Androvax is used
- Normal second shear policy to control flystrike and blackberry mortalities.

B E E F

540 Mixed age and R.3 Year VIC Angus-Cross-Hereford cows wintered. 89% calf marking achieved.

- 50 male weaners are kept entire for bull unit
- Simmental herd bulls were purchased this year to provide progeny for the bull unit all females from this cross will be finished to local trade
- 2½ year Ox finishing programme with target c/w of 300 kgs. This programme is flexible, can sell forward store, R.2 steers on grass market (drought strategy). Surplus females to local trade at 220–230 kgs
- Started purchasing R.1 year Friesian bulls for a two-year finishing programme. The bull unit capacity is 220 bulls (half R.1, half R.2 year).

A N I M A L H E A L T H

- Supervisor and manager work closely with local vets
- An annual health programme is developed and revised at least three times over the year.

O T H E R

- Limited trading in the past with cattle
- The future may see Hereheretau Station trading in lambs (forage cropping), but re-introducing hogget mating (done before) will come before this.



»» Hereheretau Station

FARM MAINTENANCE & DEVELOPMENT

Weeds

Blackberry is a major problem in some areas of the farm. This is controlled by a two-year development programme, when finances are available, and annual spot spraying.

Gorse and nodding thistles are other weeds of concern, with gorse being sprayed on an annual basis and noted on the farm aerial map.

Fencing

A substantial amount of new 10-wire fencing has been completed, along with a one-wire electric fence subdivision of some of the bigger paddocks (these force cattle to ungrazed areas).

There is a large amount of fencing maintenance work to be completed (strip and re-erect existing fences).

A fencer-general is being employed at the beginning of the next financial year to help complete the fencing programme.

Pasture

Both through the forage cropping programme and the blackberry development programme. New pasture species are being introduced. However, we find the lifespan limited, with native pasture appearing again around the 6th year.

Fertiliser

Management has targeted phosphate and sulphur. However over the last years, through poor returns and the price of phosphate in particular, early application of nitrogen has been used to create the spring "flush".

Management is aware that it is undermining the station phosphate resources. However, the Olsen P levels on average are around 14, which supports the carrying capacity of 9.3 stock units/ hectare.

A fertiliser philosophy based on applying phosphate alone has to be questioned in this class of hill country at present fertiliser prices.

Buildings

All buildings continue to be well maintained.

The middle yards are to be upgraded to incorporate a set of cattle yards. This will improve stock management and staff efficiency. Hopefully this development will start in the 2009/10 year.

»» Hereheretau Station

THE FARM TEAM

The successful recruitment and management of staff revolves around the key person – the manager. He should always remain energetic and enthusiastic about what the governance team is trying to achieve and set very high standards for the property.

Hereheretau has partially achieved the staff objectives; however, we now have to go to another level.

Hereheretau uses those professionals who will help the station correct its weaknesses and provide sound, practical ideas to achieve this, while working within the total farm concept approved by management.

ENVIRONMENTAL

GOALS

- Permanent retirement of 172 hectares of native bush (this is 7% of total area).
- Double fence the Makaretu Stream running below this native bush.
- Development of 24-hectare pine plantation.
- Continue willow and poplar gully planting programme, which is integrated in the blackberry development.
- Develop a sustainable nutrient programme.
- Limit the carrying capacity to long term economic sustainable level.

STRATEGIES

- Advise the Māori Trustee that the 172 hectares of native bush should be “retired” permanently.
- We have a five-year pole planting programme developed by Hawke’s Bay Regional Council and management.
- Fencing off native bush area and stream.
- Speed up the pole planting on steeper country without blackberry.
- Annual pole planting programme.
- Management has made a decision not to increase the stock rate per hectare, but concentrate on production per head.



»»» Hereheretau Station

SOCIAL, COMMUNITY AND NGA TIKANGA MĀORI

GOALS

- To support the Māori Soldiers' Trust
- To fund the Sir Apirana Ngata Memorial Scholarship Fund
- To look into the possibilities of developing a small two-year on-farm training programme for two Māori cadets.

Over the last five years have committed a minimum sum of \$40,000 per annum to the Māori Soldiers' Trust. As the production improves and the debt load decreases, this payment could be substantially increased.

Management is quietly working in the educational field to see whether some form of funding can be obtained to re-develop the shearers' quarters for two farm cadets. A theory educational facilitator has to be provided for the cadets and we are working with others in meeting this need.



Hereheretau Station

FINANCIALS (BASED ON BNZ ANALYSIS)

YEAR	2005/06		2006/07		2007/08	
SALES	No.	\$	No.	\$	No.	\$
Lambs	4,500	257,205	5,217	246,923	4,605	279,958
Sheep Other	2,848	189,619	2,845	159,735	2,718	103,402
Cattle	495	402,233	524	422,995	614	511,052
Goats		7,690				
Sub Total		856,747		829,653		894,412
Less Purchases						
Lambs						
Sheep Other	48	26,150	37	21,575	41	21,701
Cattle	5	27,100	8	24,300	230	180,955
Horse Purchases		1,000				
Sub Total		54,250		45,875		202,656
Total – STOCK SALES NET		802,497		783,778		691,756
Wool		129,086		85,851		161,209
Other Income		21,863		23,991		29,019
Other Farm Income						
Livestock movement		(13,307)		(70,256)		(18,316)
	\$/SU		\$/SU		\$/SU	
ADJUSTED GROSS FARM INCOME	52.12	940,139	45.81	823,364	49.86	863,668
EXPENDITURE						
Wages	8.10	146,234	9.10	163,479	9.60	166,238
Animal Health	3.41	61,543	3.19	57,428	3.54	61,375
Cropping	0.60	10,811	0.24	4,228	1.20	20,801
Electricity	0.54	9,806	0.64	11,445	0.47	8,078
Feed	0.21	3,869	0.31	5,561	0.40	6,991
Cartage and Freight	0.18	3,225	0.26	4,602	0.59	10,298
Fertiliser and Lime	7.77	140,184	8.41	151,157	5.02	86,882
Weed and Pest Control	1.45	26,221	0.04	801	0.26	4,571
Shearing Expenses	4.19	75,510	3.35	59,788	4.81	83,317
Repairs and Maintenance	4.66	84,090	4.44	79,721	3.76	65,133
Vehicle Expenses	0.85	15,295	1.09	19,540	0.61	10,565
Administration	2.09	37,668	2.82	50,739	2.81	48,633
Standing Charges(Insur, rates, ACC)	2.21	39,916	2.30	41,333	2.36	40,898
Other	1.00	18,047	0.77	13,835	0.83	14,348
Less Farm Working Expenses	37.28	672,419	36.92	663,657	36.27	628,128
EQUALS ECONOMIC FARM SURPLUS	14.84	267,720	8.89	159,707	13.67	235,540

