# BNZ MĀORI EXCELLENCE IN FARMING AWARD 2010

DAIRY

FIELD DAY HANDBOOK

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# AHUWHENUA TROPHY

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# The Ahuwhenua Trophy

BNZ

# Māori Excellence in Farming Award 2010

DAIRY

2010 AHUWHENUA TROPHY COMPETITION FINALISTS ARE:

**Waipapa 9 Trust**

**Hanerau Farms Limited**

**Rangatira 8a 17 Trust**

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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 ngā kahohi ora o ratou ma, tena tatou katoa.

He uri katoa tātou nō Rangi rāua ko Papatuānuku.

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

Nā ngā mahi ahuwhenua 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 ahuwhenua, 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

I would like to acknowledge all those who have made the Ahuwhenua Trophy the competition it is today. The event is as much a reward for you, as it is for the 2010 entrants in the competition.

New Zealanders and the New Zealand economy rely heavily on the excellence of the primary sector. Māori have an integral part to play, and are major contributors and stakeholders in New Zealand's primary industries.

As the Minister of Agriculture, Forestry and Biosecurity, I know the significance of Māori farming and its contribution to the economy through land and forestry assets, and to environmental issues through a strong cultural connection to the land and water environments.

Our land, our waterways and our biodiversity, both natural and exotic are essential resources for our survival. Fortunately for New Zealand, we have some of the best environmental practices in the world. By protecting our natural resources, Māori believe we are able to sustain the ability of Papatuanuku to provide for the prosperity of all New Zealanders.

Māori, with their views around kaitiakitanga, are at the forefront of thinking on the importance of protecting our environment in order to achieve the sustainable use of our resources.

The Ahuwhenua Trophy highlights those who share these views, and acknowledges those who are role models for other Māori farmers.

The Ahuwhenua Trophy competition applauds success in Māori farming, not just the winners of the event. Those who have the courage and commitment to enter such a competition are to be commended. In doing so, they give farmers, trusts and incorporations 'food for thought' on better developing and improving farming practices.

**Hon David Carter**
Minister of Agriculture

# From the Chairman

Since its inception, the Ahuwhenua Trophy competition has encouraged Māori farmers to develop their land to its greatest potential. Clearly our three finalists have taken that challenge to heart. By reaching this stage of the competition they have already demonstrated significant achievement within the sector and are fine examples of well run dairying operations.

Dairying in 2010 is a challenging business but one that offers Māori farmers excellent opportunities to generate profit and business growth while providing employment and maintaining a strong focus on environmental issues.

Quality governance and management is imperative if these opportunities are to be realized. The majority of our farms are large scale businesses, many of them whānau based incorporations and trusts. The Boards administering these businesses have a responsibility to manage their assets for the benefit of current shareholders as well as sustaining and growing those assets for future generations. In the majority of cases they do this very well.

The Ahuwhenua Trophy - BNZ Māori Excellence in Farming Awards emphasises excellence and achievement in all aspects of the Māori farming sector. That includes the development of policies that drive the dairy sector as a whole. More participation by Māori is required at this strategic level and we have the expertise to do it. After all, we know our land, we have the skills and we have the experience.

Through this competition we hope to encourage more involvement in the making of policies which directly affect our businesses. At the same time we have observed the need to develop greater expertise amongst Māori in understanding the economic factors impacting on our sector, and a greater understanding of the complexities affecting our markets. This approach is as relevant to us as it was to Sir Apirana Ngata who urged his contemporaries to create economies of scale and greater leverage with the political and economic power brokers by working together.

On behalf of the Ahuwhenua Trophy Executive committee I offer my congratulations to our three finalists. We also acknowledge those who entered this year's competition. It was a strong field and we look forward to your entering our next dairy competition in 2012.

We also extend a special, heartfelt thanks to all our sponsors. Your generosity and commitment is greatly appreciated by all involved in this competition.

We look forward to seeing all sponsors, finalists and their whānau, supporting the field days on April 22, 29 and May 6 as well as joining us at the Gala Awards dinner in Taupō on Friday 28 May.

Naku noa, na

**Kingi Smiler**
CHAIRMAN – AHUWHEUNA TROPHY EXECUTIVE COMMITTEE

# History of the Ahuwhenua Trophy

The idea of the competition, marked by the annual award of the Ahuwhenua Trophy to Māori farmers arose from the deep interest and affection for the Māori race of Lord Bledisloe who was Governor-General of New Zealand from 1930 to 1935.

The wise yet surprisingly conservative choice of a cup was made and named Ahuwhenua or, Son of the Soil. The then Minister of Māori Affairs, Sir Apirana Ngata was asked to propose a scheme and conditions to ensure that the trophy would not be won lightly. The result was a very fine cup and a scheme that has survived and overcome many difficulties.

The first competition was held in 1933 and the 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 competition was not held for two years and resumed in 1936 when the cup was won by Henry Dewes, a sheep farmer from Tikitiki.

In 1937, the cup was lost in a fire that destroyed the Waiapu store where it was on display. It was replaced the following year, only to be lost in 1943 on a rail trip from Rotorua to Wellington. The competition continued, despite the absence of the Trophy, and in 1946 it was discovered undamaged in a Frankton store. In 1947, it went north for the first time, when it was won by Wiremu Matenenaera of Hokianga.

Because of the difficulty and impracticality of comparing dairy farms with sheep farms, the entries were divided into two groups with separate awards. In 1954, Lord Bledisloe donated a companion cup for this occasion. The original competition continued up until the 1980s but interest started to wane and the last one 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 competition. 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. The first bi-annual Dairy competition was held in 2006.

# Looking Back

## The 2008 Finalists

Life has been busy and on the move for the three 2008 Ahuwhenua Trophy finalists.

Current Ahuwhenua Dairy Trophy holders, Dean & Kristen Nikora, owners of **Cesped Lands Ltd**, credit the Ahuwhenua competition with helping them through the recent economic downturn.

The 2008 Ahuwhenua competition judges praised their innovative farming and commercial practices but noted that while their growth strategy was well managed and incorporated disciplined risk analysis it remained high risk. How, they asked, would the business respond to negative changes in the economic environment? "Thank heavens they asked the big questions," said Dean." When the economic environment did change and our dairy payout crashed we had already put ourselves in a mitigating position"

Cesped Lands, which is made up of three autonomous dairy units working together under a collective business and administrative structure, carved back costs and maintained earnings before interest.

The Cesped Lands whānau approach to staff welfare, which the 2008 Ahuwhenua judges described as one if its strengths also helped the business through the recent economic turndown. "We pulled our management team together, developed and executed some really good plans and although the last 18 months has been a testing time for the business we've come out a lot stronger," said Dean.

Richard Greaves, who, in 2008, was managing Mangatewai, one of the Cesped farms, is now a partner. As a result Cesped's wider investment has increased by approximately 1000 cows and now stands at 3,500 cows.

The last two years have been very successful for Dean and Kristen personally. Dean describes the privilege of being exposed to further leadership opportunities

following his Ahuwhenua competition success. Since winning the Ahuwhenua Trophy he has taken up an opportunity to join the Board of the SOE, AsureQuality, which provides food safety and biosecurity services to the food and primary production sectors. He also works as a consultant with an Auckland accounting firm helping to put other agribusinesses on strong financial footings. As Dean's off-farm life became busier, his wife Kristen's involvement in the business increased. Her primary focus is still her family but she has taken a stronger leadership role in the business and is more involved in the key decisions affecting Cesped Lands Ltd and in its future direction.

In 2008 the **Parekarangi Trust** farmed 665 ha south of Rotorua, including a 410 ha dry stock unit and the 255 ha dairy unit which won the Trust its finalists ranking in the Ahuwhenua competition that year. The district was already in the grip of a severe drought and, accepting that in the short term production would fall, the Parekarangi Trustees and management team focussed their efforts on maintaining cow condition. According to Trust chair, James Warbrick, this strategy put them well ahead of the game.

"Our programme of increasing stock numbers in line with cow performance has resulted in consistent growth over the last two years. We have wintered 937 cows and are aiming for 980 this coming winter - 180 more than in 2008 - but our emphasis has been on condition rather than quantity. Although we dropped from 320 kilos to 266 kilos per unit during the drought, we're now up to 330 kilos so we're quite happy with that."

Plans for a new 55-bed Youth Justice facility on 10 acres of their land have progressed well. The Trust has been working through the consent process with Child Youth and Family which is leasing the land. Work has begun on the buildings, roadways have been developed and large scale planting of native plants to screen the facility from surrounding areas has also taken place. The project is seen as a sound investment and central to the Trust's kaupapa which aims to provide not only local iwi with employment but, hopefully, to support some of the young people released after their sentences.

Despite tough economic conditions affecting the sector in the last two years Parekarangi has a strong staff base - Farm Manager Steve and Donna Watson, an Assistant Manager, two Dairy Assistants, one of whom is a young woman, one Wrightson's Cadet and a Dairy Support Farm Assistant.

The Trust has continued to improve the property's general environment by fencing of streams and planting a range of native herbs for use in the preparation of rongoā or traditional Māori healing practices.

In 2008 the Ahuwhenua judges not only praised Parekarangi's overall financial management but said they were "hugely impressed by the very close ties the Trust has with shareholders". "I live in Whakarewarewa village along with many of our stakeholders so it's relatively easy for us to get together for verbal updates on the Trusts progress but in the last couple of years we've improved our communication further by providing more frequent written updates."

"All in all we've taken a prudent steady as we go approach to the business over the last two years and we're pretty chuffed by the results."

Management and staff at **Hauhungaroa Partnerships** dairy unit near Taupō say their experience as finalists in the 2008 competition was not only enjoyable but helped them identify areas for improvement and they went about making those improvements with gusto. The team focussed on developing reliable water supplies and put a lot of effort into fencing, cropping and regrassing. The Ahuwhenua experience also encouraged them to use more off-farm training as part of their scheme for up-skilling staff.

Milk production at the Hauhungaroa farm has fluctuated over the last few years but is on the increase again. The 2007/08 season production was 257,000 kg of milksolids, down by 43,000 kg on the budgeted total, due to the drought in the last half of the season. The 2008/09 season production was 271,000 kg milk solids.

"The 2008/09 season was a busy and challenging year for us as we made a significant investment in infrastructure," says spokesperson, Sam Andrews.

The cow shed was fully automated. This included cow electronic ID with each milking recording mastitis, yield and weight of each cow. As a result of the in-shed feeding system the dairy unit can now store 30 tonne of dry or pelletised feed and 30 tonne of molasses which can be fed at individual rates to individual cows, targeting lighter and higher performing cows.

In June 2009 the dairy unit area was increased by 200ha and the farm is now currently tracking to achieve 340,000 kg milk solids for the 2009/10 season. Apart from the larger land area, this increase is due to better cow condition, higher feeding levels, a more compact calving date and an increase in supplement availability which is being used at key times. The ability to feed the cows higher levels of supplement has meant that the 2010 calving date has been brought forward by 7 days. Using the summer/winter cropping programme, 10% of the milking platform is being re-grassed to milk 1,200-1,300 cows each year with a short term targeted production of 450,000 kg milksolids.

"With the increase in regrassing, cropping and in-shed feeding, the dairy unit now has a buffer against any seasonal difficulties," Sam says.

With all the new systems that the committee of management has put in place over the last 12 months the Hauhungaroa Partnerships dairy team is looking forward to a successful 2009/10 season and beyond.

# The Ahuwhenua Trophy Awards' Dinner

2008 finalists, whānau and supporters celebrate at the 2008 Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards' Night Dinner at the Events Centre in Rotorua.

Tickets available for the 2010 Ahuwhenua Trophy – BNZ Māori Excellence in Farming Awards Dinner

*Friday 28 May 2010*

*Taupō Events Centre, AC Baths Avenue, Taupō*

*Ticket price $135 – formal dress – powhiri starts 5pm sharp – cash bar will be operating*

*RSVP to Joan Nathu 04 819 9205 email joan.nathu@maoritrustee.co.nz*

# Once again, BNZ salutes a proud tradition of Māori farming.

As New Zealand's second largest rural lender, BNZ has a long and proud tradition of supporting Māori Agribusiness. Inspired by Sir Apirana Ngata's far sighted challenge to generations of Māori farmers to develop the full potential of their properties the BNZ has once again taken the opportunity to partner Māori Agribusiness and support its ongoing development by continuing as Platinum Sponsor of this year's BNZ Ahuwhenua Dairy Competition.

The BNZ has been involved with the rebirth of the competition since 2003 and has been a Platinum sponsor for the past 4 years. We understand the significant role Māori farmers play in our industry. The on-going development of their operations is critical to the success of our industry overall. After all, Māori are the largest natural grouping of pastoral farmers in New Zealand and Māori agribusiness comprises 720,000 ha of effective farming land worth an estimated $7.5 billion.

The Ahuwhenua BNZ Trophy competition is a highlight for our business. Many members of our staff are actively involved in judging, attending field days, supporting clients, and of course celebrating and recognising the finalists and ultimately the winner of the competition.

The period since the last Dairy competition has been a volatile and challenging one for the country, at BNZ we recognise the importance of supporting the growth of the economy through good times and bad which is why during the global financial crisis we lent more money to NZ business than all the other banks combined.

We expect the volatility in commodity prices, exchange rates and input prices to be an ongoing risk to our sector and successful management of these risks and the ability to react quickly to a changing environment will be key success factors.

The principles championed by the competition and its entrants are ones which are crucial to success in all parts of the business cycle. We are proud to support the competition as it highlights successful approaches to governance, financing, management, innovation, environmental management and of course the recognition of ngā tikanga Māori.

Improving the farming industry's approach to governance is a key focus for the BNZ as we believe strong governance leads to superior sustainable wealth creation over the long term. Once again, this year's competition will provide Māori trusts and incorporations with the opportunity to showcase best practice and demonstrate to others in the farming industry how to run profitable sustainable farming businesses over the long term.

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 Business Centres across New Zealand to provide a local "office away from the office" meeting resource and networking hub.

