BNZ

MĀORI EXCELLENCE IN FARMING AWARD 2014

DAIRY

AHUWHENUA TROPHY

FIELD DAY HANDBOOK

www.ahuwhenuatrophy.maori.nz

THE AHUWHENUA TROPHY

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From the Minister of Māori Affairs

E ngā iwi, tēnā koutou.

Tēnā koutou, tēnā tātou i te āhuatanga o ō tātou mate kua hinga mai, hinga atu i tērā tau. Rātou kua whetūrangitia ki a rātou, tātou ki a tātou, te hunga e whai atu ana i ō rātou tapuwae, kia ora tātou katoa.

One of the great challenges of the Ahuwhenua Trophy competition is that it is not just about profit. We are not judging industrial farming by investors who expect to see a rapid return on the bottom line. No, the excellence on display among all the competitors reflects distinctively Māori ideals of development.

We see the growing strength and resilience of the landowners and their whānau, their wider community, their bonds with each other and their links to ancestral lands. Among executives, managers, advisers and workers we see skills and experience combined with education and training, and the quest for information and understanding to improve performance.

We see sustainable development of the land and water, he taonga tuku iho i ō tātou atua ki ō tātou tīpuna, heke iho ki a tātou, tuku iho, tuku iho ki ngā mokopuna. So while owners want to serve their people with a financial return, the land and water themselves must not be sacrificed to pollution, erosion, exploitation or degradation.

The road back from the legacy of colonisation has been long and hard for many Māori farmers. Management of fragmented blocks of neglected land with multiple absentee shareholders who have been estranged from their whenua for generations seems like a Mission: Impossible!

The Ahuwhenua Trophy competitors each have their own story, but all have overcome obstacles such as these. Māori agribusiness is not just farming, but political and social leadership, land tenure reform, public relations, cultural revitalisation – with the aim of rebuilding a community of active, informed and engaged shareholders to take ownership of their farm lands. Then the farming can begin!

'Ownership' here is not just in the legal sense, but in the Māori concept of rangatiratanga. It encompasses leadership that unites and strengthens the community; careful stewardship that honours our ancestors, benefits current generations and protects the birthright of future generations; it respects ancestral and cultural relationships with the natural world; maintains the integrity of our culture, and it reinforces our identity and status as tangata whenua.

The rebuilding of rangatiratanga takes time, and I believe that our Ahuwhenua Trophy competitors are leading the way. You are role models for Māori development, and the Ahuwhenua Trophy competition allows you to share best practice across the industry.

I salute you all, and I look forward to Māori people, wherever they are and whatever they do, working together to reassert our rangatiratanga. Kia ora.

Hon Dr Pita Sharples
Minister of Māori Affairs

From the Minister for Primary Industries

E ngā mana
E ngā reo
E ngā rau rangatira mā
Tēnā koutou, tēnā koutou, tēnā tātou katoa

Competitions like the Ahuwhenua Trophy provide the perfect opportunity to acknowledge and celebrate the significant role Māori play in New Zealand's primary industries.

Māori are key stakeholders in New Zealand's natural resources and the Ministry for Primary Industries has a number of initiatives underway to partner more effectively with Māori to support the continuing growth of their primary sector interests.

Some of these initiatives include Māori owned dairy farms where we are working with one Māori Trust on a dairy conversion, another on scaling up several smaller dairy farms to a larger more economic dairy platform, and another on the transfer of a large dairy farm from Crown to iwi ownership.

I mention these examples because this year's competition recognises Māori excellence in dairy farming. It is obvious from the calibre of entrants and finalists that there are many top quality Māori dairy farmers. This bodes well for Māori, growing our primary sectors and the wider New Zealand economy. I congratulate each and every one of you.

Hon Nathan Guy
Minister for Primary Industries

From the Chairman

Ki ngā kaitiaki o o tātou whenua puta noa i te motu.
Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Since the Ahuwhenua Trophy Award for dairy farmers was re-launched in 2006 there have been fifteen outstanding finalists and this year is no exception.

Over the years the awards have inspired Māori dairy farmers, including trusts and incorporations to follow the vision of Sir Apirana Ngata to unlock the potential of their farming operations.

We are seeing vastly improved professional governance structures which are leading to good commercial decisions, but at the same time are not compromising the fundamental values that we as Māori hold and which are key drivers in our farming operations. The whole philosophy of Māori farming, especially around succession planning and environmental management is being adopted by many mainstream farmers and is seen as classical 'best practice'.