>>> Hereheretau Station

Hereheretau Station

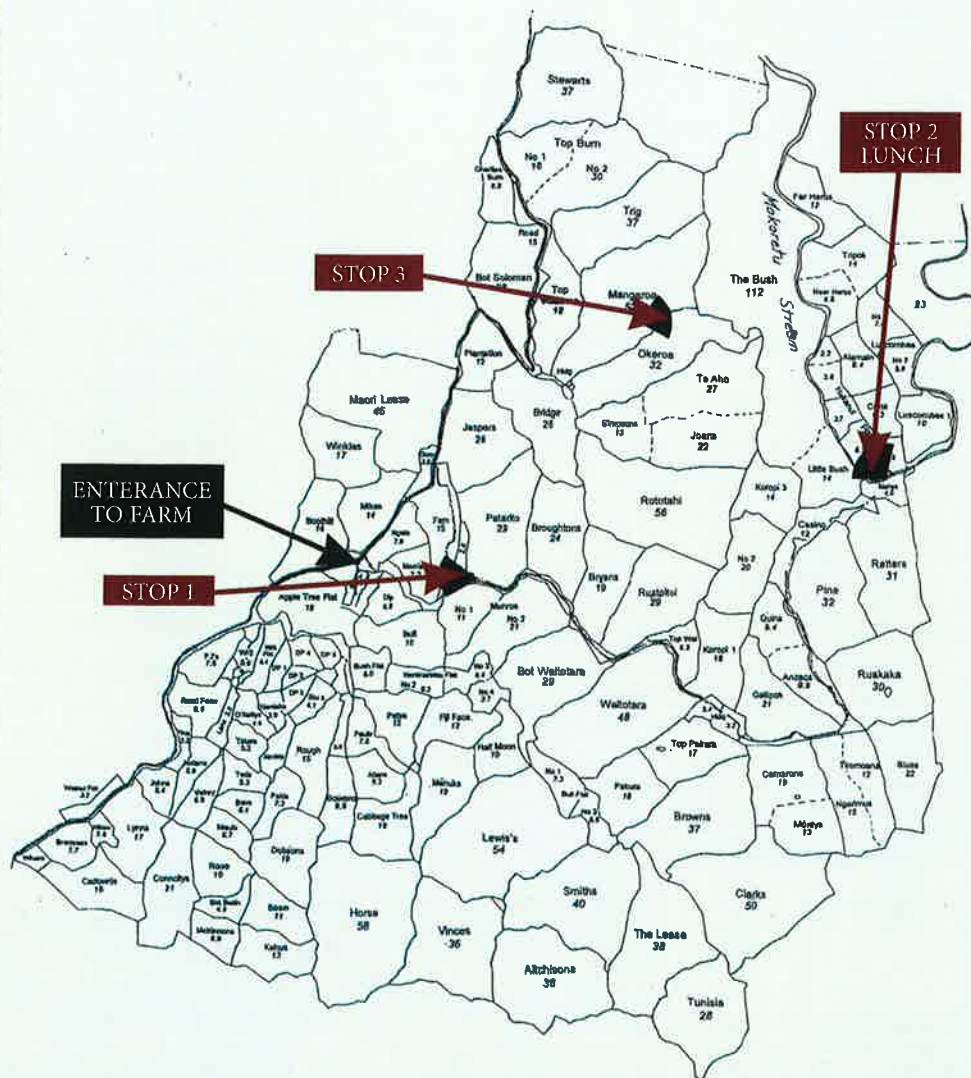
Total Area 2,147.6 hectares



>>> Hereheretau Station

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Total Area 2,147.6 hectares





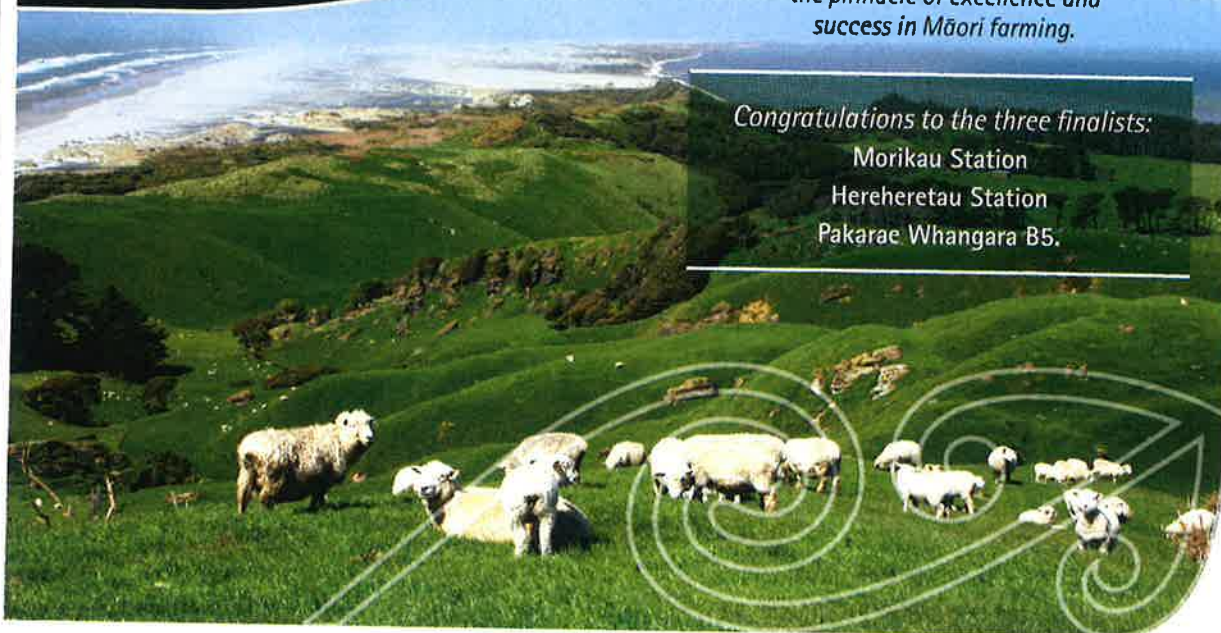
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Morikau Station
Hereheretau Station
Pakarae Whangara B5.



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and biotechnology sectors.**

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- 1191 staff (893 Full Time Equivalents)
- 681 professional science staff, with 266 staff holding a PhD (including 11 non-science PhDs)
- 26 business development and commercial services staff
- 280 support staff
- Research centres in four locations: Hamilton (Ruakura), Palmerston North (Grasslands and the Hopkirk Research Institute), Christchurch (Lincoln) and Dunedin (Invermay, the Centre for Reproduction and Genomics and the Molecular Biology Unit at the University of Otago)
- Numerous shared research facilities and 15 farms throughout New Zealand.

For more information visit www.agresearch.co.nz





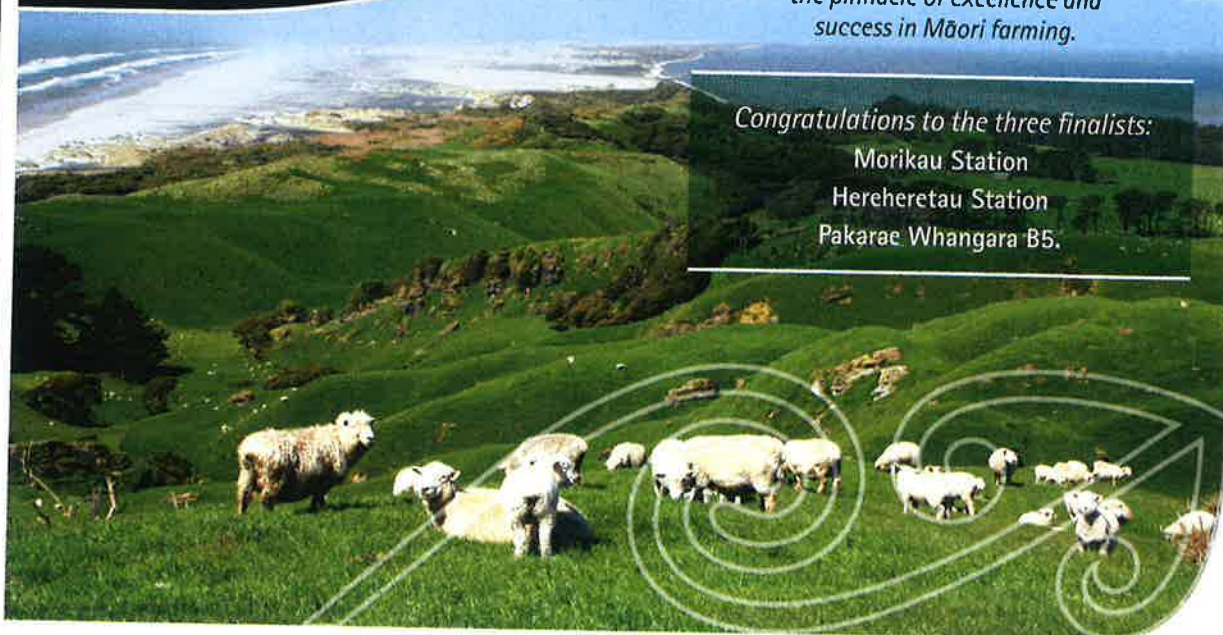
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For more information visit www.agresearch.co.nz



»» Morikau Station

1 Morikau Road, Ranana,
Whanganui River Road,
Whanganui
30 April 2009



»»» Morikau Station

FIELD DAY PROGRAMME

9.15	Powhiri at the Ruaka Marae
9.45	Morning tea
10.10	Introduction to Ahuwhenua Trophy and Field Day programme
10.20	History, governance and business structure
10.55	Travel to Stop 1 – Mokonui, production efficiency
11.55	Travel to main woolshed park non 4X4
12.25	Travel to Stop 2 – Lane two, Lunch
1.00	Lane two, Farming within a farm
1.30	Travel to Stop 3 – White Hut, environment, conservation, sustainability and fencing
2.10	Travel back to woolshed
2.35	Reconvene programme at woolshed, financial performance, future strategic direction and questions
3.20	Awards ceremony and presentations
3.55	Karakia and kai

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors that a number of potential hazards exist in the course of travelling over the property in vehicles, moving around the yards and facilities, and in handling stock.

While the owners have taken all reasonable care in making your visit to the property as safe as possible, they clearly point out that you enter the property at your own risk.

The owners will accept no responsibility for any accident or injury to any person or property that takes place while you are visiting.



»»» Morikau Station

HISTORY

In 2010 we will celebrate 100 years of farming our ancestral lands.

Parts of the Morikau 1 Block formed the core of the farm. The owners of Ngarakauwhakarara and Ranana agreed to the inclusion of their blocks: Morikau 1, Ngarakauwhakarara and Ranana – totalling 15,295 acres, of which 3,485 acres were allotted as papakainga and excluded from the farm lands. The land had been alienated to the control of the Aotea Māori Land Board under the Māori Land Settlement Act 1906 which enabled Māori land to “be compulsorily vested in a Māori Land Board where (a) the lands had not been properly cleared of noxious weeds, or (b) if the Minister felt the land was not properly occupied by Māori.” Despite this, a representative meeting of owners proposed the land be incorporated and farmed. In 1911 a committee was formed to have oversight of the land, some input and keep the owners informed.