With quality banking, professional support and the right solutions, Māori farming operations will continue to thrive and create wealth and opportunity for shareholders. We enjoy partnering with the individuals, trusts and incorporations that make up this sector to achieve their business and community goals for today, tomorrow and future generations.

**Tony Arthur**
*National Managing Partner – Agribusiness*
Bank of New Zealand

# Waipapa 9 Trust

Poihipi and Kaahu Roads, Taupō
22 April 2010

# Waipapa 9 Trust

## Field Day Programme*

| | |
|---|---|
| 09.30 | **Powhiri** – The Host<br>– Response *Abe Seymour* |
| 10.00 | **Background to the Competition**<br>*Chairman Executive Committee – Kingi Smiler* |
| 10.10 | **Introduce the programme and the remainder of the day**<br>*Facilitator – Paul Bird* |
| | **Introduction** – the finalist's farm including farm history, governance and business structure, financial performance |
| 11.00 | **Farm tour** – including discussion on staff, environmental management, production management and judge's comments |
| 1.40 | **Summary from the host** |
| 2.00 | **Presentation of prizes** |
| 2.25 | **Lunch** |

**Note: times are approximate*

### 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 on foot or 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.

# Waipapa 9 Trust

## History

The Waipapa Trust lands comprise 6,537 ha, a mix of ancestral lands developed from cutover bush between 1960 and 1980 and land purchases between 1997 and 2009. The original development was into three sheep and cattle stations (Waipapa, Otanepae and Takapau Stations) which were administered and managed separately by the Lands and Survey Department for the Trust. On 8 July 1989 Waipapa 9 Trust took back the land and full responsibility for managing and operating the businesses.

Between the late 1990's and 2009 the Trust has acquired a number of adjoining farms. These acquisitions have enabled the growth of the Trust to accelerate through greater ability to leverage and develop their land based businesses alongside other commercial investments.

The move to dairying began in 1996 with the development of the Okuhaerenga Dairy Unit. This development was on land of higher altitude with longer winters and a relatively short production season. Okuhaerenga was developed from heavy log country out of cutover bush, with poor browntop based pastures and low fertility soils. This original operation had less than optimal success in the initial years until the current share milkers Matt and Louise Pepper started in 2005. Further investment into dairying was accelerated and in 2007 and 2008 Marae Manuka and Takapau Dairy developments were undertaken.

There are currently 2,400 dairy cows being milked on Waipapa lands with a target to increase to 3,800 dairy cows by 2015. Dairying now occupies 35% of the Trust's effectively farmed land.

The remainder of the effective Trust grazing land (2,632 ha) is presently operated as two sheep and beef stations (Waipapa and Otanepae) wintering over 31,000 stock units. Part of Otanepae Station is located within the Lake Taupō Catchment area and is managed under nitrogen restrictions with a Nitrogen Management Plan in place.

The Trust adopts a very strong environmental focus as part of their business goals and values and over time has retired lands, protected wetlands and waterways, contributed to nitrogen reduction initiatives, planted forestry and invested in low impact effluent systems on the dairy developments.

The Trust currently has 1,180 shareholders representing seven hapū of Ngāti Tūwharetoa and Ngāti Raukawa descent, Whaita, Wairangi, Parekawa, Te Kohera, Parakaiahi, Moe-kino, Ngāti-Ha (plus Ngāti Te Maunga and many others).

The Cadet Training Unit was established in 2006 under a separate Charitable Trust to establish an opportunity for young Māori to develop skills in agriculture and farming. All of the Waipapa Trust farms contribute to enhancing the practical skills of these young trainees.

The future will see the Trust continue to grow and enhance their core businesses for future generations.

## Vision Statement

### *'Ma te Remu o te huia Ka Ora te Katoa'*

GOAL

To create a high performing farming operation returning maximum long term financial gains to shareholders.

STRATEGY

We will achieve our goals through maximising the returns from the land farmed by the Trust in a sustainable way through better land utilisation, increased production, improved profit and innovation.

# Waipapa 9 Trust

## What impressed the judges

### GOVERNANCE

- Trust objectives and vision were clearly outlined which lead well into strategic business objectives
- Great Governance structure evident with clearly defined roles between governance and management
- Each trustee is responsible for an individual portfolio
- Succession planning is evident with advisory trustees being brought into governance meetings
- Selection of advisors was appropriate with trust prepared to employ external consultants as required to assist on each project
- Strong entrepreneurial skills displayed with multiple business sources/interests
- Diversified income streams have been developed to insulate specific industry fluctuations
- The trust is aware of the effect that adverse weather has on their farming operations and mitigate that by ensuing appropriate pasture management as well as making full use of their other farming units.

### STAFF

- Waipapa Charitable Trust has been established which runs the cadet training unit
- This has a clear objective of training Māori with on farm experience to get into future farm management positions
- Trustees are provided governance training through external providers.

### FARM

- Animals appear in good condition (CS 4.5 at dry off) consistent with best practice
- Typical best practice in application of genetics. The thinking around a move to 'Kiwi-X' is indicative of a well considered approach
- The pasture management systems in place work well
- The cropping programme, rates of pasture renewal effluent spreading and fertiliser application seem quite balanced overall
- However given that two of the farms are recent conversions, production will be constrained by the remaining brown top pastures
- Attention and acceleration of the planning of the renewal of these paddocks will be of benefit.

### ENVIRONMENTAL

- The Trust has followed good practice in fencing those areas required to protect waterways and the native forests on the properties
- The most noted environmental approach is their participation in the Taupō Lakes Group and ensuring and creating a greater buffer between their farming operations and the lake
- This includes further planting of trees to mitigate any run off.

### FINANCIAL

- This was difficult to analyse from information provided owing to recent conversions and heavy capital expenditure outlay
- Trust members and advisors were clearly able to verbalise the EFS of dairy conversion vs. sheep and beef production reflecting a focus on wealth creation by the Trust.

# Waipapa 9 Trust

## Directory

**TRIBAL AFFILIATION:** Ngāti Tūwharetoa and Ngāti Raukawa

**TRUSTEE**
**Anthony Tohu Haa** *(Chairman)*
**Anthony Ralph Matara Rotarangi**
**Ngarau Tarawa**
**Kia Paranihi**
**Lawrence Tawera**
**Gayle McLean**
**Anthony James Rotarangi** *(Advisory Trustee)*
**Puawai Wereta** *(Associate Trustee)*

**ACCOUNTANT/SECRETARY**
**Steve Bignell**
*Strettons Chartered Accountants*

**SHARE MILKERS**
**Matt Pepper**, Okuhaerenga Dairy Unit
**Nick Pepper**, Marae Manuka Dairy Unit

**FARM MANAGERS**
**Craig Jackson**, Takapau Dairy Unit
**Denys Gayton**, Waipapa Station
**Stuart McDougal**, Otanepae Station

**FARM ADVISOR**
**Bob Cottrell**
*Cottrell and Associates Ltd Taupō*

## Farm Description

The business comprises 1,400 ha in three separate blocks and is currently milking 2,400 cows with the first conversion occurring in 1996, followed by one in 2008 and one in 2009. The dairy business is part of a larger farming operation totalling 6,537 ha with dairy land representing 35% of the total effective area. The remainder is running sheep and beef cattle with some forestry.

The dairy business includes land of higher altitude with longer winters and a relatively short production season and originally with low fertility soils.

Waipapa Dairy is made up of three separate units:

### MARAE MANUKA DAIRY UNIT – *Kaahu Road, RD1, Mangakino*

Marae Manuka was developed in 2006 and is currently in the second year of production.
It is one of the two properties sharemilked for Waipapa 9 Trust by brothers, Matt and Nick Pepper.
Production for the 2010 season is estimated to reach 180,000 kg milksolids from 630 cows.
Contour is flat to medium hill.

### OKUHAERENGA DAIRY UNIT – *Poihipi Road, RD1, Taupō*

Okuhaerenga was converted in 1996 from what was originally part of Otanepae Station.
This property is also share milked by Matt and Nick Pepper.
Production estimate for 2010 is 250,000 kgMS from 760 cows. Contour is predominantly rolling to steep.

### TAKAPAU DAIRY UNIT – *Poihipi Road, RD1, Taupō*

Takapau was developed in 2009 and is currently in the first year of production.
Waipapa 9 Trust has opted for a full management model on this unit.
Craig Jackson manages this unit with a staff of 4.
Production estimate for 2010 is 320,000 kg milksolids from 1,025 cows or 555 MS/ha and 312 MS/cow.
The farm is predominantly flat on 2 terraces.

# Waipapa 9 Trust

## Governance and Management

### COMMUNICATION WITH OWNERS

- Annual payment of dividends
- Annual allocation to Kaumatua, education and special grants
- Biennial visits to areas of interest on farm as part of AGM
- Website communication with owners.

### PROCESS FOR ELECTING GOVERNANCE TEAM

Board Composition and operational approach

- Six person Board
- One Advisory Trustee (non voting)
- One Associate Trustee (non voting)
- Board meets monthly
- AGM held annually in November
- Regular board review processes undertaken
- Succession at Board level
- Potential Board members identified
- Appointed initially as Associate Trustees for future succession.

### APPROACH TO STRATEGY DEVELOPMENT

The strategic plan was prepared in 2007 and is constantly under review.

The 5 year planning process for the farming operations is currently in draft form for years 2011-2015.

This strategic plan dictates the operational plans for the Trust from which budgets are prepared, approved and operated. Monitoring is done through a monthly reporting process.

Key Performance Indicators are aligned to the businesses as a whole and to each farm enterprise and performance is measured across the different business sectors.

While operational plans are approved there is some level of flexibility allowed to cover adverse events or changes that may be required to benefit the overall performance of the individual units. Major variations need the approval of key board members and trustees.

# Waipapa 9 Trust

## APPROACH TO IMPLEMENTATION AND MONITORING

The substantial investment into growing the Trust's Dairy enterprise over the last three years has been primarily driven by identifying the investment potential in key areas of the Trust's landholding and further diversifying the farming businesses.

Other key areas have included growing the productive potential of the Sheep and Beef enterprise, commercial developments and the Cadet Training Unit.

The key goals have been to grow the business in a sustainable way, so that future generations of owners can benefit in both the growth and income of the Trust's businesses.

## SELECTION AND MANAGEMENT OF ADVISORS

- Specialist management expertise contracted or employed
- Independent expert advice brought in as required
- Portfolio oversight allocated to Trustees with relevant skills and expertise
- Close liaison between Chairman, Secretary, advisors and management
- Farm Committee of Anthony Tohu Haa (Chairman), Tony Rotorangi and Steve Bignell
- Strettons engaged as professional administrators
- Financial planning undertaken annually with revisions
- Monthly financial and management reporting
- Project planning undertaken as required
- Strategic planning processes undertaken regularly
- Specialist professional services employed as required
- Property Management.

# Waipapa 9 Trust

## Farm Details and Production Information

| | OKUHAERENGA | | | MARAE MANUKA |
|---|---|---|---|---|
| | 2006/07 | 2007/08 | 2008/09 | 2008/09 |
| Milking area ha | 324 | 325 | 320 | 236 |
| Dairy run-off effective area ha | 0 | 0 | 0 | 0 |
| Milksolids kg | 227,270 | 180,986 | 229,321 | 162,202 |
| Peak cows milked ( cross-bred) | 650 | 700 | 720 | 580 |
| R1 heifers at end of season | 150 | 180 | 180 | 140 |
| Stocking rate cows/ha | 2 | 2.2 | 2.3 | 2.5 |
| Planned Start of Calving (PSC) | 1st Aug | 1st Aug | 1st Aug | 1st Aug |
| Nitrogen applied for year kg/ha | 120kg | 120kg | 120kg | 130 kg |
| Seasons rainfall mm | 954 | 803 | 1,570 | 1,570 |
| NIWA 10 yr rainfall mm (Taupō) | 950 | 930 | 990 | 990 |
| Olsen P | 57 | 53 | 53 | 38 |
| Soil Ph | 6.1 | 5.8 | 6 | 5.8 |
| Breeding worth & reliability | 73/38 | 76/41 | 78/48 | 76/40 |

***OKUHAERENGA 2010 estimate 250,000kgMS***
***MARAE MANUKA 2010 estimate 180,000kgMS***

## Physical Key Performance Indicators

| | OKUHAERENGA | | | MARAE MANUKA |
|---|---|---|---|---|
| | Season ending 2006/07 | Season ending 2007/08 | Season ending 2008/09 | Season ending 2008/09 |
| Milksolids/ha kg | 701 | 556 | 717 | 688 |
| Milksolids/cow kg/cow | 350 | 259 | 319 | 280 |
| Milksolids as % of liveweight | 87% | 65% | 78% | 70% |
| Pasture & crop eaten t DM/ha | 8.3 | 6.5 | 8.3 | 8.5 |
| Imported supplements eaten t DM/ha | 0 | 0 | 0.30 | 0.36 |
| Grazing off dry cows eaten t DM/ha | 0 | 0.27 | 0.21 | 0.35 |
| Total feed eaten t DM/ha | 8.3 | 6.8 | 8.8 | 9.2 |
| Days in Milk (DIM) per cow days | 270 | 200 | 240 | 190 |
| Cows/Labour unit cows/FTE | 271 | 200 | 206 | 171 |

# Waipapa 9 Trust

## Production Management Practices

Management practices vary a little between the properties that are sharemilked and Takapau Dairy Unit which is managed. The main differences are around breeding policies which in both cases may change over time. The key philosophy on all farms is to keep systems as uncomplicated as possible.

### SHAREMILKERS – OPERATIONAL PLANS

**Autumn**

- Start with autumn planning feed budgets for winter; feed cover targets set; dictates drying off alongside cow condition score; decisions made around once a day herd
- Re-grass summer crop paddocks
- Pregnancy test, aim for < 8% empties; cull empties and other culls ASAP
- Build round length, increase CS with PKE and Urea if required to get max Days in Milk
- Cow CS min 4.5 at dry off
- Plan new season staff – aim to retain 70%
- Plan financial budgets and cash flows. Monitor production and expenses monthly.