Today's achievements in Māori agribusiness are no coincidence. It is based on the sound principles enunciated by Sir Apirana when he and Lord Bledisloe inaugurated the awards in 1933. These founding principles have endured over 81 years and are as relevant today as they were then.

Māori continue to make a huge contribution to the New Zealand dairy industry. We provide about ten percent of the milk, have our own processing plant, and are partners in a major research project to add value to the raw milk we produce. What is not widely appreciated by many New Zealanders is that Māori re-invest significant amounts of money in their farming operations.

As you will see on the field days of the 2014 finalists, significant gains in terms of governance and improved in-farm performances have been made. Making it to the finals is not easy and even just to enter the awards requires farmers to have achieved a high degree of excellence in their operations.

In this handbook you can read about the history of the finalists in this year's competition. You will find a detailed history about each farm including the governance structure, land use, environmental policies and their long term strategic goals. There is also information on their financial performance and how they benchmark with other similar operations. The use of DairyBase data has taken a lot of guesswork out of assessing each property.

A lot of past finalists are adamant that the Ahuwhenua Trophy Awards have helped them go on to become even higher achieving enterprises than they were when they entered the competition. The high standards set by the judges have been seen positively by individual farms, trusts and incorporations. The outcome is that the vision of Sir Apirana is shining brighter than ever.

In conclusion, on behalf of the Ahuwhenua Trophy Management Committee I would like to congratulate the three finalists and wish them well as the competition evolves over the coming months. I look forward to seeing them in Tauranga in June at the Awards Dinner when the winner is announced. I would also like to thank the many people including our sponsors, judges, staff and other supporters who make this annual celebration of Māori agribusiness such a success.

Kingi Smiler
Chairman, Ahuwhenua Trophy Management Committee

History of the Ahuwhenua Trophy

Last year the Ahuwhenua Trophy reached a major milestone when it celebrated 80 years since this prestigious award was inaugurated by visionary Māori leader Sir Apirana Ngata and the Governor General at the time, Lord Bledisloe. It was also 10 years since the competition was re-launched to reflect the growth and development of Māori agribusiness and the increasingly important role that it plays in the overall economy of Aotearoa New Zealand.

As part of the eightieth year celebrations a special book, *Ahuwhenua – Celebrating 80 years of Māori Farming*, was launched by the Minister of Māori Affairs, Hon Dr Pita Sharples at the annual Federation of Māori Authorities conference. The book, written by the eminent historian Dr Danny Keenan traces the history of the Awards and gives a brilliant insight into the development of Māori farming over 80 years.

The Ahuwhenua Trophy competition dates back to 1932 when it was introduced to encourage skill and proficiency in Māori farming. The inaugural 1933 competition was open to individual dairy farmers in the Waiariki Land district and was won by William Swinton from Raukokore, Bay of Plenty.

The following year the competition was extended to include entrants from North and South Auckland, Gisborne, Whanganui and Wellington.

In 1936 the cup was won by Henry Dewes, a sheep farmer from Tikitiki who displayed it in a shop in Waiapu. A year later the shop caught fire and the trophy was destroyed. It was replaced with a new cup in 1938 but six years later that trophy was lost during a rail trip from Rotorua to Wellington. It was eventually found in 1946 in a Frankton store after being mislaid with someone's personal belongings at the railway station.

The inappropriateness of comparing dairy with sheep farms became increasingly evident and in 1954 the competition was divided into two separate awards, each with their own trophy. Once again, Lord Bledisloe donated the companion cup.

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

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

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

The Ahuwhenua Trophy competition Trustees are the Minister of Māori Affairs, the Minister for Primary Industries and the Chief Executive of Te Puni Kōkiri. They delegate their authority to the Ahuwhenua Trophy Management Committee to manage and supervise the competition. The current Chairman, Kingi Smiler, has held that position since 2007.

The first bi-annual dairy competition, held in 2006 was won by the Parininihi Ki Waitotara Incorporation's Farm 12, in Taranaki.

A new award for young Māori farmers was introduced in 2012, in association with Primary ITO. The first winner was Tangaroa Walker and last year the winner was Jordon Smith.

Today the Ahuwhenua Trophy remains the pre-eminent accolade to win in Māori farming. The entrants, finalists and eventual winners all share and live the enduring values, goals and vision of Sir Apirana Ngata.

Looking Back

The 2012 Dairy Finalists

Kapenga M Trust

Last season's drought put a strain on all the previous finalists of the Ahuwhenua Trophy dairy competition. But despite this physical set-back all three have improved their operations – both on-farm and in their governance structure.