The property started out with a £18,000 mortgage, and within a few years over 4,000 acres was planted in pasture and other crops. Hereford cattle were introduced and this later developed into a Hereford stud. A woolshed, Manager’s house, staff accommodation and other farm buildings were built using timber milled on the station. Many miles of fences were erected and tracks were built to improve access.

By the 1930s the farm had started returning a profit, the mortgage was repaid and the owners received a dividend.

The 1940s saw an era of governmental submissions, petitions and meetings by the owners who requested an investigation into the management of the farm, which was never granted.

In 1948 Hoeroa Marumaru advised the Acting Minister of Māori Affairs the Rt Hon W. Nash that the owners wanted to be involved with the administration and running of their land. Nash told them that incorporation into a legal entity would allow them to do this. A further four years of talks between Whanganui leaders, the Aotea Māori Land Board and Government saw little progress on this matter.

In 1952, when the Under Secretary of Māori Affairs asked the Aotea Māori Land Board what steps had been taken to hand over control to the owners, the answer was “none.” In spite of the advice given four years earlier by Marumaru, the Board claimed “the Māori owners had no apparent desire to assume control.”

A meeting of a majority of owners in Putiki on 11 August 1953 unanimously agreed that the land be re-vested in the owners, be kept as one farm, and that the five blocks be amalgamated into one.

An application made to the Court on 18 November 1953 saw Morikau 1, Section 31A, Residue C, Mairehau 2C, Ngarakauwhakarara 12, Ranana 8 and Ranana 10 consolidated into the Morikaunui Block.

An Order of Incorporation was made at the Māori Land Court in April 4 1955 to: *“enable the land to be occupied and managed as a farm for the purpose of carrying on any agricultural or pastoral business”*. Later that year, the Māori Land Court confirmed the first Morikaunui Incorporation Committee of Management (CoM). It was the second Māori Incorporation to be formed and became a blueprint for many others around the country.

»»» Morikau Station

VISION STATEMENT

That Morikau Station once again be the jewel of the Whanganui River with a sustainable farming business, restoring a sense of pride and ownership to its shareholders and providing for future generations.

WHAT IMPRESSED THE JUDGES

GOVERNANCE

- All board members (and management) demonstrated a sound knowledge of all aspects of the business, including the incorporation's history, its strategic objectives, and initiatives as to how objectives were to be achieved. Considerable effort has gone into establishing strategic and business plans which provide a template for future growth, together with policies at all levels.
- Brave decisions have been made to progress the incorporation. By changing the board, farm staff, stock genetics, and spending in excess of \$1M on the property (all of it during times of average returns) the decisions made should pave a new direction for the incorporation.
- Practical expression of tikanga in particular, kaitiakitanga, manaakitanga and whanaungatanga.
- Efforts to increase shareholder "reach" is to be commended. Not only has the incorporation looked to contact more shareholders and whanau, they have taken the time to educate shareholders. This will benefit the incorporation in the long term.

FARM

- Stock performance is considered good and will benefit further from improved subdivision, stock water supply and grazing management. Stock looked in very good condition. Pastures were in good condition and covers were high.
- Excellent use of Farmax™ programme with regular pasture monitoring and stock weighing. The programme is revisited formally on a monthly basis.
- Concerted efforts to improve genetic base in both sheep and cattle are very good. Goal to improve stock performance will be accelerated under this initiative.

ENVIRONMENTAL

- We applaud the protection of bush with the Nga Whenua Rahui initiative and flexibility in the scenarios for the future around eco-tourism and carbon emissions.
- Work with Massey University on a sustainable programme is very good.

FINANCIAL

- Sound decision making and investigation process was evident prior to the level of investment made into the property.



Morikau Station

DIRECTORY

TRIBAL AFFILIATION: Atihaunui-a-Paparangi

NUMBER OF OWNERS: 5,528

COMMITTEE OF MANAGEMENT

Chairman: Hari Benevides (Ms)

Jimmy Edmonds

Ann Waitai

William (Bill) Konui

Tema Butler

Turama Hawira

Robert (Bobby) Gray

Secretary: Harvey Bell

FARM STAFF

Manager: Mike Tosi

Manu Poutini

Corey Tapine

Damien (Lofty) Pauro

Sam Boynton

Farm Consultant: Peter Bailey

Hr Consultant: Digby Livingston

Accountant: John Summerhays

FARM DESCRIPTION

Morikau Station is 4,799 hectares, of which 2,394 hectares is effective. It bounds Hiruharama (Jerusalem) to the north and ends south of Ranana at Mokonui on the Whanganui Awa. Two native bush blocks totalling 1,800 ha are in Nga Whenua Rahui.

A sheep and beef operation with Romney and Angus as the base breeds, it runs approximately 30,000 stock units on mainly steep and rolling country with some steeper gullies. It is currently subdivided into 61 paddocks with a progressive reticulated water system.

It is administered by the Morikaunui Incorporation.

Total Area:	4,799 hectares
Effective Grazing:	2,394 hectares
Soils:	The soils are based on the Egmont ash series and yellow brown earths. The main soil types are Upokonui steep land soils and Mangatea hill soils. These soils are classed as medium drained although can be wet in winter and have a tendency to dry out in the summer. Generally the soils are of medium natural fertility
Contour:	Mainly steep and rolling country
Rainfall:	1500 to 1800 mm
Fertiliser:	Super – 2006: 800 tonnes, 2007: 520 tonnes and 2008: 720 tonnes
Ph Average:	5.4–5.6
Olsen P Average:	16–51
Subdivision:	61 paddocks of which 30 have been created over the last 3 years
Water Supply:	Natural streams or dams in most paddocks, troughs in new paddocks
Pasture:	The steeper hills contain mainly brown top and other weed species with other areas containing predominantly ryegrass, white clover and other pasture species

»» Morikau Station

GOVERNANCE AND MANAGEMENT

Morikaunui Incorporation's legal framework is the Te Ture Whenua Māori Act 1993 with a Constitution in line with the Māori Incorporations Regulation 1994. The seven Committee of Management (CoM) members are elected by shareholders at annual AGMs, retiring by rotation after a three-year term. There are 46,620 shares and currently 5,528 shareholders.

The farm, on ancestral land, is the largest asset of the Incorporation. While the focus is optimising returns, all strategic decisions and development must align with our guiding principals, reference the past and acknowledge future sustainability. The land is inalienable, our foundation, and with that gift comes the inherent responsibilities and goals of our tupuna.

The current CoM's starting point was to own what was inherited. The initial focus was getting the station infrastructure back up to standard, rebuilding the base livestock genetics, policies and enterprises. Late 2005 the new strategic management programme started with the appointment of a new Farm Manager, a Farm Consultant and Human Resources Consultant.

When recruiting for the Manager's position, the CoM recognised the geographic isolation presented challenges for staff. It was thus critical that the final candidates be accompanied by their partners, both at the initial farm inspection and at the subsequent interview. Importantly, the CoM was actively searching for indications that the candidates recognised the challenges ahead and displayed a determination to meet those challenges. It was this factor that set apart the successful applicant whose accomplishments to date have been very satisfactory.

While staff and professional support personnel are selected on their individual merits, there is an over-arching philosophy of the collective identity, their contribution and responsibility is as part of the *"Morikau Whanau"*.

The CoM members bring with them a wide range of experience on other boards, trusts, runanga and marae committees. Members are encouraged to attend seminars, courses and networking opportunities when available.

Communication with shareholders is by direct mail-out and the internet. The website www.morikau.com launched in 2005 has had in excess of 110,000 hits. All Shareholder Notices of Meeting, Annual Reports, Grant Application Forms and Registers of Unclaimed Dividends can be downloaded from the website.



Morikau Station

KEY PRODUCTION INFORMATION

OPENING STOCK NUMBERS	SU	2005/06	2006/07	2007/08	2008/09
Ewes	1.0	11,877	12,378	12,292	12,850
Ewe Hgts	0.7	3,487	3,148	5,539	6,618
Other	0.8		159		134
Rams	0.8	235	214	162	152
Total Sheep		15,599	15,899	17,993	19,754
Total Sheep Stock Units		14,506	14,880	16,299	17,711
Cows & R3 Heifers	6.0	842	868	905	870
R2 Heifers	5.0	165	205	420	231
R1 Heifers	4.0	333	422	320	324
R2 & R3 Steers/Bulls	5.0	214	334	218	224
R1 Steers/Bulls	4.0	333	399	277	323
Breeding Bulls	5.0	27	25	32	36
Total Cattle		1,914	2,253	2,172	2,008
Total Cattle Stock Units		9,746	11,312	11,168	10,263
Total Stock Units		24,254	26,192	27,476	27,988

KEY KPIS					
Scanning %		N/A	161	157	
Mated Ewes Lambing %		127	124	119	
Prime Lamb Weight kgs					
Sheep Losses % (deaths & missing)		6	7	7	
Mated cows Calving %		77	71	77	
Cattle Losses %		1.7	2	3	
Wool kgs/Sheep SU wintered		5.7	6.3	4.4	
SU per Full Time Labour Unit		4,365	5,493	5,594	



»»» Morikau Station

PRODUCTION GOALS

KEY MEDIUM TO LONG TERM PRODUCTION GOALS

- Be in the top 10% of farms within its farm class for production and profit
- Develop the farm to maximise its potential over 5 years
- Diversify when opportunities arise, especially where there is capital growth potential
- Increase dividends from improved profits
- Greater than \$440/ha gross farm revenue (net of purchases)
- Greater than 220 kg product/ha (meat and wool).