**Winter**

- Draft into weight gain herds
- Monitor animal health
- Monitor pasture covers – target 2100 + covers on 1st August
- Target CS of 5.5+ at calving
- Protect grass covers; use electric fence reels to ensure no back grazing; 180 + day round; crops fed with silage or supplement
- Shed, plant and fence maintenance; set up calf rearing systems
- Train staff, milking, mating, grass residuals
- Magnesium supplementation
- Soil test, annual fertiliser plans prepared.

**Spring**

- Plan start calving 1st August – aim PSC to mid point < 18 days
- Apply urea early spring; feed PKE to fill early spring feed deficit; regular feed budgets
- Spring rotation plan, feed wedge monitoring, plan 21 day round
- Monitor covers, harvest surplus for silage, residuals 1,450 kg DM/ha minimum to ensure maximum pasture quality through mating period
- 2 herds, good condition herd and lighter/young herd
- Induce late calvers < 8%, feed well. Plan to eliminate inductions in short term. No CIDRs used now. DIY Metricheck and Metricure
- Regrass winter crops mid-September. 10% dairy platform/yr
- Sow summer crops mid Oct and winter crops late Nov
- 8.5 t DM/ha of pasture eaten
- Aim 1.9 kg milksolids per cow at peak.

**Summer**

- Apply urea December, early January, plus feed PKE to increase round length 28 + days Annual “N” usage max 120 units “N”. Opportunity for increase
- Drench young stock regularly
- No tail docking
- Staff take summer holidays.

# Waipapa 9 Trust

## Farm Infrastructure

Key areas of growth and development 2005-2010 are:

- 2005 to present increased investment in development of Sheep and Beef units (water, fencing, regrassing, genetics)
- 2005 to present increased investment in development of Okuhaerenga Dairy Unit (clearing, cropping, regrassing, tracks and races)
- 2005 Waipapa House, Taupō (Commercial Building) opened
- 2006 Waipapa Charitable Trust formed – Cadet Training Unit started
- 2007 Amalgamation of Otanepae and Takapau Stations (2642 ha)
- 2007/2008 Development of Marae Manuka Dairy Unit (320 ha) – 540 cows
- 2008 sale of Otake Road block (135 ha bare land)
- 2008/2009 development of Takapau Dairy Unit (702 ha)
- 2009 Regrassing programme starts on Marae Manuka Dairy Unit
- July 2009 Takapau Dairy Unit starts production (1025 cows)
- 2009 Purchase Otaketake Block (302 ha) from Lake Protection Trust - amalgamated into Otanepae Station
- Dec 2009 - 60 ha developed (ex Sheep and Beef) and added to Okuhaerenga Dairy Unit
- 2010 Retire 300 ha Takapau block (sheep and beef) for eucalypt planting to offset Otaketake purchase and retire Nitrogen
- 2010 regrassing programme starts on Takapau Dairy Unit.

Ongoing development and intensification of Sheep and Beef units with increased element of dairy support and dairy beef production.

## Business KPI's

| | OKUHAERENGA | | | MARAE MANUKA |
|---|---|---|---|---|
| | 2006/07 | 2007/08 | 2008/09 | 2008/09 |
| **Profitability** | | | | |
| Gross Farm Revenue $/ha | 1,548 | 2,063 | 1,898 | 1,768 |
| Operating Expenses $/ha | 965 | 1,108 | 1,387 | 2,340* |
| Operating Profit $/ha | 583 | 955 | 511 | -572 |
| **Liquidity** | | | | |
| Net Dairy Cash Income $/kg milksolids | 2.21 | 3.71 | 2.65 | 2.57 |
| Farm Working Expenses $/kg milksolids | 1.1 | 1.62 | 1.67 | 1.91 |
| Dairy Cash Operating Surplus $/kg milksolids | 1.11 | 2.08 | 0.98 | 0.66 |

***Depreciation $971/ha or 41% of Operating Expenses***

# Waipapa 9 Trust

## Business goals

To complete development on the dairy units e.g. regrassing.

We aim to increase production to 1.2 million kg milksolids and cow numbers to 3,800 - 4,000 on the 3 units by 2015 and also build a new shed at Okuhaerenga.

Increased production on Sheep and Beef Units.

## Farm Maintenance and Development

The farm units are in various stages of development. The key goal is to invest to extract the potential from the land entity without eroding the base asset. This ongoing development will focus on maximising the performance of the Sheep and Beef and Dairy units in the most cost effective manner. A five year Business Plan is in place outlining the development process. Capital development and other capex are structured into this Business Plan.

Maintenance programmes are in place including yearly building maintenance programmes for all major buildings on the properties.

Annual fertiliser applications are developed around yearly soil testing, nutrient requirements and nutrient budgets.

Weed control, water supply, fencing and race and track maintenance are managed on a property by property basis.

## The Farm Team

The Trust recognises the significance management and staff contribute to the success and growth of their businesses. The Trust encourages and supports the development of managers and staff through:

- Management and 2IC business groups
- Personal growth programmes for up skilling management
- Discussion groups and monitor farm groups
- Staff education up skilling programmes
- Animal health and nutrition seminars
- Technical workshops.

The Trust acknowledges the significant contribution the sharemilkers, managers and staff make to the Trust businesses.

# Waipapa 9 Trust

## Environmental

### GOALS

Waipapa 9 Trust strives to have minimal impact on the environment it operates in through increased awareness, strategic investment, sustainable management practices and high levels of management capability. This will help underpin the commercial sustainability of the businesses alongside protecting the core assets for future generations.

### STRATEGIES

Key environmental strategies undertaken by the Trust include:

- Substantial voluntary retirement of land from development over the whole property – both native and exotic); native retired areas are of cultural as well as environmental significance
- Extensive fencing and retirement of land adjoining waterways on Marae Manuka dairy development (40ha of 320 ha development)
- Protection of wetlands
- New lined effluent pond systems on Marae Manuka and Takapau dairy developments with 90 day storage capacity and travelling irrigators (optimal use of nutrients in periods when nutrient losses and runoff are minimal)
- Annual soil testing and nutrient budgeting utilised on all properties
- Nutrient Management Plan in place on part of Otanepae Station to reduce "Nitrogen" impact on water quality
- Retirement of farm land as part of Lake Taupō protection programme (300 ha)
- Participation in Māori Agriculture Focus Group on Climate Change
- Ongoing mapping of the Trust's land resource as part of this environmental planning.

## Social, Community and Ngā Tikanga Māori

Waipapa 9 Trust makes contributions in a number of ways to its community of shareholders as well as the wider community.

The distribution policy is made up of both commercial and social dividends. These include:

- A commercial dividend to shareholders annually
- Education grants and scholarships to current and future beneficial owners
- Kaumatua grants
- Special purpose grants
- Contributions to Marae

Waipapa Trust also contributes to the training of cadets on farm as part of the training programme. This extends across the sheep and beef and dairy units.

Waipapa Trust is also part of collaborative alliance with a number of other Māori economic authorities in the Central Plateau through the Awhina Group. This group is involved in collective initiatives that will improve the economic wellbeing of the members, including marketing, purchasing and knowledge sharing.

# Waipapa 9 Trust

## Financials

Financial Details for Waipapa 9 are shown here and overleaf

FINANCIAL DETAIL – OKUHAERENGA

| | 2008-09 | 2007-08 | 2006-07 |
|---|---|---|---|
| **Milking Area(ha)** | 319.9 | 325.4 | 324.4 |
| **Peak Cows Milked** | 720 | 700 | 650 |
| **Milksolids Kg** | 229,321 | 180,986 | 227,270 |

| **GROSS FARM REVENUE (GFR)** | **2008-09 Total $** | **2008-09 % of GFR** | **2008-09 $ Per Milking ha** | **2007-08 $ Per Milking ha** | **2006-07 $ Per Milking ha** |
|---|---|---|---|---|---|
| Net Milk Sales | 607,204 | 100.0% | 1,898 | 2,063 | 1,548 |
| Net Dairy Livestock Sales | 0 | 0.0% | 0 | 0 | 0 |
| Value of Change in Dairy Livestock | 0 | 0.0% | 0 | 0 | 0 |
| Other Dairy Revenue | 0 | 0.0% | 0 | 0 | 0 |
| **Dairy Gross Farm Revenue** | 607,204 | 100.0% | 1,898 | 2,063 | 1,548 |
| Non-Dairy Cash Income | 0 | 0.0% | 0 | 0 | 0 |
| Value of Change in Non-dairy livestock | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL GROSS FARM REVENUE** | 607,204 | 100.0% | 1,898 | 2,063 | 1,548 |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **Labour Expenses** | | | | | |
| Wages | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Non-paid | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Management | 0 | 0.0% | 0 | 0 | 0 |
| Total Labour Expenses | 0 | 0.0% | 0 | 0 | 0 |
| **Stock Expenses** | | | | | |
| Animal Health | 0 | 0.0% | 0 | 2 | 0 |
| Breeding & Herd Improvement | 0 | 0.0% | 0 | 0 | 0 |
| Farm Dairy | 0 | 0.0% | 0 | 0 | 0 |
| Electricity (Farm Dairy, Water Supply) | 11,616 | 1.9% | 36 | 36 | 28 |
| Total Stock Expenses | 11,616 | 1.9% | 36 | 39 | 28 |
| **Feed Expenses** | | | | | |
| Supplement Expenses | | | | | |
| Feed Purchased | 49,079 | 8.1% | 153 | 63 | 0 |
| Net Crops & Supplements Made | 25,195 | 4.1% | 79 | 48 | 63 |
| Less Feed Inventory Adjustment | 0 | 0.0% | 0 | -15 | 0 |
| Calf Feed | 0 | 0.0% | 0 | 0 | 0 |
| Total Supplement Expenses | 74,274 | 12.2% | 232 | 126 | 63 |
| Grazing & Run Off Expenses | | | | | |
| Young & Dry Stock Grazing | 16,022 | 2.6% | 50 | 71 | 39 |
| Winter Cow Grazing | 0 | 0.0% | 0 | 0 | 0 |
| Run-off Lease | 0 | 0.0% | 0 | 0 | 0 |
| Owned Run-off Adjustment | 19,215 | 3.2% | 60 | 58 | 59 |
| Total Grazing & Run-Off expenses | 35,237 | 5.8% | 110 | 128 | 98 |
| Total Feed Expenses | 109,511 | 18.0% | 342 | 255 | 161 |
| **Other Working Expenses** | | | | | |
| Fertiliser | 183,825 | 30.3% | 575 | 412 | 371 |
| Nitrogen | 0 | 0.0% | 0 | 0 | 0 |
| Irrigation | 0 | 0.0% | 0 | 0 | 0 |
| Regrassing | 0 | 0.0% | 0 | 0 | 0 |
| Weed & Pest | 9,509 | 1.6% | 30 | 29 | 21 |
| Vehicles | 0 | 0.0% | 0 | 0 | 0 |
| Fuel | 0 | 0.0% | 0 | 0 | 0 |
| R & M - land & buildings | 23,833 | 3.9% | 75 | 62 | 137 |
| R & M - plant and equipment | 8,848 | 1.5% | 28 | 40 | 3 |
| Freight and General | 0 | 0.0% | 0 | 19 | 0 |
| Total Other Working Expenses | 226,015 | 37.2% | 707 | 562 | 531 |
| **Overheads** | | | | | |
| Administration | 24,456 | 4.0% | 76 | 75 | 66 |
| Insurance | 5,021 | 0.8% | 16 | 16 | 15 |
| ACC | 0 | 0.0% | 0 | 0 | 0 |
| Rates | 25,557 | 4.2% | 80 | 30 | 29 |
| Depreciation | 41,602 | 6.9% | 130 | 131 | 135 |
| Total Overheads | 96,636 | 15.9% | 302 | 252 | 245 |
| **Total Dairy Operating Expenses** | 443,778 | 73.1% | 1,387 | 1,108 | 965 |
| Non-Dairy Operating Expenses | 0 | | | | |
| **TOTAL OPERATING EXPENSES** | 443,778 | 73.1% | 1,387 | 1,108 | 965 |
| | | | | | |
| **OPERATING PROFIT** | | | | | |
| **DAIRY OPERATING PROFIT (EFS)** | 163,426 | 26.9% | 511 | 955 | 583 |
| Non-Dairy Operating Profit | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL OPERATING PROFIT** | 163,426 | 26.9% | 511 | 955 | 583 |