Kapenga M Trust located 20 kms south of Rotorua was the winner of the 2012 award. They have been running, with a 50/50 sharemilker, just on 1,000 cows plus replacements on their 330ha dairy property which is part of a larger parcel of land owned by the Trust. They have recently bought another dairy farm adjacent to their corpus lands and have been running 630 cows through a 60/40 partnership with their sharemilker.

The Chairman of the Trust, Roku Mihinui says since winning the trophy a number of changes have taken place to improve their operation. He says many of the changes had been planned but winning the trophy put the Trust in the spotlight and there was no resting on laurels.

On the governance side there's been a big change as a result of a review of their constitution. The term of a trustee has been changed to a six year rotation as opposed to being there for life. As part of this the Trust has started identifying the skill sets for new trustees. Roku Mihinui says they have reviewed their strategic plan and are actively reviewing their non-farming assets to see whether it is better to stick with their existing businesses or diversify. He says they have also worked with other primary sector trusts in their region to develop and share best practice methodologies.

On the operational side of the business Kapenga M have reduced cow numbers on both farms (down to 960 and 607 respectively) to improve the environment and animal husbandry. Despite this and the drought, production on both farms is 3% to 5% ahead of budget.

They have also stopped leasing land for dairy grazing and are now utilising some of the land from their sheep and beef unit for this purpose.

Roku says they have improved some of the infrastructure on the dairy farm and have an ongoing development programme for staff.

Like all the finalists, Kapenga M Trust has benefited from the Ahuwhenua Trophy process and the learnings from this experience are driving many of the exciting changes now taking place.

In contrast to many finalists in the Ahuwhenua Trophy, the **Wharepi Whānau Trust** runs a very small but highly efficient dairy farming operation. Its milking platform is just 60ha of flat to rolling country near Te Puke in the Bay of Plenty. They also have a 25ha run-off block for the 200 cows.

In just two years the Trust has been extremely busy. The governance structure has changed and they have taken over the control of the land from the Māori Trustee. Two years ago, the Trust said it would review their structure and produce a new strategic plan and this they have done. They have also found themselves a new accounting service and manager, Tina Ngatai, who has assisted the Trust in making its significant changes.

In addition to the governance changes, the Trust has appointed new contract milkers to replace the sharemilker who has moved to a bigger farm.

Tina Ngatai says being a finalist in the Ahuwhenua Trophy helped instill a sense of pride in the 59 shareholders. She says the Trustees have a clearer understanding of the business they are running and through the 'trophy process' they developed a lot of new skills and learned a lot of new things. She says being involved empowered the Trustees to take the next step, which saw the development of a new and more visionary strategic plan which included taking on some new specialist advisors.

The farm itself is small and it has only been possible to make minor changes to its day to day operation. For example, they have improved the cooler unit. But Tina Ngatai says more importantly the Trust has got itself into a position where it can easily and quickly expand if the opportunity arose. This would involve purchasing adjacent farms should these come up for sale.

The Wharepi Whānau Trust joins a long list of finalists in the Ahuwhenua Trophy who have improved their performance and returned greater benefits to their shareholders.

Wharepi Whānau Trust

Situated on Broadlands Road just north of Taupo is the **Tauhara Moana** farm. The farm is adjacent to many of the dairy conversions undertaken by the state owned farming company, Landcorp. Tauhara Moana is the first dairy farm at the start of the Waikato River so special attention is paid to creating a low environmental footprint.

At the time of the last dairy competition in 2012, Tauhara Moana was in the process of a major $3.6 million expansion and development programme and all this work has now been completed. Cow numbers increased to 2,400 head and land areas increased with 1,000ha leased support land. The Trust now operates two dairy units; one 340ha the other 410ha each with its own manager and team.

This development programme hasn't been without its challenges. Last season's drought hit Tauhara Moana badly and they took a major financial hit. The pumice soils in the area require frequent rain and despite the best efforts of the Trust to manage the drought, production losses were inevitable. It was the same for other farms in the central North Island.

Despite the adversity caused by the weather, the Tauhara Moana Trust has remained positive in its outlook. Danny Loughlin, a consultant for the Trust says participating in the Ahuwhenua Trophy has helped them lift their game. He says the new strategic direction has them focused on lifting milk production and making a whole range of efficiency gains.

To this end the Trust is on target to further increase its cow numbers by the start of the 2015 season.

Tauhara Moana has remained a DairyNZ monitor farm and again the ongoing feedback resulting from this has enabled the Trust to lift its economic and environmental performance.