KEY SHORT TERM PRODUCTION GOALS

- Reproduction performance to weaning of over; 140% lambing and 90% calving
- Growth rates to sale of up to; lambs 200 g/day, heifers 0.65 kg/day, steers 0.75 kg/day
- Death rates below 7% for sheep and 3% for cattle
- Achieve efficient labour management with less than 10% staff turnover.

The breeding ewe numbers are increasing (20%) and breeding cow numbers decreasing (3%), with the aim of achieving a sheep to cattle ratio of around 70:30 for a better-balanced stock management system (currently 66:34). Lambs are now being sold earlier at heavier weights with more being finished to slaughter than sold store by the end of ewe mating.

The beef herd structure has changed, with more steers and heifers retained and sold by 20 months of age and not carried through a second winter. Therefore less of this stock (25%) is carried through the winter.

All performance measures were increasing each year until affected by the 2007/8 drought. Calving and especially lambing percentages, mating, weaning and wool weights all decreased.

The overall stocking rate (SU/ha) has increased by 13.3% over the 2006 to 2008 period.

BUSINESS KPIs (BASED ON BNZ ANALYSIS)

<i>Ratios based on Effective Area</i>	2005/06	2006/07	2007/08
Opening SU per Effective Hectare	10.13	10.94	11.48
GFI (adj) per Effective Hectare	\$412.30	\$518.63	\$421.60
Economic Farm Surplus per Effective Hectare	\$(146.77)	\$49.00	\$(68.98)
Farm Working Expenses per Effective Hectare	\$559	\$470	\$491
<i>Ratios based on Opening Stock Units</i>			
Total Farm Expenses per Opening SU	\$55.18	\$42.92	\$42.74
GFI per Opening SU (adj)	\$40.69	\$47.39	\$36.73
Farm Working Expenses as % of GFI	171.69%	97.67%	114.90%
Farm Surplus/(Deficit) as % of GFI	(71.48%)	2.33%	(14.9%)

»»» Morikau Station

BUSINESS GOALS AND STRATEGIES

GOALS

Business growth goals

To achieve maximum profitability using the resources of land, people and high performing stock. As Morikau is in a re-development phase, our goal is to be in the top 10% of farms of its type in Aotearoa/New Zealand.

Key performance indicators that drive business decisions (*Farmax™ five-year targets*)

Total feed supply	> 9.0 t DM/ha/year at 80–85% utilisation	Cattle DM: Product	> 45 kgDM/kg Product
Ewe efficiency	> 57 %	Wool product	> 45 kg/ha
Total feed eaten	> 6.5 tDM/year	Farm gross margin	> 8.0 c/kgDM eaten
Cow efficiency	> 38 %	Sheep product	> 120 kg/ha
Liveweight wintered	> 800 kg/ha	Sheep gross margin	> 10c/kgDM eaten
Sheep DM: Product	> 35 kgDM/kg Product	Beef product	> 100 kg/ha
Net product produced	> 220 kg/ha	Cattle gross margin	> 9c/kgDM eaten
		Feed conversion efficiency	< 30 %

Monitor and record a broad range of key performance indicators for the whole farm and each of the livestock enterprises using Farmax™ reported monthly to the CoM.

Investment criteria for new investments

Beginning in 2006 and for the next five years the on-farm investment strategy is to optimise the productivity and profitability potential of Morikau Station.

Other opportunities funded from station cash-flows that have the potential for capital growth will be a priority because of the inability to unlock any value gains of the inalienable land.

STRATEGIES

Goal achievement

The CoM is responsible for overseeing the implementation of the five-year business plan which is reviewed annually. The Farm Manager, Consultant and Accountant regularly meet with the CoM on implementing strategies. Farm investment, production and profit are benchmarked to potential and actual results on a monthly basis.

Focus areas

Infrastructure – develop subdivision, access, water supply, soil fertility, people and stock facilities

Genetics – animal and pasture species to achieve potential

Human resources – staff to acquire knowledge and technical skills

Sustainability and environment – develop a plan and implement.

Key strategies

A farm-within-farm cell grazing unit to be self sufficient and finish all stock prime on 300 hectares

Increase subdivision from 31 to 120 paddocks (currently 61)

Sheep and cattle breeding programmes (replacement and terminal)

Pasture renewal programme – up to 60 ha/year

Housing is a priority

All management, stock and pasture monitoring is recorded using Farmax™ with a focus on “keeping it simple, but effective”.

Morikau Station

LIVESTOCK POLICIES

S H E E P

Romney dominance up to 13,500 mixed aged ewes, 4,200 ewe hoggets and 150 rams to be wintered.

- 75% of ewes ("A" flock) mated to Romney replacement rams. Breeding programme focused on fertility, growth rate and wool weight/type
- 25% of ewes ("B" flock) mated to terminal Suffolk rams
- Mating ewe hoggets is not undertaken at present (because of infrastructural issues)
- Target weights: ewes at mating over 60 kgLW; ewe hogget replacements 38 kgLW on 1 May
- Target over 140% lambing at weaning
- Lambs are weaned in November or 90 days from planned start of lambing at average 27 kgLW
- Top genetic rams purchased. All vet checked annually in November
- Cull ewes are sold after weaning and after scanning.

Shearing:

- Sheep shorn in November (at weaning) and May (before scanning) – a 2nd shearing policy
- Crutching/dagging as required
- Annual wool weights: ewes – 5 kg; ewe hogget – 2.6 kg; lambs – 1 kg; with overall of 5.5 kg/SU.

Animal Health (guidelines based on veterinarian recommendations)

- Ewes are to be vaccinated for vibriosis, toxoplasmosis and clostridial diseases
- All stock to be treated or drenched for internal/external parasites according to their condition and faecal egg count.

B E E F

Angus up to 800 mixed age cows, 220 rising 2-year heifers, 150 rising 2-year steers, 300 rising 1-year heifers, 300 rising 1-year steers and 35 bulls to be wintered.

- 60% of the cows/heifers in the elite ("A" herd) mated to an Angus replacement bull breeding programme involving selection on fertility and growth rate
- 40% of the cows/heifers in commercial ("B" herd) mated to a terminal Charolais bull
- Cows to be in condition score 4.0 or better and on a rising plane of nutrition at mating
- Yearling heifers over 300 kgLW on 15 November to Angus bulls
- Target over 85 % calving at weaning
- The calves are weaned in April or 200 days after planned start of calving at an average 200 kgLW
- Cows are culled and sold at mating, pregnancy diagnosis and weaning
- Top genetic bulls are purchased and all bulls are vet checked in May each year.

Animal Health (guidelines based on veterinarian recommendations):

- Cows vaccinated for BVD and clostridial diseases
- All stock treated or drenched for internal/external parasites according to their condition and faecal egg count.



»» Morikau Station

FARM MAINTENANCE & DEVELOPMENT

Weeds

In 2006 the pastures could be classed as unimproved with seasonal dominance of thistles and broad leaf weeds, with gorse also a major problem.

High priority areas are being targeted to get rid of low producing pasture species and weeds and to be replaced with high performance pastures.

Fencing

Subdivision has been our top priority. In the last three years we have erected 6 km of laneway paddocks and nearly doubled the number of paddocks from 34 to 61 (our target is 120 paddocks). The subdivision is done in conjunction with the water reticulation. Recently completed is 6.4 km of new fencing of the Nga Whenua Rahui Reserves.

Pasture

Our aim is to renew up to 60 ha per year. Pasture renewal is done in conjunction with the cropping and subdivision programme. In March an annual ryegrass is sown, followed by a summer forage crop in November, with permanent pasture sown the following March.

Fertiliser

A major capital and maintenance fertiliser programme was initiated in 2006 to increase sustainable productivity. Soil fertility tests and fertiliser application plans are reviewed annually. The station has a targeted soil testing programme based on a number of criteria. The 2006 soil tests generally indicated a low to medium soil fertility. 2008 test results showed a significant improvement in soil fertility levels for an extensive sheep and beef farming operation. Where possible, fertiliser is applied late spring/early summer for most efficient nutrient uptake.

Buildings

The Station has four farm houses, a new Manager's house, 2 woolsheds (8 stand and a new 4 stand), with covered yards, shearers quarters, a casuals' cottage, a sleep-over hut adjacent to the satellite yards, stables and general plant and machinery sheds, an airstrip and 90-tonne fertiliser bin. There are also cattle yards, and a full set of satellite yards 6 km from the main woolshed, capable of holding over 5,000 full wool sheep. There is electricity adjacent to these yards.