# Waipapa 9 Trust

DAIRY BASE

FINANCIAL DETAIL – MARAE MANUKA

| | 2008-09 | 2007-08 | 2006-07 |
|---|---|---|---|
| **Milking Area(ha)** | 235.7 | | |
| **Peak Cows Milked** | 580 | | |
| **Milksolids Kg** | 162,202 | | |

| GROSS FARM REVENUE (GFR) | 2008-09 Total $ | % of GFR | 2008-09 $ Per Milking ha | 2007-08 $ Per Milking ha | 2006-07 $ Per Milking ha |
|---|---|---|---|---|---|
| Net Milk Sales | 416,680 | 100.0% | 1,768 | | |
| Net Dairy Livestock Sales | 0 | 0.0% | 0 | | |
| Value of Change in Dairy Livestock | 0 | 0.0% | 0 | | |
| Other Dairy Revenue | 0 | 0.0% | 0 | | |
| **Dairy Gross Farm Revenue** | 416,680 | 100.0% | 1,768 | | |
| Non-Dairy Cash Income | 0 | 0.0% | 0 | | |
| Value of Change in Non-dairy livestock | 0 | 0.0% | 0 | | |
| **TOTAL GROSS FARM REVENUE** | 416,680 | 100.0% | 1,768 | | |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **Labour Expenses** | | | | | |
| Wages | 0 | 0.0% | 0 | | |
| Labour Adjustment - Non-paid | 0 | 0.0% | 0 | | |
| Labour Adjustment - Management | 0 | 0.0% | 0 | | |
| Total Labour Expenses | 0 | 0.0% | 0 | | |
| **Stock Expenses** | | | | | |
| Animal Health | 0 | 0.0% | 0 | | |
| Breeding & Herd Improvement | 0 | 0.0% | 0 | | |
| Farm Dairy | 18 | 0.0% | 0 | | |
| Electricity (Farm Dairy, Water Supply) | 2,186 | 0.5% | 9 | | |
| Total Stock Expenses | 2,204 | 0.5% | 9 | | |
| **Feed Expenses** | | | | | |
| Supplement Expenses | | | | | |
| Feed Purchased | 19,780 | 4.7% | 84 | | |
| Net Crops & Supplements Made | 3,515 | 0.8% | 15 | | |
| Less Feed Inventory Adjustment | 0 | 0.0% | 0 | | |
| Calf Feed | 0 | 0.0% | 0 | | |
| Total Supplement Expenses | 23,295 | 5.6% | 99 | | |
| Grazing & Run Off Expenses | | | | | |
| Young & Dry Stock Grazing | 3,800 | 0.9% | 16 | | |
| Winter Cow Grazing | 0 | 0.0% | 0 | | |
| Run-off Lease | 0 | 0.0% | 0 | | |
| Owned Run-off Adjustment | 12,781 | 3.1% | 54 | | |
| Total Grazing & Run-Off expenses | 16,581 | 4.0% | 70 | | |
| Total Feed Expenses | 39,876 | 9.6% | 169 | | |
| **Other Working Expenses** | | | | | |
| Fertiliser | 139,908 | 33.6% | 594 | | |
| Nitrogen | 0 | 0.0% | 0 | | |
| Irrigation | 0 | 0.0% | 0 | | |
| Regrassing | 0 | 0.0% | 0 | | |
| Weed & Pest | 8,707 | 2.1% | 37 | | |
| Vehicles | 0 | 0.0% | 0 | | |
| Fuel | 0 | 0.0% | 0 | | |
| R & M - land & buildings | 59,501 | 14.3% | 252 | | |
| R & M - plant and equipment | 980 | 0.2% | 4 | | |
| Freight and General | 40 | 0.0% | 0 | | |
| Total Other Working Expenses | 209,136 | 50.2% | 887 | | |
| **Overheads** | | | | | |
| Administration | 39,571 | 9.5% | 168 | | |
| Insurance | 6,393 | 1.5% | 27 | | |
| ACC | 0 | 0.0% | 0 | | |
| Rates | 25,557 | 6.1% | 108 | | |
| Depreciation | 228,802 | 54.9% | 971 | | |
| Total Overheads | 300,323 | 72.1% | 1,274 | | |
| **Total Dairy Operating Expenses** | 551,539 | 132.4% | 2,340 | | |
| Non-Dairy Operating Expenses | 0 | | | | |
| **TOTAL OPERATING EXPENSES** | 551,539 | 132.4% | 2,340 | | |
| | | | | | |
| **OPERATING PROFIT** | | | | | |
| **DAIRY OPERATING PROFIT (EFS)** | -134,859 | -32.4% | -572 | | |
| Non-Dairy Operating Profit | 0 | 0.0% | 0 | | |
| **TOTAL OPERATING PROFIT** | -134,859 | -32.4% | -572 | | |

# Waipapa 9 Trust

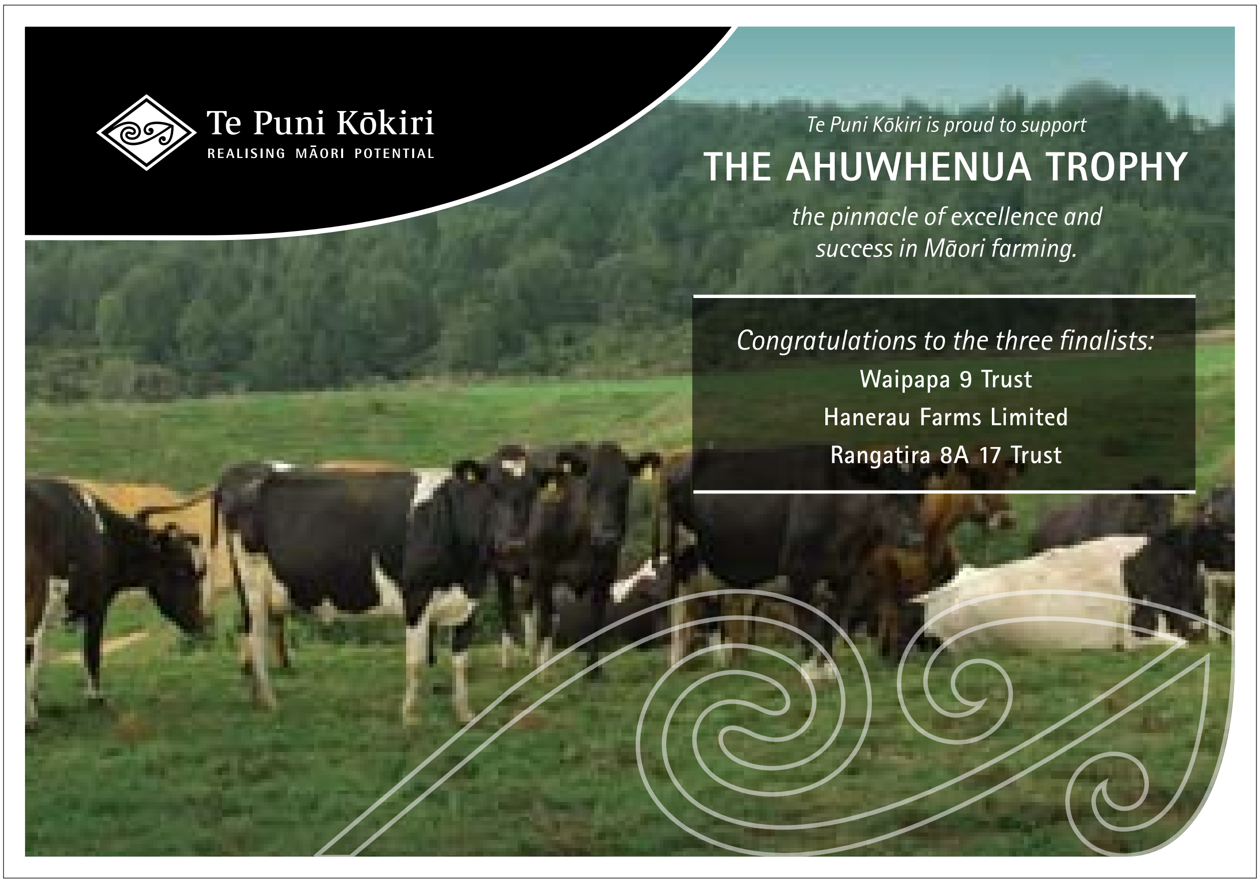
## Farm Map – Okuhaerenga

# Waipapa 9 Trust

## Farm Map – Marae Manuka

# Waipapa 9 Trust

## Farm Map – Takapau


Te Puni Kōkiri
REALISING MĀORI POTENTIAL
Te Puni Kōkiri is proud to support
THE AHUWHENUA TROPHY
the pinnacle of excellence and success in Māori farming.
Congratulations to the three finalists:
Waipapa 9 Trust
Hanerau Farms Limited
Rangatira 8A 17 Trust


AgResearch – helping enhance profitability for the Māori pastoral sector
We want to help Māori farmers double the value of what they produce to $1.6 billion per year by 2020
As New Zealand's largest Crown Research Institute, we deliver world-leading scientific solutions and technology services – that are both profitable and sustainable – to the New Zealand pastoral sector, including Māori landowners.
Our scientists realise they need to step back from traditional perspectives and approaches and engage Māori with respect for local protocols. They also understand the distinctive issues related to Māori land.
AgResearch combines its experience in working with Māori landowners with its extensive agricultural based knowledge to deliver the solutions that will boost farm profitability.
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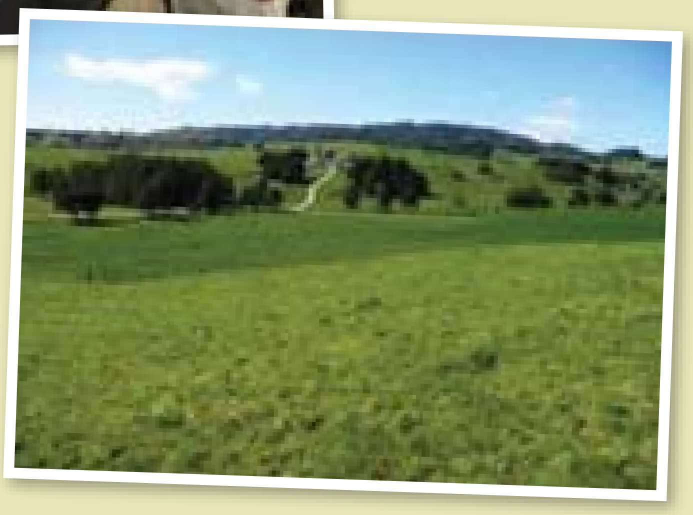
# Hanerau Farms Limited

## Te Uri o Hau Settlement Trust

Paparoa-Oakleigh Road
Taipuha, Paparoa
29 April 2010



# Hanerau Farms Limited

## Field Day Programme*

| | |
|---|---|
| 09.30 | **Whakatau** – The Host<br>– Response *Abe Seymour* |
| 10.00 | **Background to the Competition**<br>*Chairman Executive Committee – Kingi Smiler* |
| 10.10 | **Introduce the programme and the remainder of the day**<br>*Facilitator – Paul Bird* |
| | **Introduction** – the finalist's farm including farm history, governance and business structure, financial performance |
| 11.00 | **Farm tour** – including discussion on staff, environmental management, production management and judge's comments |
| 1.00 | **Summary from the host** |
| 1.15 | **Presentation of prizes** |
| 1.30 | **Lunch** |

**Note: times are approximate*

### 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 on foot or 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.

# Haneraū Farms Limited

## History

When Te Uri o Hau, a hapū of Ngāti Whatua representing 14 marae around the Kaipara harbour became the first hapū to settle its historical grievances with the Crown in 2002, it decided that it would buy traditional Te Uri o Hau land that had been alienated over the last century whenever the opportunity arose. It also looked for investment opportunities and commercial partnerships which would maximize the return to its 7,190 beneficiaries. Their ultimate aim was to provide a self sufficient, sustainable and prosperous future for all tribal members.

Hanerau Farm was the first piece of commercial property the hapū acquired outside land obtained under their treaty settlement. Renaissance Group, the hapū's commercial division, bought it in 2004 from Roger Taylor and his wife, Laurel the long time owners of the Taipuha dairy unit, and the Hanerau block which they ran as a beef unit.

Hanerau Farm is actually two blocks run in conjunction with each other. Taipuha dairy unit, a 242 ha operation with 560 milking cows, north of Paparoa is a mix of undulating ridges and steeper hill faces.

The Hanerau block, 176 ha of rolling coastal country bordering the Kaipara Harbour is crucial to Te Uri o Hau because it includes land originally owned by the hapū and sites of cultural significance to the Otamatea marae which it overlooks. Cows from the dairy unit are wintered there, replacement stock is grown on it and it produces silage and hay as replacement feed.

The Hanerau Farms Trust is also developing, on behalf their owners, neighbouring blocks of Māori land, each too small to operate on its own. The Hanerau block provides a substantial proportion of the funds used to develop the leased blocks of Māori land.

The Taipuha dairy unit has been re-grassed at a rate of 10 ha per year since 2006. An intense and sustained re-investment in annual phosphate fertiliser and lime has resulted in soil fertility figures that are well above average and clever use of the run-off guarantees enough year-round grazing for its stock, a feature of the business that has been particularly useful during the recent drought. Limestone quarries on both properties provide racing needs.

Hanerau Farms Ltd is keen to mitigate any effects from climate change on their land and on future generations. They have calculated their carbon emissions and an extensive seven year programme of fencing and riparian planting of native trees is in its second year. Fencing is taking place around the Kaipara foreshore and sections of bush on both blocks.

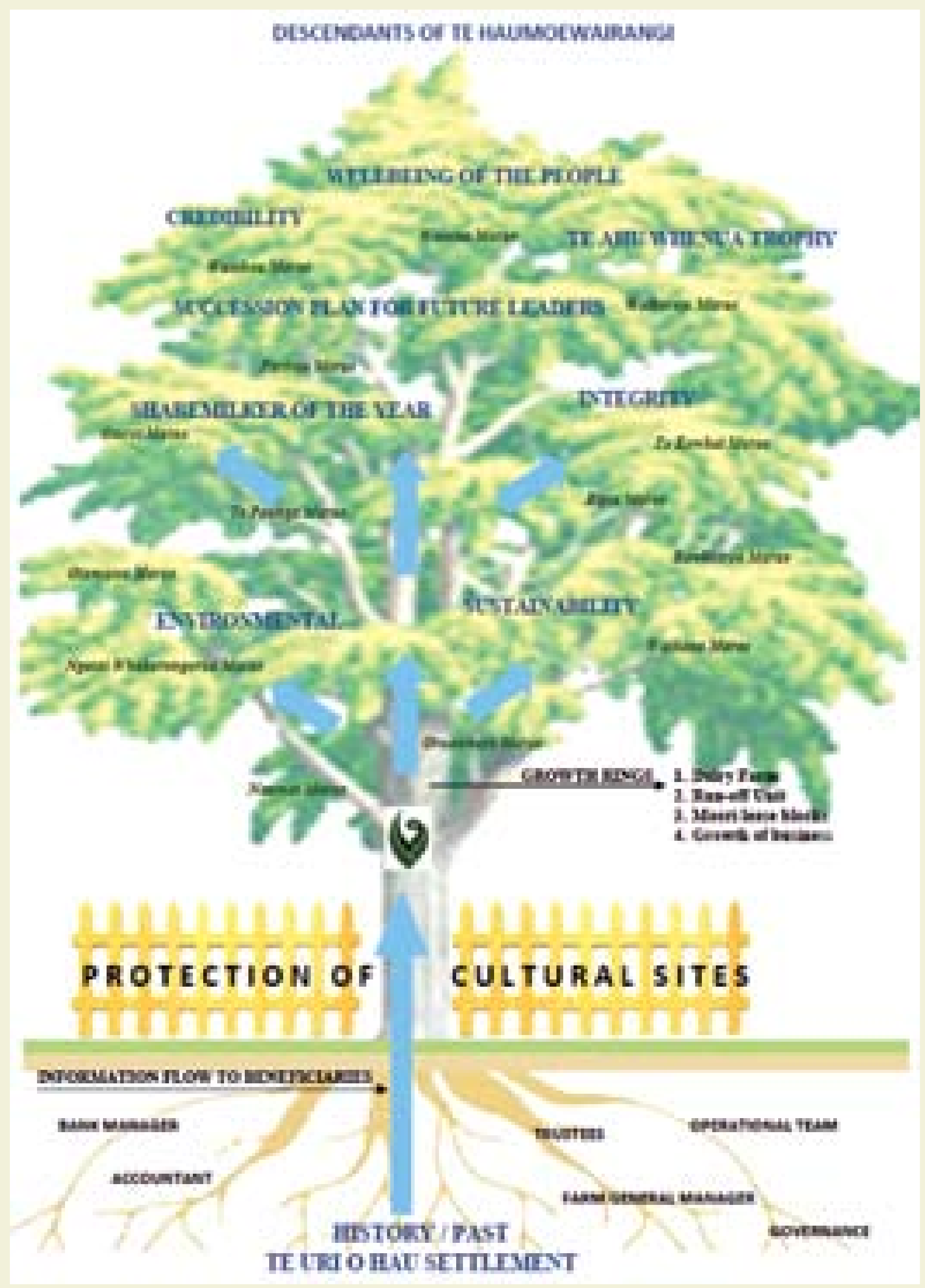
They look after their land and kai moana by using nutrients carefully and closely monitoring run off from the land. They want Hanerau to be seen as a model Māori farm that other properties on the Kaipara Harbour can emulate.

Said Roger "Hanerau Farms entered the Ahuwhenua Trophy competition to show the Te Uri o Hau people that it is a high performing enterprise that we can benchmark against the best of Māori agribusinesses in Aotearoa".

"We aim to show the general public that Māori farmers are pretty sharp operators."

# Haneau Farms Limited

## Vision represented by the Tōtara



# Hanerau Farms Limited

## What impressed the judges

### GOVERNANCE

- Strong corporate governance model in place
- Vision and social objectives well laid out with "Tōtara" representing the direction and focus.
- Comprehensive reporting in place
- Risk management and planning was well demonstrated e.g. cows and pasture in good condition
- A proactive approach to managing adversity was evident covering all farming practices.

### STAFF

- The Trust demonstrated clear intent to improve the knowledge and skills of its people through both formal and informal training
- Nurturing of the staff through training courses, governance exposure and on the job instruction was a feature.

### FARM

- Both the sharemilkers and management showed an understanding of, and a passion for, maintaining healthy, well cared for animals
- The genetics programme was controlled by the sharemilker but integrated into the Trust's requirements for the best calves for the runoff
- The farm had a clear and demonstrable understanding of pasture production, seasonal supply and seasonal pasture utilisation issues
- The farm has a good fertiliser history and an ongoing ethic in maintaining this to ensure future productivity
- Use of the wintering feed pad system has provided significant benefits to maintaining pasture productivity.

### ENVIRONMENTAL

- Making good progress on environmental issues on runoff area with fencing and planting
- Environmental management on the dairy farm includes appropriate nitrogen placement policies and waterway management.

### FINANCIAL

- There was clearly presented evidence of the use of a low cost system to maximise the profitability of the farm e.g. the positive cash flow
- Costs appeared to be well controlled highlighted by the monitoring of key production inputs such as fertiliser.

## Directory

**TRIBAL AFFILIATION:** Ngāti Whātua hapū o Te Uri o Hau

**TRUSTEE / BOARD**

**Rawson Wright** (Chairman) (Trustee/Director)
**Thomas de Thierry** (Trustee/Director)
**Earle Wright** (Appointed External Director)
**Malcolm Welsh** (Director in Training)

**GENERAL MANAGER**

**Roger Taylor**

**FARM STAFF**

**Dean & Tania Mischeski** (50/50 Sharemilker)
**Whare & Lani Povey** (Farm Assistants)
**Ryan Taylor** (Farm Assistant)
**Bill Paikea & Ngahuia Wright** (Run Off Farm Managers)

# Hanerau Farms Limited

## Farm Description

A 235 ha dairy unit situated at Taipuha on the Paparoa-Oakleigh road. Predominantly gently rolling in contour with three contiguous blocks partitioned by Paparoa-Oakleigh Road with 185ha on the north west and 50 ha on the south side of the road. The farm is fully developed to our farming requirements. Soil type is largely heavy clay requiring careful management to avoid damage.

A 176 effective ha drystock block owned by the company but run as a separate business unit is used for grazing replacements and some wintering of dry cows.

## Governance and Management

### COMMUNICATION WITH THE OWNERS

Communication channels include Annual General Meetings, Taumata Council, monthly reporting to directors, board of director meetings and presentations to the owners of Māori leased land.

### PROCESS FOR ELECTING GOVERNANCE TEAM

Two directors are appointed from Te Uri o Hau Settlement Trust and outside directors are appointed based on proven financial and farming skills.

### APPROACH TO STRATEGY DEVELOPMENT

5 Year Development plan which includes;

- Procurement and Development of Māori land
- Increase employment & training opportunities
- Asset growth through capital plant and buildings.

The above ensure a triple bottom line result (financial, social & environmental).

### PARTICIPATION IN GOVERNANCE TRAINING

Formal governance training is not undertaken however we focus on selecting people with the right mix of experience and involve them thoroughly in all aspects of practical governance and management.

### APPROACH TO IMPLEMENTATION AND MONITORING

Budgets are prepared by the Accountant and General Manager with input from the sharemilker and Beef Manager and presented to the directors in March each year.

The General Manager approves all purchases and signs off all accounts. All items outside budget go to the board for approval but money is found within the budget which is readjusted.

The General Manager monitors cash flow against the budgeted cash flow. Monthly cash flow variations to the budget are presented to the board each month.

All purchases have an order number from the sharemilker, beef and general manager and the accountant sends director a list of all accounts for payment for authorisation. The accountant then pays all accounts by online banking. The general manager has online viewing rights to the bank account.

The accountant sends the sharemilker details of costs of grazing, silage, hay each month.

### SELECTION AND MANAGEMENT OF ADVISORS

Advisors are selected on the basis of reputation and experience in the field. Any specific work carried out by specialists is reported on back to the board by the General Manager.

# Hanerau Farms Limited

## Farm Details and Production Information

| | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| Milking area ha | 220 | 220 | 220 |
| Dairy run-off effective area ha | 0 | 0 | 0 |
| Milksolids kg | 167,250 | 166,668 | 154,253 |
| Peak cows milked (cross-bred) | 560 | 565 | 565 |
| R1 heifers at end of season | 135 | 135 | 135 |
| Stocking rate cows/ha | 2.5 | 2.57 | 2.57 |
| Planned start of calving (PSC) | 25 July | 15 July | 15 July – 1 April |
| Nitrogen applied for year kg/ha | 105 | 155 | 173 |
| Seasons rainfall mm | 1,513 | 1,652 | 1,620 |
| NIWA 10yr rainfall mm (Kaipara) | 1,050 | 1,070 | 1,090 |
| Olsen P | | | 46 |
| Soil Ph | | | 6.3 |
| Breeding worth & reliability | | 115/44 | 109/44 |

## Physical Key Performance Indicators

| | Season ending 2006/07 | Season ending 2007/08 | Season ending 2008/09 |
|---|---|---|---|
| Milksolids/ha kg | 760 | 758 | 701 |
| Milksolids/cow kg/cow | 299 | 295 | 273 |
| Milksolids as % of live weight | 66% | 65% | 61% |
| Pasture & crop eaten t DM /ha | 9.1 | 9.0 | 8.1 |
| Imported supplements eaten t DM/ha | 0.50 | 0.22 | 0.61 |
| Grazing off dry cows eaten t DM/ha | 0.73 | 1.0 | 1.1 |
| Total feed eaten t DM/ha | 10.3 | 10.2 | 9.8 |
| Days in milk (DIM) per cow days | 260+ | 260+ | 260+ |
| Cows/labour unit cows/FTE | 170 | 145 | 145 |

# Hanerau Farms Limited

## Production Targets and Management Practices

### GOALS AND MANAGEMENT PLANS

**Milk production**

168,000 kg milksolids – 2010-2011 target

170,000 kg milksolids – 5 year target

To increase milk production there is a focus on increasing days in milk by reducing the calving spread and split calving the herd. Cow condition is also a focus to improve early season milk production and tighten the calving pattern.

Water trough access is a limiting factor to milk production and this is currently being resolved.

The herd breeding worth is currently 110, above the national average, and the target is to be in the top 5% of herd genetics. As well as farm management skill, genetics is an important factor in achieving milk production targets.

**Pasture management, crops, supplements**

To optimise the quantity and quality of grazed grass key focus areas include rotation lengths, 24 hour grazing, regrassing, no cropping and strategic use of nitrogen.

Rotation length control ensures we ration pasture when in short supply and optimise intake when in surplus. Rotation targets:

- 100 days from June to September
- 30 days September
- 20 days October
- 30 days December
- 40 days March.

24 hr grazing (new area in morning) ensures cows have less stress and even grazing occurs in each paddock.

5% of the farm is re-grassed each year and no hay, silage or cropping is carried out on the milking platform. This ensures our focus remains on grazing management and we have as much of the area available for grazing at any point in time.

Nitrogen is applied strategically to carry grass into lower growth periods.

# Hanerau Farms Limited

### Herd fertility

We aim for 90% submission rate in 24 days.  To achieve this we:

- need to improve cow condition
- put non cyclers on once a day milking and
- add extra feed over this period
- improve identification of bulling cows
- investigate the possibility of milking once a day for the first 4-6 weeks of lactation
- mate rising 2 year old heifers at runoff for 21 days
- AI herd for 35 days using DNA proven Friesian and Kiwi cross sires
- continue blood tests to identify mineral deficiencies.

### Replacements

135 replacements dairy heifers each year are reared which is 24% of peak cows milked.

Calves are weaned at 90 kg and fed meal to 100kg. Smaller calves are preferentially fed and all calves are regularly drenched.

### Soil management and fertility

A high base soil fertility is important to optimise growth, particularly in dry Northland conditions and the current Olsen phosphate level of 46 and pH of 6.3 ensures these are not limiting factors.

Annual soil tests and use of nutrient budgets are used to determine annual applications of fertiliser to the effluent area and the remainder of the milking platform.

On/Off Grazing is used to protect pastures from pugging damage.

# Hanerau Farms Limited

## Farm Infrastructure

Infrastructure includes a 45 a-side herringbone dairy, 3 houses for staff, wintering barns, stand-off areas, calf and implement sheds. Paddocks are well fenced with an excellent water supply to each paddock. There is a limestone quarry on the farm used for track material.

The challenges we face are the heavy clay soils which hold the moisture in the winter and are susceptible to summer dry.

| | | |
|---|---|---|
| **Contour** | 30Ha | Flat |
| | 205Ha | Easy/medium undulating ridge with odd steeper hill faces |
| | **235Ha** | |
| **Soils** | 45Ha | Waiotira clay loam |
| | 70Ha | Waikare silty loam |
| | 70Ha | Aponga clay |
| | 50Ha | Whakapara & Kara silt loams |
| | **235Ha** | |
| **Lease block** | 39Ha | |
| **Effective Area** | 220Ha | |

### PADDOCK NUMBERS

24 hour grazing is a grazing philosophy we implement to reduce stock pressure and maximize pasture intake. The farm is set up for 12 hour grazing which means uneven grazing residuals can occur. We are starting to reduce paddock numbers and areas to 4.5 ha. This allows us to reuse the fencing materials, fence off drains and open up bush blocks.

The fencing off of drains helps us to implement the clean streams accord and become more environmentally sustainable at minimal costs. Also this has a positive effect on availability of water troughs to animals with more direct access..

## Business KPI's

| | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| Gross Farm Revenue $/ha | 1,546 | 2,593 | 2,158 |
| Operating expenses $/ha | 1,104 | 1,275 | 1,495 |
| Operating profit $/ha | 442 | 1,318 | 663 |
| Operating return on dairy assets % | 2.1 | 7.4 | 2.8 |
| Net dairy cash income $/kg milksolids | 2.13 | 3.30 | 3.06 |
| Farm working expenses $/kg milksolids | 1.14 | 1.26 | 1.77 |
| Dairy cash operating surplus $/kg milksolids | 0.99 | 2.04 | 1.29 |
| Interest& Rent $/kg milksolids | 0.75 | 0.63 | 0.87 |
| Tax/other taxable income $/kg milksolids | 0.00 | 0.01 | 0.00 |
| Discretionary cash for drawings/principal/ investment $/kg milksolids | 0.24 | 1.40 | 0.42 |

# Haneraui Farms Limited

## Business goals and Strategies

### GOALS

**Business growth goals**

Our key goal is to generate the highest possible amount of discretionary cash and use this to reduce debt to ensure we continue to have a secure, growing business into the future.

Our aim is to pay a dividend back to shareholders as soon as possible.

We also aim to grow the size of our rural business leasing more adjoining Māori land.

Equity growth will follow after the above have been achieved.

We aim to provide the environment and infrastructure so that our people in our rohe throughout our business are able to grow, develop their skills, knowledge, goals and well being

**Key Performance Indicators**

Positive cash flow and debt reduction.

**Investment criteria for new investments**

Criteria to grow the business are finding suitable adjoining Māori leasehold land. It needs to provide a positive cash flow adding to equity growth.

Any new investment needs to be undertaken in such a way that is environmentally sustainable and ensures we maintain the integrity of Hanerau Farms Ltd and benefits both the Company and landowners.

### STRATEGIES

To achieve our goals we need to continue our focus on partnering with leading sharemilkers to ensure good levels of income are achieved.  As well as this cost control is crucial to ensure cash surpluses are generated.