»»» Morikau Station

THE FARM TEAM

A comprehensive human resources process has been developed and is in place for all the staff on the station. Four elements were addressed:

- Working conditions
- Living conditions
- Retention of staff
- Training and up-skilling of staff.

All staff are formally reviewed annually, with a strong emphasis placed on personal development.

ENVIRONMENTAL

GOALS

Environmental goals

The long term environmental aims are to farm in a sustainable manner without adversely impacting on the environment. Balancing the relationship between the land, water and farming is critical to lessen soil erosion, and to minimise the impact of pests and the effects of controlling weeds such as thistles and gorse.

Prepare a Farm Sustainability Plan with the CoM

Undertake a snapshot using the Risk Assessment Method outlined in M&WNZ's "Land and environmental Planning Tool Kit";

The preservation and regeneration of 1,800 hectares of Ngahere (native bush) in Nga Whenua Rahui (Reserves).

Key performance indicators that will measure success

- Signed Kawenata with Nga Whenua Rahui
- Containment of gorse to gullies and unproductive land fenced off
- Water reticulation system throughout the farm
- Completion and implementation within the next 12 months of a Farm Sustainability Plan.

STRATEGIES

All development decisions take sustainability into account. When completed, development plans will all be referenced to the Farm Sustainability Plan.



Morikau Station

SOCIAL, COMMUNITY AND NGA TIKANGA MĀORI

GOALS

- To reach and inform all of the “Morikau Whanau” of their birthright and inherent responsibilities.
- To function as part of the community in which it resides.
- To name and rename all the paddocks with historically significant names.

KEY STRATEGIES IN IMPLEMENTING OUR GOALS

To succeed on all levels it is important the Incorporation is accessible to the Shareholders and that there is a sense of ownership and pride. This is achieved by the twice yearly Shareholder field days, workshops on succession, trusts, IRD, the Māori Land Court and banking.

The website is available to disseminate information and panui.

The station supports the local community school and marae through fundraising horse treks, farm work (dagging, docking), Christmas party and sponsorship of broadband connections.

All events such as the opening of the new woolshed at Mokonui and the Nga Whenua Rahui Kawenata are celebrated, with Shareholders encouraged to attend. Next year these will be wananga on rongoa in the Nga Whenua Rahui Ngahere, and in the latter part of the year we will celebrate 100 years of continuous farming on Morikau land.

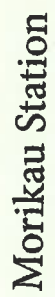


Morikau Station

FINANCIALS (BASED ON BNZ ANALYSIS)

Year	2005/06		2006/07		2007/08	
SALES	No.	\$	No.	\$	No.	\$
Lambs	9,405	389,359	9,189	443,922	7,759	373,696
Sheep Other	1,300	51,622	2,576	115,049	3,573	127,206
Cattle	538	345,630	656	491,413	819	472,921
Sub Total		786,611		1,050,384		973,823
Less Purchases						
Sheep Other	61	21,180	533	53,326	90	49,000
Cattle	140	178,891	9	45,850	18	85,800
Horse Purchases		6,700		3,000		
Sub Total		206,771		102,176		134,800
Total - STOCK SALES NET		579,840		948,208		839,023
Wool		191,622		196,111		167,704
Grazing						15,142
Other Farm Income		8,099		6,803		281
Livestock movement		207,495		90,482		(12,935)
	\$/SU		\$/SU		\$/SU	
ADJUSTED GROSS FARM INCOME	40.70	987,056	47.39	1,241,604	36.73	1,009,215
EXPENDITURE						
Wages	15.12	366,909	12.39	324,407	12.67	348,149
Animal Health	2.50	60,693	3.7	97,014	2.99	82,197
Cropping					3.15	86,632
Electricity	0.36	8,640	0.31	8,101	0.33	9,074
Feed	0.18	4,389	0.13	3,296	0.38	10,533
Cartage and Freight	0.75	18,133	0.49	12,864	0.70	19,135
Fertiliser and Lime	9.85	238,916	7.48	195,936	6.27	172,172
Weed and Pest Control	0.37	8,996	1.52	39,900	1.05	28,990
Shearing Expenses	5.47	132,808	5.82	152,374	5.07	139,306
Repairs and Maintenance	13.48	327,062	3.65	95,550	2.49	68,596
Vehicle Expenses	1.86	45,089	41.7	44,598	2.91	80,104
Administration	2.34	56,652	2.53	66,258	1.44	39,681
Standing Charges (Ins, rates, ACC)	1.42	34,551	61.71	44,909	1.84	50,523
Dog and Horse exp/other	1.46	35,578	1.49	39,095	1.44	39,356
Less Farm Working Expenses	55.19	1,338,416	42.91	1,124,302	42.76	1,174,448
EQUALS ECONOMIC FARM SURPLUS	(14.49)	(351,360)	4.48	117,302	(6.03)	(165,133)

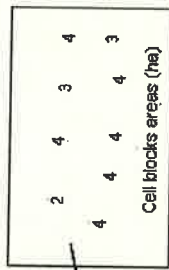
Morikau Station



Total Area 4,799 hectares



Abstracts of Proceedings are available and should be ordered from:



Cell blocks areas (ha)

Considerable progress has been made in the Māori farming sector, and Meat & Wool New Zealand congratulates this success.

MEAT & WOOL
NEW ZEALAND

Meat & Wool New Zealand is keen to look at new ways to support the Māori agribusiness sector.

Over the next few months, Meat & Wool New Zealand will be holding a range of consultation meetings throughout New Zealand. This consultation will be held before the referendum vote in August.

Meat & Wool New Zealand wants to hear from you about the activities you want Meat & Wool New Zealand to work in on your behalf. We encourage you to attend a meeting near you to express your views.

To find out more, and look at the meeting dates and venues, please visit www.meatandwoolnz.com.



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Ki ā koe tētehi kīwai, ki ā au tētehi kīwai
One handle of the basket for you, one handle of the basket for me

PGG Wrightson working with Māori
Agribusiness for Māori Agribusiness



PGG Wrightson

»» Pakarae Whangara B5 Partnership

2090 State Highway 35,
RD3, Gisborne
7 May 2009



»» Pakarae Whangara B5 Partnership

FIELD DAY PROGRAMME

9.00	Powhiri at Whangara Marae
9.30	Morning tea
10.00	Introduction to Ahuwhenua Trophy and Field Day programme
10.10	History, governance and business structure
10.50	Travel to Stop 1 – Chang's. Finishing young stock, cropping
11.45	Travel to Stop 2 – Lowes. Development (including water, fertiliser and subdivision)
12.45	Lunch
1.00	Travel to Stop 3 – Tanks. Cattle and animal health
2.00	Travel to Stop 4 – Top Hay. Sheep
2.50	Travel back to marae
3.30	Reconvene programme, farm financial performance and future strategic direction and questions
3.50	Awards ceremony and presentation
4.20	Kai and refreshments

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors that a number of potential hazards exist in the course of travelling over the property in vehicles, moving around the yards and facilities, and in handling stock.

While the owners have taken all reasonable care in making your visit to the property as safe as possible, they clearly point out that you enter the property at your own risk.

The owners will accept no responsibility for any accident or injury to any person or property that takes place while you are visiting.

»» Pakarae Whangara B5 Partnership

HISTORY

Nga mihi nui ki a koutou katoa

Kua tawhiti ke to haerenga mai kia kore e haere tonu

He tino nui rawa au mahi kia kore e mahi nui tonu.

The land is our toanga and is guarded ferociously for generations of mokopuna now and to come.

Of the original 21,450 acres of Ngati Konohi land, the 5,444 hectares of the Pakarae Whangara B5 Partnership and the 1,200 hectares of the Whitiwhiti Incorporation are all that remain in Māori ownership.

The Pakarae/Whangara B5 Partnership was established in July 2006. However, the partners have been farming both incorporations since the early 1900s. Planning for the Partnership began in 2004, when owners commissioned a feasibility study to either support or reject the establishment of the Partnership.

The partners considered a joint farming operation to bring Ngati Konohi lands and people back together, for economies of scale in both buying and selling, and as an acknowledgement that both farms were too small to survive alone in the future. They also hoped that other incorporations and trusts in the region would consider a similar model to take their farming operations into the future, if the venture was successful.

With financial assistance from Te Puni Kokiri, a feasibility study was prepared and presented to Committee of Management members from both

Pakarae and Whangara B5. A summary report was also sent to shareholders and a Special General Meeting of owners was called to vote on the Partnership.

The Partnership has a board of five members – three from the landowners and two appointed by the three landowner representatives. The two appointed members were appointed following a nationwide advertising campaign.

The partners have retained ownership of the land and livestock, allowing these assets to be used by the Partnership. They have also retained their own identities, with land titles remaining the same and the share registers of the owners remaining separate. Plant and machinery have been sold to the Partnership.

Previously the partners both farmed in a very traditional manner. The sheep flock was 100% Romney with a Poll Dorset ram used on the early ewes. Angus bulls were used across all cows. The Partnership has changed this and now Romney/Finn cross rams are being used to increase productivity and FE tolerant rams have been introduced to help reduce the influence of facial eczema on production.