We will maintain a skilled governance and management team and maintaining good communication channels with all parties.

Our current strategies are strong in the areas of:

- budget control
- involvement of all staff from decision making to implementation
- training of new director
- identification of land in the rohe
- communication.

# Hanerau Farms Limited

## The Farm Team

We define success with our farm team when everyone is highly satisfied, reaching their targets, taking responsibility for their roles and continuing to up-skill.

We want to utilise the skills of the people in our team and be able to provide ongoing employment opportunities.

To achieve these goals we ensure communication channels are always open and the staff know the targets expected.

Mentoring is also provided.

## Environmental

### GOALS

Sustainable farming is our ultimate aim striking a balance between profitable farming and protecting and improving the environment.

Our goal is also to run a business that is fully compliant with all environmental regulations.

**Key performance indicators**

Consultation with the appropriate bodies i.e. Local government, local marae and agreement gained that the farm is performing well in the area of environmental management.

Implementation of our environmental plan for fencing and planting.

Reduction of carbon emissions.

Water quality improvement.

### STRATEGIES

To achieve our goals we are focusing on several key areas:

1. Effluent control: Ensure our effluent management systems is compliant and emptying the ponds annually onto the milking platform
2. Soil testing and Nutrient budgeting: Improve the efficiency of nutrient use as a result of combining soil test and nutrient budgets
3. Stream samples: Samples are taken annual to measure improvement in water quality over time
4. Pest control: Possums, stoats and rats are controlled
5. Steam/bush fencing and planting: An ongoing planting and fencing programme is underway to ensure waterways, bush areas and slips are protected.

# Hanerau Farms Limited

## Social, Community and Ngā Tikanga Māori

### GOALS

Our goal is to enhance the well-being of our hapū and encourage local Māori to be involved with the farm.

We also want to encourage our people to enjoy leisure activities on the land.

### KEY STRATEGIES

To achieve our goals we have a number of strategies:

- Enter the Ahuwhenua Trophy competition to highlight the success of the business and encourage people to achieve to their potential
- Northland Polytechnic utilise the farm to undertake training, e.g., fencing and planting; many of the students are from the local hapū
- Employ local people
- Offer camping on the land
- Commitment to Māoritanga
- Identify and protect our cultural sites.

## Financial

Financial details for Hanerau Farms Limited are overleaf.

# Haneran Farms Limited

## Financial Detail

| | 2008-09 | 2007-08 | 2006-07 |
|---|---|---|---|
| **Milking Area(ha)** | 220.0 | 220.0 | 220.0 |
| **Peak Cows Milked** | 565 | 565 | 560 |
| **Milksolids Kg** | 155,095 | 173,059 | 159,591 |

| **GROSS FARM REVENUE (GFR)** | 2008-09<br>Total $ | <br>% of GFR | 2008-09<br>$ Per Milking ha | 2007-08<br>$ Per Milking ha | 2006-07<br>$ Per Milking ha |
|---|---|---|---|---|---|
| Net Milk Sales | 474,636 | 100.0% | 2,157 | 2,592 | 1,546 |
| Net Dairy Livestock Sales | 0 | 0.0% | 0 | 0 | 0 |
| Value of Change in Dairy Livestock | 0 | 0.0% | 0 | 0 | 0 |
| Other Dairy Revenue | 204 | 0.0% | 1 | 1 | 0 |
| **Dairy Gross Farm Revenue** | 474,840 | 100.0% | 2,158 | 2,593 | 1,546 |
| Non-Dairy Cash Income | 0 | 0.0% | 0 | 0 | 0 |
| Value of Change in Non-dairy livestock | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL GROSS FARM REVENUE** | 474,840 | 100.0% | 2,158 | 2,593 | 1,546 |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **Labour Expenses** | | | | | |
| Wages | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Non-paid | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Management | 0 | 0.0% | 0 | 0 | 0 |
| Total Labour Expenses | 0 | 0.0% | 0 | 0 | 0 |
| **Stock Expenses** | | | | | |
| Animal Health | 0 | 0.0% | 0 | 0 | 0 |
| Breeding & Herd Improvement | 0 | 0.0% | 0 | 0 | 0 |
| Farm Dairy | 0 | 0.0% | 0 | 0 | 0 |
| Electricity (Farm Dairy, Water Supply) | 0 | 0.0% | 0 | 0 | 0 |
| Total Stock Expenses | 0 | 0.0% | 0 | 0 | 0 |
| **Feed Expenses** | | | | | |
| Supplement Expenses | | | | | |
| Feed Purchased | 29,598 | 6.2% | 135 | 57 | 139 |
| Net Crops & Supplements Made | 0 | 0.0% | 0 | 0 | 0 |
| Less Feed Inventory Adjustment | 1,357 | 0.3% | 6 | -3 | 0 |
| Calf Feed | 0 | 0.0% | 0 | 0 | 0 |
| Total Supplement Expenses | 28,241 | 5.9% | 128 | 60 | 139 |
| Grazing & Run Off Expenses | | | | | |
| Young & Dry Stock Grazing | 37,560 | 7.9% | 171 | 221 | 109 |
| Winter Cow Grazing | 0 | 0.0% | 0 | 0 | 0 |
| Run-off Lease | 0 | 0.0% | 0 | 0 | 0 |
| Owned Run-off Adjustment | 0 | 0.0% | 0 | 0 | 0 |
| Total Grazing & Run-Off expenses | 37,560 | 7.9% | 171 | 221 | 109 |
| Total Feed Expenses | 65,801 | 13.9% | 299 | 281 | 248 |
| **Other Working Expenses** | | | | | |
| Fertiliser | 118,251 | 24.9% | 538 | 191 | 275 |
| Nitrogen | 0 | 0.0% | 0 | 98 | 0 |
| Irrigation | 0 | 0.0% | 0 | 0 | 0 |
| Regrassing | 3,590 | 0.8% | 16 | 19 | 11 |
| Weed & Pest | 3,942 | 0.8% | 18 | 14 | 11 |
| Vehicles | 0 | 0.0% | 0 | 0 | 0 |
| Fuel | 0 | 0.0% | 0 | 0 | 0 |
| R & M - land & buildings | 23,654 | 5.0% | 108 | 177 | 79 |
| R & M - plant and equipment | 18,436 | 3.9% | 84 | 65 | 69 |
| Freight and General | 2,040 | 0.4% | 9 | 19 | 21 |
| Total Other Working Expenses | 169,913 | 35.8% | 772 | 584 | 466 |
| **Overheads** | | | | | |
| Administration | 25,732 | 5.4% | 117 | 85 | 64 |
| Insurance | 5,229 | 1.1% | 24 | 18 | 22 |
| ACC | 0 | 0.0% | 0 | 0 | 0 |
| Rates | 6,241 | 1.3% | 28 | 28 | 24 |
| Depreciation | 56,052 | 11.8% | 255 | 279 | 280 |
| Total Overheads | 93,254 | 19.6% | 424 | 410 | 390 |
| **Total Dairy Operating Expenses** | 328,968 | 69.3% | 1,495 | 1,275 | 1,104 |
| Non-Dairy Operating Expenses | 0 | | | | |
| **TOTAL OPERATING EXPENSES** | 328,968 | 69.3% | 1,495 | 1,275 | 1,104 |
| | | | | | |
| **OPERATING PROFIT** | | | | | |
| **DAIRY OPERATING PROFIT (EFS)** | 145,872 | 30.7% | 663 | 1,318 | 442 |
| Non-Dairy Operating Profit | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL OPERATING PROFIT** | 145,872 | 30.7% | 663 | 1,318 | 442 |

# Hanerau Farms Limited

## Farm Map

Dairy Unit
Taipuha

Run Off Unit
Otamatea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# Rangatira 8A 17 Trust

325 Earle Road, RD1, Reporoa
6 May 2010



# Rangatira 8A 17 Trust

## Field Day Programme*

| | |
|---|---|
| 9.30 | **Powhiri** – The Host<br>– Response *Abe Seymour* |
| 10.00 | **Background to the Competition**<br>*Chairman Executive Committee – Kingi Smiler* |
| 10.10 | **Introduce the programme and the remainder of the day**<br>*Facilitator – Paul Bird* |
| | **Introduction** – the finalist's farm including farm history, governance and business structure, financial performance – *Host farm representative* |
| 11.00 | **Farm tour** – including discussion on staff, environmental management, production management and judge's comments |
| 1.00 | **Summary from the host** |
| 1.15 | **Presentation of prizes** |
| 1.30 | **Lunch** |

**Note: times are approximate*

### 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 on foot or 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.

# Rangatira 8A 17 Trust

## History

The Rangatira 8A 17 Trust's 221 ha dairy farm at Broadlands, Reporoa is an important part of its property portfolio. The farm which supports 530 Friesian/Friesian cross cows with 127 yearling heifer replacements is a crucial element of a business strategy that saw the Rangatira 8A17 Trust's assets develop from "a rubbish dump to a multimillion dollar enterprise" for the benefit of its 1,500 owners from the Rauhoto hapū of Ngāti Tūwharetoa.

The Rangatira 8A17 Trust business story began in 1981 when the Trust was vested with 27 ha of hapū land at Acacia Bay Road, Taupō. The land had been poorly maintained and for many years had been an unofficial rubbish dump. In the ensuing years, through a process of subdivision, reinvestment and smart financial management the Trust has developed the hapū assets. The trustees currently administer 15 ha in three separate land blocks within Taupō Township and their assets include kaumatua flats, a forestry block, a shopping centre and other commercial property. They have plans to grow their asset base by buying more land including more farms. "We are not looking for huge returns on capital invested but want cash flows that are sufficient to cover debt repayment, interest and running costs so that we can invest in the future of our people," says trustee spokesman, Andrew Kusabs.

Rangatira 8A17 farm was purchased at auction on 1st June 2002. It has a well developed infrastructure including a 40 aside herringbone shed, 81 paddocks with a good water supply and tracks and access to all paddocks maintained to a high standard with pumice material readily available from the on farm quarry.

Although milksolids figures have dipped slightly in recent years from 182,500 kgs in the 2007/08 season to 174,082 kg in 2008/09 due to low milk prices, severe weather conditions and high fertilizer costs the farm's short term milksolids target is 190,000 rising to 200,000 kgs over 5 years. However, Andrew says that's all weather dependent. The restrictions to production are the weather which is cold in the winter and dry in the summer, the low fertility, Taupō pumice soil and the availability of water for irrigation. We can do nothing with the weather but we are doing our best with soil fertility by use of fertiliser, wintering on the dairy herd, purchase of supplements and regrassing with new species." Taupō pumice has very low fertility and it is necessary to add cobalt to fertiliser. Soil tests are conducted annually and a strict nutrient management plan is followed. Effluent is spread over 44 ha of the property which exceeds regulatory requirements by a substantial margin but is seen as important tool in ensuring the environmental health of the farm.

The farm is fully developed. Of its 221 ha, 197 are effective, 14 are in buffer zone reserves and 10 ha of roads, races and buildings. It is classic volcanic plateau country, flat but rising to 350m above sea level with stony silty ash and pumice soil.

Rangatira 8A17 has its own irrigation system covering 170 ha and has resource consent until July 2017 to take up to 9,000 cubic metres of water daily from the Torepatutahi stream which flows through the property. It is one of only two farms in the area required to hold this in an irrigation pond. Water for the farmhouse and the cowshed is filtered and ultra–violet treated.

The Trust has a clear governance structure and is currently putting particular emphasis on communicating with the owners. General meetings are held as required by the Trust Order or as the trustees feel is necessary although the addresses of many owners are still unknown. A website is currently under development and this should make it easier for owners to re-connect with the trust. Andrew says that, as individuals the trustees already have years of practical experience in business and management.

When buying the farm, the Rangatira 8A17 Trust used its own cash reserves and worked closely with BNZ. They were particularly appreciative of the support they received from their BNZ bank manager, the late Mike Devine who always had faith in the potential of their venture for success.

# Rangatira 8A 17 Trust

## Vision Statement

To manage, develop and best utilise the land and assets of owners in the best interests of present and future owners by:

- *Converting owners' dormant land into sections for exchange for more productive and income generating assets*
  - *Strategically staging this conversion to include, making social provisions, (Kaumatua Flats), reservations, forestry, local shopping centre and exchange/purchase of a dairy farm*
- *Undertaking professional management and reporting to owners and the Māori Land Court on a regular basis.*
- *Evaluating then acting on feed-back from Meetings of Owners.*

## What impressed the judges

### GOVERNANCE

- Strong governance financial control shown
- Clear separation evident between governance and management
- There are good short term and long-term goals
- Wealth creation identified as a key goal with the outcome of improving the position of their people.

### STAFF

- Staff contracts in place with staff training identified and offered to employees
- High respect for staff and recent upgrading of accommodation
- Farm policy manual actively used
- Good relationship between trustees and sharemilker.

### FARM

- Livestock in good condition
- Good separation of mobs to assist management of younger cows
- In general, pasture management system works well
- The cropping program, rates of pasture renewal, effluent spreading and fertiliser application seem balanced and integrated.

### ENVIRONMENTAL

- Have fenced waterways and nutrient budget is used
- Water consent for irrigation in place.

### FINANCIAL

- Strong financial accounting with all criteria addressed. Still made a good farming profit with a lower payout. Low cost structure
- Strong history of solid financial performance with single focus on debt reduction
- Exceptional results achieved over time.

# Rangatira 8A 17 Trust

## Directory

**TRIBAL AFFILIATION:** Ngāti Rauhoto hapū of Ngāti Tūwharetoa

Number of owners: Approx 1,500

**TRUSTEE BOARD**

**Diane Stockman**
**Reverend Hohepa Pene**
**Andrew Kusabs** Farm Supervisor
**Don Peterson**

**FARM STAFF**

**Gary Armstrong & Julia Ranger** (50/50 share milkers)
**Warwick Nicol**

## Farm Description

The business comprises a 221 ha fully developed dairy unit currently milking 530 cows situated near Reporoa. Sixty per cent of the property is irrigated. A 50% sharemilker runs the farm on a day to day basis in consultation with the farm supervisor. The property forms part of a larger business which includes 15 ha in 3 forestry blocks along with ownership of commercial property.

The contour of the dairy block is generally flat but rising from 300m to over 350m above sea level. The soils comprised of Taupō pumice described as Whenuaroa stone silty sand.

# Rangatira 8A 17 Trust

## Governance and Management

### COMMUNICATION WITH OWNERS

General meetings of owners are held as required by the Trust Order or as trustees feel is necessary.

Addresses of many owners are unknown; to overcome this problem trustees are currently drafting material for a website that can be updated as required and this will give owners the opportunity to re-connect with the trust.

### PROCESS FOR ELECTING GOVERNANCE TEAM

The trust order provides for "advisory trustees" and in the past we have kaumatua accept these positions to advise on Tikanga etc.

We follow the normal procedure set down in the Trust Order; that is additional or replacement trustees are voted on at general meetings of owners and then confirmed by Māori Land Court.

### APPROACH TO STRATEGY DEVELOPMENT

It is a team approach with all advisors and trustees involved; once agreement is reached our decision conveyed to owners for their comments and suggestions. After consideration of all views a decision is then made.

### PARTICIPATION IN GOVERNANCE TRAINING

As individuals, the trustees already have years of practical experience in business and management. Some of us are personally involved in dairy farming, fishing and commercial rental properties and operate our own private businesses. We also hold tertiary qualifications that suit us for the tasks involved with these trusts. If suitable training was available we could consider being involved.

### APPROACH TO IMPLEMENTATION AND MONITORING

The Māori Land Court has run seminars and courses for trustee training and there are a number of other providers now providing this service. We would certainly use their services for the training of advisory or replacement trustees.

### SELECTION AND MANAGEMENT OF ADVISORS

Fifty years of personal experience in the Rotorua business community provides us with a good knowledge into the background and ability of those advisors who would suit our trust. Trustees appoint the various advisors.

# Rangatira 8A 17 Trust

## Key Production Information

| | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| Milking area ha | 197 | 197 | 197 |
| Dairy run-off effective area ha | 0 | 0 | 0 |
| Milksolids kg | 198,885 | 182,500 | 174,082 |
| Peak cows milked | 625 Jersey | 585 Jersey | 520 Friesian |
| R1 heifers at end of season | 136 | 106 | 120 |
| Stocking rate cows/ha | 3.2 | 3.0 | 2.6 |
| Planned Start of Calving (PSC) | 1 Aug | 1 Aug | 1 Aug |
| Nitrogen applied for year kg/ha | 263 | 228 | 118 |
| Seasons rainfall mm | 856 | 912 | 1,101 |
| NIWA 10 yr rainfall mm | 877 | 1,196 | 1,100 |
| Olsen P | 54 | 58 | 60 |
| Soil Ph | 6.3 | 6.4 | 6.3 |
| Breeding worth & reliability | | | 73/39 |

## Physical Key Performance Indicators

| | Season ending 2006/07 | Season ending 2007/08 | Season ending 2008/09 |
|---|---|---|---|
| Milksolids/ha kg | 1,009 | 926 | 884 |
| Milksolids/cow kg/cow | 318 | 312 | 335 |
| Milksolids as % of live weight | 84% | 83% | 74% |
| Pasture & crop eaten t DM/ha | 11.9 | 10.3 | 9.3 |
| Imported supplements eaten t DM/ha | 1 | 1.6 | 2.2 |
| Grazing off dry cows eaten t DM/ha | 0 | 0 | 0 |
| Total feed eaten t DM/ha | 12.9 | 11.9 | 11.5 |
| Days in Milk (DIM) per cow days | 291 | 250 | 268 |
| Cows/Labour unit cows/FTE | 178 | 167 | 149 |

# Rangatira 8A 17 Trust

## Production Goals and Management Practices

### GOALS AND MANAGEMENT PLANS

**Milk Production**

190,000 kgs milksolids is our short term target rising to 200,000 kgs over 5 years but this is totally dependent on favourable weather.

**Pasture management, crops, supplements**

During lactation rotation no faster than 25 days longest 45 days; 8 ha summer turnips and 8 ha winter kale are grown.

Surplus pasture from 17 ha provided 85 t DM (silage) and 8 ha provided 13 t DM (hay).

**Herd fertility**

District empty rate 15%, this herd 12%.

No CIDRs and no inductions.

Artificial breeding from 20 October 2008 for 5 weeks followed by bull until 10 January 2009; for 2010 year bull was removed 15 January.

**Replacements**

Maximum 120 replacements which are grazed off from 1st December returning 1st May, 18 months later.

**Soil management and fertility**

Taupō pumice is very low fertility and to avoid "bush sickness" we must add cobalt to fertiliser. Soil tests are conducted annually and we follow the Nutrient Management Plan with fertiliser applications.

# Rangatira 8A 17 Trust

## Farm Infrastructure

The farm is fully developed.

There are 81 paddocks of between 2 and 2.5 ha with good sized troughs and excellent water supply to all paddocks.

Tracks and access around farm and to all paddocks are of a high standard with pumice material for track maintenance readily available from our own quarry.

A 40 aside herringbone shed was built in 1993 and is suitable for the cow numbers milked.

The area used for spreading effluent has been increased to 44 ha which is almost double Environment Waikato requirements.

A Bosch Irrigation System installed in 1995 by the previous property owners covers 170 ha and a Resource Consent Permit to take water was recently renewed and expires on 1 July 2017. The permit restricts our water take to 9,000 cubic metres daily and is one of only two farms in the area required to hold this in an irrigation pond. Other water users currently have unrestricted access to whatever they need.

The restrictions to production are the weather, cold in the winter and dry in the summer, the low fertility Taupō pumice soil and the water available for irrigation.

We can do nothing with the weather, we are doing our best with soil fertility by use of appropriate fertiliser, wintering on of the dairy herd, purchase of supplements and regrassing with new grass species. Unfortunately the electric power generation companies are opposing any increase in individual water takes for irrigation purposes.

# Rangatira 8A 17 Trust

## Business KPI's

| | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| **Profitability** | | | |
| Gross Farm Revenue $/ha | 2,180 | 3,193 | 2,626 |
| Operating Expenses $/ha | 1,441 | 1,826 | 2,063 |
| Operating Profit $/ha | 738 | 1,366 | 563 |
| Operating Return on Dairy Assets % | 2.0% | 2.9% | 1.2% |
| **Liquidity** | | | |
| Net Dairy Cash Income $/kg milksolids | 2.17 | 3.25 | 2.95 |
| Farm Working Expenses $/kg milksolids | 1.20 | 1.50 | 2.06 |
| Dairy Cash Operating Surplus $/kg milksolids | 0.96 | 1.75 | 0.89 |
| Interest & Rent $/kg milksolids | 0.48 | 0.54 | 0.57 |
| Tax $/kg milksolids | 0.07 | 0.23 | 0.07 |
| Net off farm income $/kg milksolids | 0.25 | 0.28 | 0.36 |
| Discretionary Cash for Drawings/Principal/ Investment $/kg milksolids | 0.65 | 1.27 | 0.62 |

# Rangatira 8A 17 Trust

## Business Goals and Strategies

### GOALS

**Business growth goals**

To farm sustainably and profitably and to maintain the farm infrastructure to a high standard.

To grow the asset base by the purchase of income producing assets such as additional farm land. When the time is right subdivide and sell the balance of the trust land and re-invest in other land.

To extend the shopping centre by another five or six shops.

**Key performance indicators**

These are the operating profit margins, the return on assets and the return on equity.

**Investment criteria**

Restrictions are placed on some forms of investment by Te Ture Whenua Māori Land Act 1993. We aim for profitability and security – we are only interested in safe investments; what better than realty in all its forms but farm land is what the trustees feel comfortable with. We are not looking for huge returns on capital invested but want cash flows that are sufficient to cover debt repayment, interest, and running costs with a surplus for reinvestment and dividend payment.

### STRATEGIES

To clear the current bank mortgage as quickly as possible and then build up cash reserves. To subdivide and sell existing trust land within the Taupō township and invest surplus in new land acquisition. Have obtained resource consents to expand the shopping area and are looking for tenants.

## The Farm Team

### GOALS

Want staff that are honest, reliable and want to stay for more than a few months (longevity). Share milking agreement states that three full time staff are required but with trustees' agreement this can be reduced to two if all farm work is up to date and farm running well. Trustees are pleased with performance and have agreed to allow for a reduction in staff numbers.

### STRATEGIES

Give staff responsibility, delegate work and monitor results.

Involve staff in all aspects of farming so that they get an all round appreciation of the daily operations rather than only being involved in things like weed eradication or milking.

Encourage attendance at AgITO courses.

Pay good salaries.

# Rangatira 8A 17 Trust

## Environmental

### GOALS

Water: ensure that there is a clean and constant supply of clean drinking water for animals and humans.

Effluent disposal: ensure that we meet all the requirements of the Code of Practice for the treatment and disposal of all livestock effluent.

Livestock: ensure that we meet the requirements of the Animal Welfare Code of Practice as to water, shelter and shade and health of the animals.

Streams: ensure that we meet requirements of the Clean Streams Accord.

Fertiliser application: ensure that we meet the requirements of the farm's "Nutrient Management Plan".

**Key performance indicators**

Water: taste is improved and no problems from dairy inspector.

Effluent: favourable report on effluent by dairy inspector.

Stock shelter: happier animals on hot sunny days.

Clean streams: stock kept out of buffer areas.

Nutrient Management Plan is met following annual soil test results and annual fertiliser programme.

### STRATEGIES

Water for all purposes is taken from the Torepatutahi stream. This is ideal for livestock but has short comings for humans and the dairy shed. To overcome the problem water for the houses and dairy shed is filtered and treated by ultra-violet light for safety.

The effluent pond meets current Environment Waikato requirements but with the publicity given to recent defaulters another holding pond has been constructed as a safety measure.

Although the farm has maintained plantings and buffers near the stream there are only limited shelter belts and shade trees on the property. We plan to plant more shade trees within the paddocks and grow more shelter belts.

Fences to streams and water ways will continue to be maintained to ensure livestock are not able to access those reserve areas.

The farm has a Nutrient Management Plan, one portion relates to the area subject to effluent irrigation and the second portion to the balance of the farm. Last year the fertiliser applied to the effluent area was 46 kg nitrogen per ha plus lime. The balance of the farm had normal fertiliser applied but a lesser amount of phosphate to compensate for high levels Olsen P in the soil

# Rangatira 8A 17 Trust

## Social, Community and Ngā Tikanga Māori

### GOALS

Engender pride of ownership in what the trust is doing and its achievements.

To clear debt so that we can firstly pay dividends to owners then assist marae, urupa and kōhanga language centres

### STRATEGIES

Entering this competition has sparked great interest in the farm, the commercial properties and what has been done for some of our elders.

Create a website to enable better communication with owners.

## Financials

Financial details for Rangatira 8A 17 Trust are overleaf.

# Rangatira 8A 17 Trust

## Financial Detail

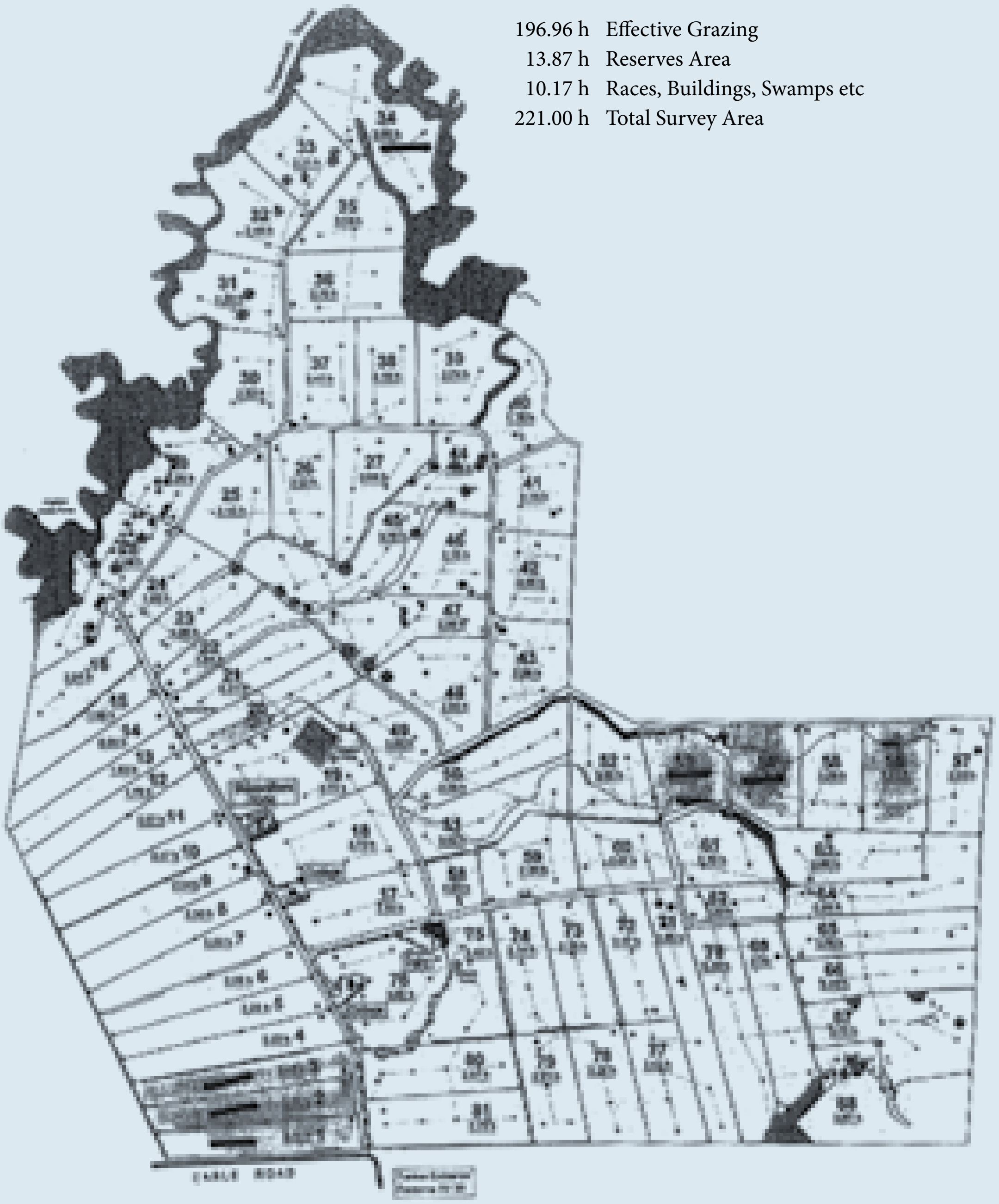
| | 2008-09 | 2007-08 | 2006-07 |
|---|---|---|---|
| **Milking Area(ha)** | 197.0 | 197.0 | 197.0 |
| **Peak Cows Milked** | 526 | 585 | 625 |
| **Milksolids Kg** | 175,130 | 193,694 | 198,162 |