Terminal sires have been bought to increase the hybrid vigour of the cattle herd, and the Partnerships aims to sell cattle before they have a second winter on the farm.

All of this has required a review of policies on water supply, subdivision and fertiliser. The board has supported a \$1.2m development programme for the next five years.

»» Pakarae Whangara B5 Partnership

VISION STATEMENT

Deliver sustainable ongoing returns for shareholders and provide asset growth for future generations.

The key focus areas to achieve this vision have been identified as:

- The productivity/profitability of farming systems
- Develop skilled and motivated kaimahi (labour force)
- Grow the business with more effective utilisation of resources
- Clarity of communications to stakeholders (konohi ki te konohi)

WHAT IMPRESSED THE JUDGES

GOVERNANCE

- The board have a clear vision, an excellent spread of skills and are continually updating their knowledge. The appointment of two independent directors is highly commended.
- There is a clear strategic plan that drives the business plan that drives the five-year budget, and this drives the KPIs.
- The General Manager has been delegated a high level of responsibility.

FARM

- The property was presented in a very tidy state. Fences, weed control, stock, crops and pastures were of a high standard.
- There is a clear development strategy for subdivision, improving soil nutrient status, reticulating stock water and re-pasturing.
- Judges were impressed with the management's continued exploration of future options.

STAFF

- There was a good balance of experienced and young staff that appeared to integrate well and obviously had a pride in the station. The employment of a "trainee" is to be commended.
- The commitment to training of staff (AgITO, feed assessment) is commended.
- The judges were impressed that the more senior staff had bought into the change in direction of the property over the past three years and have become integrated into the management structure.

ENVIRONMENTAL

- Nutrient budget is in place and progressive fencing of waterways as stock water reticulation is improved.
- Impact report on carbon emissions has been carried out.
- A Land Environment Plan has been developed with LandVision Ltd.
- Some forestry planting and a small Overlay 3A area identified.

FINANCIAL

- The five-year budget provides a clear long term plan that is upgraded regularly.
- The excellent bottom line places the partnership in the top 10% for its farm class.





Pakarae Whangara B5 Partnership

DIRECTORY

TRIBAL AFFILIATION: Ngati Konohi , Te Aitanga-A-Hauiti

NUMBER OF OWNERS: 1,500

TRUSTEE/BOARD

Chairperson, Ingrid Collins
Matire Kupenga-Wanoa
Stan Pardoe
Mike Petersen
James Brownlie
Accountant, Chris Torrie

FARM STAFF

General Manager, Richard Scholefield
2IC/Unit Manager, Steve McHardy
Unit Managers, Chris Ovenden and Martin Paenga
Shepherds, Reg Kahaki and John Love
General hands, Robert Love Jnr, Ansley Manuel and Wayne Ferris
Tractor operator, Robert Love Snr
Cadet shepherd, Thomsen Whanarere

FARM DESCRIPTION

The Partnership is an East Coast summer dry sheep and cattle breeding, finishing and trading operation. It also has a mix of fodder, commercial cropping and hay production. Contour of the land ranges from flat to easy hill country with some steep country as well.

Total Area:	5,448 hectares
Effective Grazing:	4,544 hectares
Soils:	Mudstone hills, pumice, ash, silt flats
Contour:	Flat, rolling to medium step
Rainfall:	900–1,100mm
Fertiliser:	1,750 tonnes superphosphate 2006–07 1,450 tonnes superphosphate 2007–08
Ph Average:	5.5–6.0 hills and 5.8–6.3 on flats
Olsen P Average:	9–25 on hills and 22–35 on flats
Subdivision:	250 paddocks
Water Supply:	Water reticulation (over 2,000 hectares) and dams
Pasture:	The majority of the hill country consists of rye grass and clover, with native grasses still having an influence on part. The flat country is in a cropping rotation programme



»» Pakarae Whangara B5 Partnership

GOVERNANCE AND MANAGEMENT

A mandate was developed for activities by a Special General Meeting of owners, including the formation of a Partnership agreement, along with terms of reference.

Communications with owners is undertaken with six-monthly newsletters to shareholders, along with an annual field day with shareholders. An Annual General Meeting at Whangara Marae is held in October each year with our shareholders. We are also developing a website.

In 2006 a strategic plan was developed. This is updated annually and is then shared with partners and shareholders.

The implementation and monitoring of the strategic plan:

- Strategic plan drives the business plan
- Business plan drives the five-year budget
- Five-year budget drives the KPIs
- KPIs are reported against every two months.

There is ability for flexibility which is an important part of our business. The General Manager has the ability to change the plan, and this involves discussions/emails with the board. An example of this was with the drought of 2007. There is also flexibility through the policy of purchasing finishing stock.

Governance training is also an important part of our management programme. A governance training plan was developed which includes attendance at IOD training courses, E-Tipu and the Trustee Skills programme run by FoMA, a programme of four courses run by Paikea Whitirea Trust in 2003.

Through our board we have a good mixture of skills. Ingrid brings excellence in Māori land as well as governance skills through her other appointments. Matire brings experience in managing people, has a Masters degree and has had many leadership roles. Stan has a wealth of experience through his many governance roles and farming background. Mike brings farming experience as well as industry knowledge and governance skills. James provides farming experience as well as industry knowledge and training experience through his position with AgITO.

Developing people is a big part of our governance structure and there has been a big step bringing in independent governance. Representative members of the Partnership board have the power to appoint two members. Whangara B5 has a Rangatahi position on their Committee of Management.



Pakarae Whangara B5 Partnership

KEY PRODUCTION INFORMATION

OPENING STOCK NUMBERS	SU	2005/06	2006/07	2007/08	2008/09
Ewes	1.0	<i>Partnership not formed</i>	22,105	21,765	21,139
Ewe Hgts	0.7		7,008	5,183	6,767
Other	0.8		979	348	613
Rams	0.8		209	200	246
Total Sheep			30,301	27,496	28,765
Total Sheep Stock Units			27,961	25,832	26,563
Cows & R3 Heifers	6.0		1,335	1,367	1,225
R2 Heifers	5.0		400	184	250
R1 Heifers	4.0		551	476	657
R2 & R3 Steers/Bulls	5.0		706	1,030	1,222
R1 Steers/Bulls	4.0		766	502	643
Breeding Bulls	5.0		44	38	41
Total Cattle			3,802	3,597	4,038
Total Cattle Stock Units			19,028	18,374	20,115
Total Stock Units			46,989	44,206	46,678

KEY KPIS					
Scanning %			125	148	
Ewe Lambing %			111	121	
Prime Lamb Weight kgs			16 (16,460 lbs)	15.8 (18,420 lbs)	
Sheep Losses %			3.2	3.6	
Calving % Cows			89.4	95.1	
Cattle Losses %			1.0	1.1	
Wool kgs/Sheep SU wintered			5.1	5.8	
SU per Full Time Labour Unit			3,963	4,415	



»» Pakarae Whangara B5 Partnership

PRODUCTION GOALS

KEY MEDIUM TO LONG TERM PRODUCTION GOALS

- 300 kgs of product per hectare
- \$400 EFS per hectare
- \$0.05 cost per kilo of dry matter grown

KEY SHORT TERM PRODUCTION GOALS

- 250 kgs of product per hectare
- \$350 EFS per hectare
- \$0.05 cost per kilo of dry matter grown

BUSINESS KPIs (BASED ON BNZ ANALYSIS)

<i>Ratios based on Effective Area</i>	2005/06	2006/07	2007/08
Opening SU per Effective Hectare	<i>Partnership</i>	10.34	9.73
GFI (adj) per Effective Hectare	<i>not formed</i>	\$545.97	\$663.23
Economic Farm Surplus per Effective Hectare		\$86.17	\$282.45
Farm Working Expenses per Effective Hectare		\$459.80	\$380.78
<i>Ratios based on Opening Stock Units</i>			
Total Farm Expenses per Opening SU		\$44.46	\$39.14
GFI (adj) per Opening SU		\$52.80	\$68.17
<i>Farm Working Expenses as % of GFI</i>		84.22%	57.41%
<i>Economic Farm Surplus/(Deficit) as % of GFI</i>		15.78%	42.59%

»» Pakarae Whangara B5 Partnership

BUSINESS GOALS AND STRATEGIES

GOALS

Business growth goals

Deliver sustainable ongoing returns for shareholders and provide asset growth for future generations by having a sustainable productivity/profitability farming business. To develop skilled and motivated kaimahi (labour force) and to grow the farming business with more effective utilisation of resources. Clarity of communications to stakeholders (konohi ki te konohi).

Key performance indicator

- Return on investment and IRR
- Investment criteria for new investments are that they strategically fit and are compatible with current operations.

STRATEGIES

Goal achievement

250–300 kgs meat per ha, \$350–\$400 EFS per ha and \$0.05 per kg dry matter. Five days training provided for employees per annum along with staff development programme. Soil mapping and land use analysis undertaken. Half-yearly reports to partners and quarterly visit to farm by Chairperson to meet with farm employees. Policies and procedures are presented to partners and employees. The board meet on the farm half yearly.