| **GROSS FARM REVENUE (GFR)** | 2008-09 Total $ | 2008-09 % of GFR | 2008-09 $ Per Milking ha | 2007-08 $ Per Milking ha | 2006-07 $ Per Milking ha |
|---|---|---|---|---|---|
| Net Milk Sales | 513,554 | 99.3% | 2,607 | 3,181 | 2,153 |
| Net Dairy Livestock Sales | 2,440 | 0.5% | 12 | 12 | 27 |
| Value of Change in Dairy Livestock | 0 | 0.0% | 0 | 0 | 0 |
| Other Dairy Revenue | 1,300 | 0.3% | 7 | 0 | 0 |
| **Dairy Gross Farm Revenue** | 517,294 | 100.0% | 2,626 | 3,193 | 2,180 |
| Non-Dairy Cash Income | 0 | 0.0% | 0 | 0 | 0 |
| Value of Change in Non-dairy livestock | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL GROSS FARM REVENUE** | 517,294 | 100.0% | 2,626 | 3,193 | 2,180 |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **Labour Expenses** | | | | | |
| Wages | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Non-paid | 0 | 0.0% | 0 | 0 | 0 |
| Labour Adjustment - Management | 0 | 0.0% | 0 | 0 | 0 |
| Total Labour Expenses | 0 | 0.0% | 0 | 0 | 0 |
| **Stock Expenses** | | | | | |
| Animal Health | 0 | 0.0% | 0 | 0 | 0 |
| Breeding & Herd Improvement | 0 | 0.0% | 0 | 0 | 0 |
| Farm Dairy | 0 | 0.0% | 0 | 35 | 1 |
| Electricity (Farm Dairy, Water Supply) | 0 | 0.0% | 0 | 0 | 0 |
| Total Stock Expenses | 0 | 0.0% | 0 | 35 | 1 |
| **Feed Expenses** | | | | | |
| Supplement Expenses | | | | | |
| Feed Purchased | 94,266 | 18.2% | 479 | 188 | 147 |
| Net Crops & Supplements Made | 4,792 | 0.9% | 24 | 40 | 20 |
| Less Feed Inventory Adjustment | 0 | 0.0% | 0 | -108 | 36 |
| Calf Feed | 0 | 0.0% | 0 | 0 | 0 |
| Total Supplement Expenses | 99,058 | 19.1% | 503 | 336 | 132 |
| Grazing & Run Off Expenses | | | | | |
| Young & Dry Stock Grazing | 21,434 | 4.1% | 109 | 110 | 101 |
| Winter Cow Grazing | 0 | 0.0% | 0 | 0 | 0 |
| Run-off Lease | 0 | 0.0% | 0 | 0 | 0 |
| Owned Run-off Adjustment | 0 | 0.0% | 0 | 0 | 0 |
| Total Grazing & Run-Off expenses | 21,434 | 4.1% | 109 | 110 | 101 |
| Total Feed Expenses | 120,492 | 23.3% | 612 | 446 | 233 |
| **Other Working Expenses** | | | | | |
| Fertiliser | 96,008 | 18.6% | 487 | 385 | 379 |
| Nitrogen | 0 | 0.0% | 0 | 0 | 0 |
| Irrigation | 9,451 | 1.8% | 48 | 95 | 48 |
| Regrassing | 0 | 0.0% | 0 | 0 | 0 |
| Weed & Pest | 2,994 | 0.6% | 15 | 16 | 24 |
| Vehicles | 0 | 0.0% | 0 | 0 | 0 |
| Fuel | 0 | 0.0% | 0 | 0 | 0 |
| R & M - land & buildings | 74,851 | 14.5% | 380 | 202 | 166 |
| R & M - plant and equipment | 9,663 | 1.9% | 49 | 81 | 99 |
| Freight and General | 62 | 0.0% | 0 | 5 | 0 |
| Total Other Working Expenses | 193,029 | 37.3% | 980 | 783 | 717 |
| **Overheads** | | | | | |
| Administration | 28,508 | 5.5% | 145 | 219 | 140 |
| Insurance | 2,683 | 0.5% | 14 | 17 | 10 |
| ACC | 0 | 0.0% | 0 | 0 | 0 |
| Rates | 16,349 | 3.2% | 83 | 80 | 75 |
| Depreciation | 45,295 | 8.8% | 230 | 247 | 266 |
| Total Overheads | 92,835 | 17.9% | 471 | 563 | 491 |
| **Total Dairy Operating Expenses** | 406,356 | 78.6% | 2,063 | 1,826 | 1,441 |
| Non-Dairy Operating Expenses | 0 | | | | |
| **TOTAL OPERATING EXPENSES** | 406,356 | 78.6% | 2,063 | 1,826 | 1,441 |
| | | | | | |
| **OPERATING PROFIT** | | | | | |
| **DAIRY OPERATING PROFIT (EFS)** | 110,938 | 21.4% | 563 | 1,366 | 738 |
| Non-Dairy Operating Profit | 0 | 0.0% | 0 | 0 | 0 |
| **TOTAL OPERATING PROFIT** | 110,938 | 21.4% | 563 | 1,366 | 738 |

# Rangatira 8A 17 Trust

## Farm Map

| | |
|---|---|
| 196.96 h | Effective Grazing |
| 13.87 h | Reserves Area |
| 10.17 h | Races, Buildings, Swamps etc |
| 221.00 h | Total Survey Area |



# 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 achievements in the Māori farming sector, in particular successful farming approaches to governance, financing, management and the recognition of Ngā tikanga Māori
- To utilise 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 in the dairy farming and the wider New Zealand farming industry
- Judges' expert advice and guidance to improve their farming operations
- Access to a network of progressive and likeminded individuals and organizations involved in dairy farming
- Exposure to practices and approaches of other Māori dairy farmers
- Significant enhancement to the productivity :and profitability of their farming operations
- Recognition of the major role Māori farmers have in the New Zealand economy

## AWARD PRIZES

The supreme winner of the Ahuwhenua Trophy BNZ Māori Excellence in Farming Award 2010 will receive a replica of the trophy 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.

Other finalists will receive a medal and cash or farm-related items to the value of not less than $15,000.

## CONDITIONS OF ENTRY

This competition is for Māori dairy farmers being individual farm owners, partnerships, Trusts and Incorporations who are farming properties owned and/or leased by Māori in New Zealand.

Entrants must be able to provide stand alone financial accounts for the dairy business entered in the competition. This is to cover the situation where the entrant may run a number of associated farming enterprises which may be amalgamated under an overall set of accounts. Entries of more than one property owned by a Trust or Incorporation will be permitted provided the foregoing criteria are met; allowance for this will be taken into account by the judges.

The competition will be held on a national basis and three finalists will compete to determine the supreme winner of the Ahuwhenua Trophy BNZ Māori Excellence in Farming Award 2010. The prizes will be awarded to the Committee of Management in the case of an Incorporation or Board of Trustees in the case of a Trust, on behalf of the farming business.

## JUDGING WILL BE BASED ON

**The efficiency with which the property is farmed relative to its potential:**

This will not be based solely on financial measures such as profit per ha or return on business capital. These measures will be taken as a guide but consideration will also be given to other factors such as:

- the physical resources available to the farmer (e.g. local climate, soil types, water, region of location, contour etc)
- stage of development, financial structure.
- limits that may exist for Trusts and Incorporations raising outside capital.

**Financial results where:**

- Profit will be determined by the calculation of the economic surplus per ha; that is the gross income, net of stock purchases (adjusted for changes in livestock numbers) less working expenses.
- Interest, development, capital expenditure drawings, dividends and taxation are not included. Financial performance w will be determined from annual financial statements for the 3 years ending at the farm balance date in 2009

**The effectiveness of the Governance of the farming enterprise, including:**

- Planning
- Reinvestment in the business
- Adoption of innovative farming systems
- Pursuit of sustainable management approaches
- Up-skilling at management and worker level
- Keeping up to date with new farming methods and approaches to monitor performance
- The level of recognition given to cultural aspects of Māoridom (Ngā tikanga Māori) relevant to a farm business enterprise, such as guardianship of the land

## OTHER CONSIDERATIONS

The organisers note that in recent times a number of new measures have been introduced to assess the performance of farming and other businesses.

These include:

- Triple Bottom Line Reporting which focuses a business not just on the economic value added or lost but also on the environmental and social value they add or come into conflict with. It is considered these attributes have a high congruence with Māori farming businesses and are already taken into account to an extent in the judging process outlined above. Entrants are encouraged to outline to the judges during the visit, the extent to which they are focusing on environmental as well as social issues.
- Cost of Production Analysis which involves calculating the cost of production per unit of output. Such a measure allows setting of goals for improved performance that relate to the whole farm system and provides a good comparison of performance across all types of farming businesses. Introducing a measure such as this will only be feasible when farmers see value in measuring feed produced on the property on a year round basis but we would advocate all farmers discussing with their advisers the benefits possible through adoption of such an approach.

The 2010 competition places special emphasis on excellence in environmental practices. The pointing system, introduced as a guideline for judges for the first time for the dairy competition, reflects this with 12% of the weighting given to this aspect.

The judges utilise as a guideline the opposite weighting:

| CRITERIA | MAXIMUM 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<br>• Mandate for activities from the owners<br>• Communication with owners and processes for electing governance team<br>• Strategy development including a documented Strategic Plan with KPIs<br>• Implementation and monitoring<br>• Identification and management of risk<br>• Flexibility in coping with changes in markets, climate, regulations etc<br>• Participation in governance training<br>• Mix of governance skills<br>• Developing new governance people<br>• Selection and management of advisors<br>• For finalists: field day performance – presentation and response to questions. |
| Social/ community/ Ngā tikanga Māori | 10 | • Contribution to, and participation in, communities of interest to the organisation e.g. support for local hapū, Marae, and wider local community affairs (such as rural community or farm associations)<br>• Governance or management team's ability to manage tikanga Māori aspects of the business<br>• Commitment to Māoritanga, and for regional winners in particular, presentation of the organisation as an exemplar of Māori excellence in the business of farming<br>• Identification and protection of cultural sites |
| MANAGEMENT AND PERFORMANCE | | |
| Financial – including trends over time | 20 | • Economic Farm Surplus (EFS)<br>• Wealth creation<br>• P&L and balance sheet ratios including performance over time<br>• Cost of production analysis. |
| Productivity | 9 | • Milk solids per ha. |
| Farm/Stock | 9 | • Stock health and welfare<br>• Genetic improvement<br>• Reproductive and growth performance<br>• Feed supplies – quantity and quality relative to farm resources<br>• Purchasing and marketing skills. |
| Employee | 9 | • Employment agreements and job specifications<br>• Performance review approach<br>• Training support. |
| Environment/ Sustainablility | 12 | • Land Environment Plans in place and being actioned including:<br>– Nutrient management<br>– Measures to minimise nutrient leaching and soil erosion and damage including planting of trees etc<br>– Riparian management and water source protection<br>– Effluent management<br>• Understanding of carbon reduction including sequestration (sinks) and incorporation into management. |
| Entrepreneurship and innovation | 11 | • Demonstrate innovative thinking and application of new technology and management approaches. |
| **TOTAL** | 100 | |

BNZ
# MĀORI EXCELLENCE IN FARMING AWARD 2010
DAIRY

AHUWHENUA TROPHY

## PLATINUM SPONSOR

As the platinum sponsor BNZ is proud to support the Māori Excellence in Farming Award. With a team of 150 dedicated Agribusiness Partners and support staff around the country, we remain committed to continuing our extensive role in the New Zealand agribusiness sector.

## GOLD SPONSORS

AgResearch is one of this country's leading research organisations. It comprises a number of renowned research centres, but most importantly it is made up of individual scientists, technicians and their teams. Many are world leading in their fields. AgResearch's operations are critical in ensuring the prosperity, security and ecological sustainability of New Zealand's pastoral sector.

Our purpose is to secure and enhance the profitability, sustainability and competitiveness of New Zealand dairy farming. DairyNZ is the only organisation to represent 100% of all New Zealand dairy farmers in protecting and advancing their competitive edge on the global market.

Fonterra is a proud sponsor of the Ahuwhenua Trophy for excellence in Māori dairy farming. We are the world's largest dairy exporter, owned by New Zealand dairy farmers who share in our success and the strength of the co-operative. Fonterra is built on generations of knowledge, expertise and passion.

Te Puni Kōkiri celebrates Māori success and excellence. It proudly supports the pre-eminent accolade within Māori farming – the Ahuwhenua Trophy. The award epitomises innovation and new approaches by Māori farmers; in so doing honouring its founder of 70 plus years ago, Sir Apirana Ngata. The competition sets the benchmark for exceptional performance amongst Māori farmers committed to tapping the full potential of their holdings in a significant sector of New Zealand's economy. Māori success is our success.

## SILVER SPONSORS

## BRONZE SPONSORS

SPONSORSHIP SUPPORT HAS ALSO BEEN PROVIDED BY LANDCORP, TOHU WINES, POUTAMA, DB BREWERIES, ECOLAB AND REGEN