Focus areas

- Environmental aspects such as waterway and native bush protection
- Completion of Land Environmental Plan
- Creation of shade areas.

Key strategies

Water reticulation over majority of farm, changing livestock genetics, heifer and eventually ewe hogget mating, increased focus on reducing the cost of production, investment in staff training.

» Pakarae Whangara B5 Partnership

LIVESTOCK POLICIES

S H E E P

- 30,000 sheep 1 July 2008
- Romney ewes to Piquet Hills ½ Finn/Romney rams. ¼ Finn/Romney 2th ewes (March 2009) to Teutenberg Coopworth ram, only FE Tolerant rams used
- 5 & 6 year ewes mated early, 25 January, to terminal Poll Dorest/Primera rams
- No ewe hogget mating—concentrating on lifting ewe performance and used as a buffer mob.
- 100% of lambs finished 07/08, store lambs sold depending on season
- 28,500 lambs weaned Nov 08 (135%)
- Rotationally grazing large mobs, regular weighing and CS. There is minimal drenching.

B E E F

- 4,050 cattle 1 July 2008
- 1,200 Angus and Angus X cows, 500 Angus cows to maternal Angus bull, remaining cows to terminal sires
- Steer male calves, terminals left entire
- 325 Angus heifers mated to low birth weight Angus bull, with only scanned in-calf heifers kept as replacements
- 85% of farm bred cattle finished at 15–18 months
- Finish 800–1,000 R2 1/2 year Friesian bulls and 400 R2 1/2 year steers
- One winter policy for all trading cattle; flexible trading policy bull/steer/heifer.

A N I M A L H E A L T H

- Animal health plan reviewed six monthly with independent veterinary consultant
- Minimal drenching with no capsules for sheep nor pour-ons for cattle
- Faecal egg counting
- Quarantine drenching for all livestock coming onto the property
- Annual semen testing of the bulls
- Trace element monitoring through the processing companies.

O T H E R

- Cropping programme with Cedenco
- 5,000–6,000 bales of hay made annually for own use, surplus made and sold depending on season
- 100 hectares of summer fodder crop (Hunter pasja)
- Grazing of dairy cows depending upon season (1,000 cows March-June 08)

07/08 Production

- | | |
|---------------------------|--|
| • 301 cows 232 kg | • 649 r3yr bulls 320 kg |
| • 395 r3yr steers 315 kg | • 18,500 lambs 15.8 kg |
| • 370 r2yr steers 270 kg | • 6250 ewes 26 kg |
| • 309 r2yr heifers 232 kg | All stock finished, no stock sold store. |

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FARM MAINTENANCE & DEVELOPMENT

Weeds

Variegated thistle and blackberry. Controlled through aerial and ground spraying (\$60,000 per annum). New grasses sprayed for thistles etc.

Fencing

50 kms+ R&M fencing completed, sheep and cattle yards upgraded, an ongoing programme across the whole Partnership (\$100,000 per annum). 25 kms new fencing with a major laneway between B5 and Pakarae. Ongoing programme staged with new water system \$500,000 over the five years.

Pasture

Thistle and weed control. 200 hectares annually goes into new annual, bi-annual or perennial grasses. This is an ongoing programme and includes some hill country development.

Fertiliser

Maintenance fertiliser across all the effective area average of 185 kg Superphosphate/ha.
B5 1,860 ha 17 kgP/ha/yr, Pakarae 1,300 ha 13 kgP/ha/yr, Puatai 530 ha 13 kgP/ha/yr, Rototahi 16 kgP/ha/yr
Strategic application of capital fertiliser: goal of lifting Olsen P levels 4–6 points (currently 6–25 on the hills and 22–35 on the flats). 07/08 capital rates B5 & Pakarae 5 kgP/ha, Puatai & Rototahi 19 kgP/ha/yr. 08/09 B5 0 kg/ha, Pakarae 2 kgP/ha, Puatai & Rototahi 7 kg/ha/yr

Buildings

Undertaken major building repair programme (spent \$139,000 over two years). This is all buildings and farm houses. We have an ongoing building maintenance programme that is reviewed and prioritised annually.

Water

\$1.5 million reticulated and troughed water systems staged over 5 years. Stage 1 completed.



»» Pakarae Whangara B5 Partnership

THE FARM TEAM

We have a team of 10 full time employees. Monthly meetings of staff are held and every six months one-on-ones with staff and annual reviews are undertaken. A staff climate study was conducted with an HR consultant. All staff attend field days e.g. Monitor Farms, Sheep 4 profit, Mystery Creek Field Days. All staff are offered training and personal development opportunities.

Currently we have a waiting list of employees wanting to work for the Partnership. We encourage staff to obtain AgITO qualifications, we also utilise field day attendance to help up-skill and encourage staff to move onto more senior employment positions outside of the Partnership to further their careers. Annual performance reviews are also carried out

Our objective in relation to utilising the skills of our rural professionals is that we know what the strengths of our professionals are and use them accordingly. We bring them into the business to perform their specialist functions where and when needed, and we ensure they know our business by requiring their attendance at shareholders' open days on the property.

ENVIRONMENTAL

GOALS

Environmental goals

Implement a Land Environment Plan to assist in achieving best practice sustainable farming practices. To extend forestry and pole planting. Complete the fencing of waterways and improve profitability from a reduced environmental footprint.

Key performance indicators that will measure success

Ongoing reference to Land Environment Plan, nutrient budgets, improved animal and financial performance, regeneration of waterways, stabilisation of at-risk areas.

Overlay 3A plan established by 2012.

STRATEGIES

The Partnership has only been in existence for two years and the overriding aim has been to ensure financial stability for our shareholders. We are now moving more quickly to address our environmental goals for the benefits of future generations, with the completion of the Land Environmental Plan as our template for prioritising ongoing environmental work.

The key area of focus is the completion of the Land Environment Plan, with other activities based around this. Nutrient budgets have already been developed to ensure responsible nutrient management. Other areas include further planting of trees for shade and shelter and soil stabilisation, and the completion of Overlay 3A plan.

Key strategies that we are implementing

We have employed a consultant to assist with Land Environment Plan. Nutrient budget to be completed and fertiliser plan based on this. We have also budgeted for a fencing programme on waterways. There is a provision for extension of tree planting programme.

»» Pakarae Whangara B5 Partnership

SOCIAL, COMMUNITY AND NGA TIKANGA MĀORI

Our contribution to communities

We support the Whangara Marae and other marae in the region. Pa Wars, horse sports, Whangara school are also supported. We share our plans and farming policies with other similar Māori Properties in a mutual growth atmosphere (e.g. Sheep for Profit, newsletters and open days)

Management of Tikanga Māori

Partners are governed by Te Ture Whenua Māori Act the Strategic Plan is approved by partners. The Partners' Committees of Management are responsible for leading all matters relating to Tikanga Māori. The partnership is providing sustainable ongoing returns and asset growth.

KEY STRATEGIES IN IMPLEMENTING OUR GOALS

Commitment to Māoritanga and to operate a profitable business. From there the strategic and business plans provide direction for decisions. Communication with and participation by our shareholders down to an individual level and encouraging their links back to their whenua is a key focus.



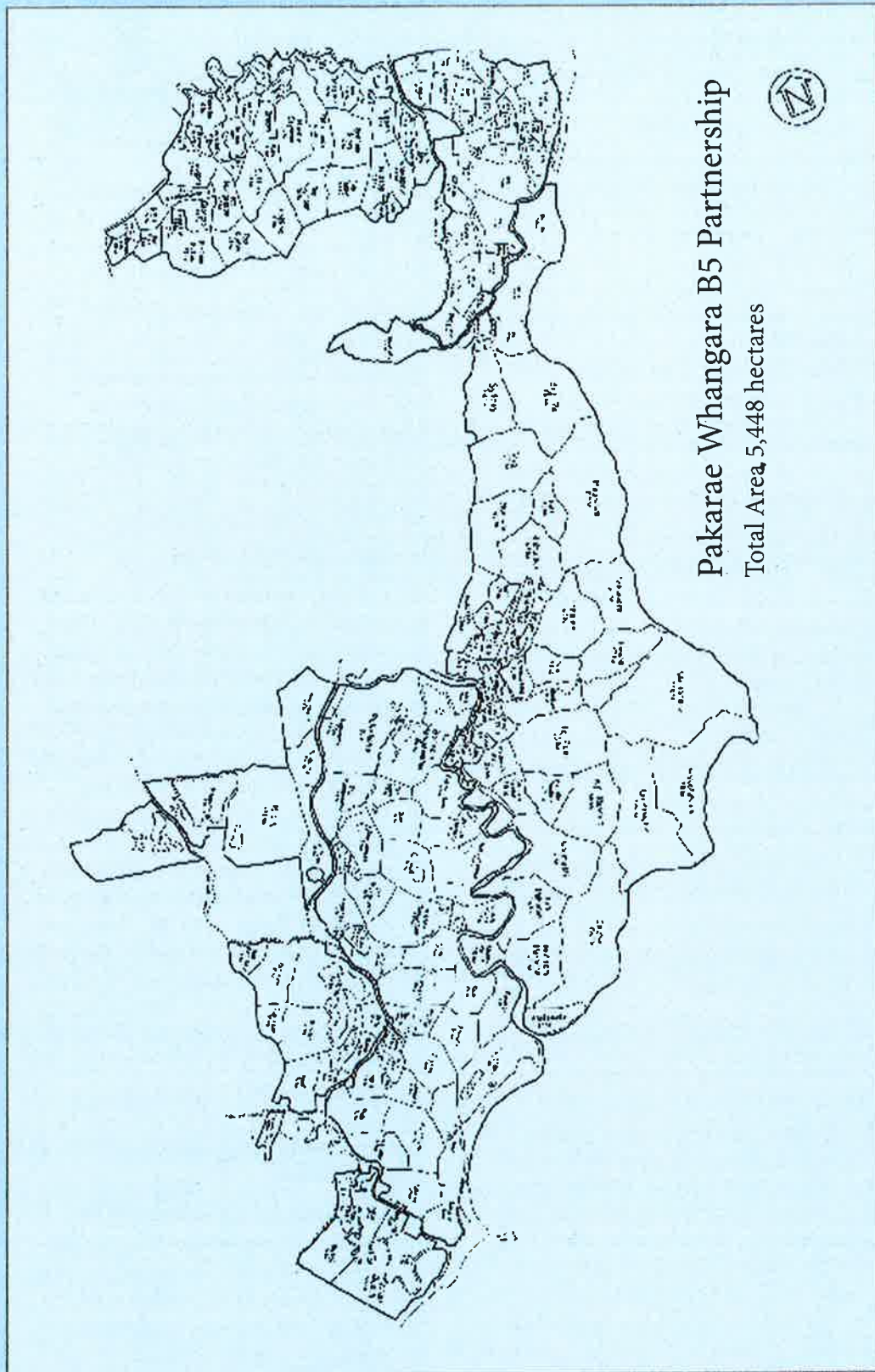
Pakarae Whangara B5 Partnership

FINANCIALS (BASED ON BNZ ANALYSIS)

Year	2005/06	2006/07	2007/08
SALES	Partnership	No. \$	No. \$
Lambs	not formed	1,8980 1,075,434	1,8413 1,102,959
Sheep Other		7,956 422,669	6,399 280,856
Cattle		1,821 1,338,602	2,025 1,778,184
Other		412 10,452	211 4,957
Sub Total		2,847,157	3,166,956
<i>Less Purchases</i>			
Lambs			
Sheep Other		2,190 145,337	2,523 122,800
Cattle		484 392,540	1,243 807,494
Other		410 13,000	
Sub Total		550,877	930,294
Total - STOCK SALES NET		2,296,280	2,236,662
Wool		321,614	371,955
Crops			
Other Income		64,696	162,084
Other Farm Income			
Livestock Movement		(201,703)	243,021
		\$/SU	\$/SU
ADJUSTED GROSS FARM INCOME		52.80 2,480,884	68.17 3,013,722
EXPENDITURE			
Wages		10.71 503,087	12.90 570,144
Animal Health		3.41 160,223	1.82 80,302
Breeding and Testing		0.80 37,421	0.42 18,747
Electricity		0.27 12,511	0.34 14,834
Feed			
Cartage and Freight		0.40 18,708	0.35 15,659
Fertiliser and Lime		7.57 355,664	6.19 273,462
Weed and Pest Control		1.49 70,049	1.27 55,988
Shearing Expenses		4.20 197,141	4.05 178,929
Repairs and Maintenance		7.50 352,600	3.95 174,414
Vehicle Expenses		1.37 64,240	1.81 79,864
Administration		2.93 137,457	2.53 111,667
Standing Charges(Insur, rates, ACC)		2.86 134,671	2.97 131,141
Other		0.97 45,557	0.57 25,390
Less Farm Working Expenses		44.46 2,089,329	39.14 1,730,262
EQUALS ECONOMIC FARM SURPLUS		8.33 391,555	29.03 1,283,460
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Pakarae Whangara B5 Partnership



ABOUT THE COMPETITION



THE AIMS ARE

- To recognise excellence in Māori farming
- To encourage participation in the competition and ensure its sustainability
- To use the competition to showcase achievement in the Māori farming sector, in particular successful approaches to governance, financing, management and the recognition of nga tikanga Māori
- To use the competition to highlight excellence in the Māori farming sector to all New Zealanders
- To acknowledge the contribution the Māori farming sector currently makes to the New Zealand economy and highlight areas for future growth.

BENEFITS TO ENTRANTS

- Recognition for excellence
- Expert advice and guidance from judges
- Access to a network of progressive and likeminded individuals and organizations
- Exposure to practices and approaches of other Māori farmers.

AWARD PRIZES

The national winner receives a replica along with a framed photograph of the presentation, a prestigious medal based on a 1932 design and cash or farm-related items to the value of not less than \$40,000 including \$10,000 cash.

The three finalists receive a medal and cash and farm-related items to the value of not less than \$15,000.

CONDITIONS OF ENTRY

The Ahuwhenua Trophy award is for sheep and beef farmers; being individual farm owners, partnerships, Trusts and Incorporations who are farming properties owned and/or leased by Māori in New Zealand. Such properties are to be used predominantly for beef, sheep and goat production. Entrants must generate at least 80% of their gross farm income from beef sheep and goat production and must be farming not less than 2,500 stock units comprised of sheep, beef cattle and goats

JUDGING

“Triple Bottom Line Reporting” is the key focus of the judging process. This requires consideration of governance and management and related financial measures and production performance; environmental performance and social management of the business.

The effectiveness of the Governance of the farming enterprise

This focuses on the development and review of strategy; monitoring of management in implementation and communication with, the wider ownership community are regarded as key consideration in achieving long term farming excellence.

Management and performance

The judges will consider financial measures such as profit per SU, return on business capital and wealth generation along with consideration of production performance as well as environmental performance. the judges will seek to give regard to “Cost of Production Analysis”. Such a measure allows setting of goals for improved performance that relate to the whole farm system and also provides a good comparison of performance across all types of farming businesses. Consideration will also be given to up-skilling at management and farm worker level as well as means of keeping up to date with new farming methods. Allowance will be made for other factors such as - the physical resources available to the farmer (e.g. local climate, soil types, water, contour etc), stage of development, and financial structure. Judging will also recognise limits that may exist for Trusts and Incorporations raising outside capital.

Support for social and community activities and nga tikanga Māori

This assesses both the contribution and participation in communities of interest as well as the on the development and review of strategy. It also takes into account the manner in which customs and traditions are taken into account by the business.



In considering the above the judges will utilise as a guideline the weighting set out below. In doing so it is noted that judging is not an exact science and there is a strong interrelationship between governance and management. Thus a degree of discretion needs to be allowed for by judges, especially if the final pointing is very close between competing properties.

CRITERIA	MAX. POINTS AWARDED	FACTORS TAKEN INTO ACCOUNT INCLUDE THE FOLLOWING (WHERE POSSIBLE JUDGES WILL COMPARE WITH INDUSTRY BENCHMARKS AND BEST PRACTICE)
Governance	20	• Fit of business with farm resources • Mandate for activities from the owners • Communication with owners and processes for electing governance team • Strategy development including a documented Strategic Plan with KPIs • Implementation and monitoring • Flexibility in coping with changes in markets, climate, regulations etc • Participation in governance training • Mix of governance skills • Developing new governance people • Selection and management of advisors • For Regional winners: field day performance – presentation and response to questions.
Social/community/ nga tikanga Māori	10	• Contribution to, and participation in, communities of interest to the organisation e.g. support for local hapu, marae, and wider local community affairs (such as rural community or farm associations) • Governance or management team's ability to manage tikanga Māori aspects of the business • Commitment to Māoritanga, and for regional winners in particular presentation of the organisation as an exemplar of Māori excellence in the business of farming.
MANAGEMENT AND PERFORMANCE		
Financial	25	• Economic Farm Surplus (EFS) • Wealth creation • P&L and balance sheet ratios including performance over time.
Productivity	9	• Best available productivity measures appropriate across a range of farm classes will be compared with industry databases such as M&W Ec Service Survey farms in the same farm class/ district e.g. meat/ha.
Farm/Stock	9	• Stock health and welfare • Genetic improvement • Reproductive and growth performance • Feed supplies – quantity and quality relative to farm resources • Feed utilisation • Cost of production analysis • Purchasing and marketing skills.
Employee	9	• Employment agreements and job specifications • Performance review approach • Training support.
Environment	9	• Nutrient budgeting • Measures to minimise nutrient leaching and soil erosion and damage including planting of trees etc.
Entrepreneurship/ special features	9	• Adoption of proven new technology and systems management approach.
TOTAL	100	



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TROPHY

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