Tauhara Moana


Te Puni Kōkiri
REALISING MĀORI POTENTIAL
Preserving our past.
Securing our future.
Te Puni Kōkiri: proud sponsor of the Ahuwhenua Trophy, and kaitiaki of the Ahuwhenua Trophies, Dairy and Sheep & Beef.
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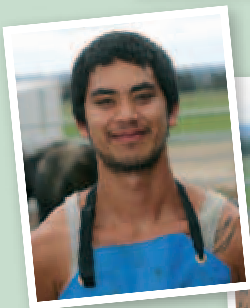
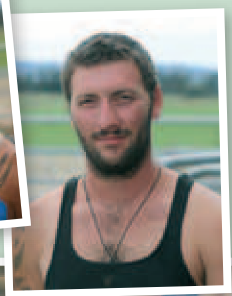
Ministry for Primary Industries
Manatū Ahu Matua
The Ministry for Primary Industries is pleased to be a longstanding sponsor of the Ahuwhenua Trophy awards and to celebrate Māori excellence in farming. MPI is committed to working with Māori to enable the sustainable growth of their primary sector assets.
www.mpi.govt.nz
New Zealand Government
Growing and Protecting New Zealand

Putauaki Trust – Himiona Farm

296 Te Teko Road, Te Teko

Field Day Tuesday 11 March 2014





Putauaki Trust – Himiona Farm

FIELD DAY PROGRAMME

9.30	Pōwhiri at Kokohinau Marae, 345 F Te Teko Road, Te Teko
10.00	Karakia – Morning Tea
10.30	Introduction to Field Day Programme and History of the Ahuwhenua Trophy
10.35	History / Governance / Structure / Strategy / Financial
11.15	Farm tour including two stops Discussion on Production / Staff / Environmental Management
1.00	Reconvene for Farm Summary
1.10	Award Ceremony and Presentation
1.30	Kai and Refreshments

Note: times are approximate

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors to their property that a number of potential hazards exist in the course of travelling over the property in vehicles and on foot, 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, including preparation of a health and safety plan for the day, 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.

Putauaki Trust – Himiona Farm

What Impressed the Judges

GOVERNANCE AND STRATEGY

- High level of professionalism within the Trust
- Governance training has been undertaken as well as Icehouse courses
- A clear set of values that guides the business activities
- Associate trustees included to build capability and engage new people in the governance role – skill requirements are noted in advertising material
- An innovative and cooperative approach to building a strong dairy farm business benefiting all those involved
- People that have received grants are 'kept in touch with', with the aim of utilising their skills and capabilities in the future for mutual benefit
- Documented dividend policy
- Clear investment criteria
- Successful track record of increasing equity and dividends.

SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

- Trustees very centered on cultural practices
- A lot of recognition for older people and what they have done
- Grants go to primary health as well as education
- Focus on creating employment.

FINANCIAL AND BENCHMARKING

- Solid financial performance with 2012/13 showing a widening positive gap compared to benchmark for Operating Profit of $2,042 for Putauaki compared to benchmark of $1,599
- Low cost structure of $3.30/kgMS compared to $4.03/kgMS for benchmark
- Strong equity position and virtually no debt
- Equity growth from $4.46 million to $5.24 million over the last three years
- Comparison made with the financial performance of other Māori owned entities.

FEED PRODUCTION AND ANIMAL PERFORMANCE

- A significant amount of hard work has gone into developing this dairy unit to get it to where it is today; Jason has consistently improved the performance of the farm year on year and has a track record on other farms of achieving similar results
- A good pasture renovation programme is in place.

HUMAN RESOURCE

- Farm staff in training
- Jason is a very hard worker and has achieved a lot on the farm
- Two of the farm staff are beneficiaries.

ENVIRONMENTAL / SUSTAINABILITY GOALS AND STRATEGIES

- A large 35m x 35m effluent pond has been constructed
- Cows are off the farm in winter minimising soil damage and nutrient flow.

ENTREPRENEURIAL AND INNOVATION

- Tracking scholarship recipients has paid off for the Trust as both Tiaki and Kiriwaitingi received scholarships and are now governors of the business
- Leasing land to grow the dairy business is an innovative model that is working well.

Putauaki Trust – Himiona Farm

Tribal Affiliation: Te Pahipoto, Ngāti Awa
Number of Owners: 800 approx

TRUSTEES / BOARD

Tiaki Hunia, *Chair*
Charlie Elliott, *Deputy Chair*
Waaka Vercoe
Anaru Rangiheuea
Kiriwaitingi Rei
Eric Eruera
John O'Brien, *General Manager*

FARM STAFF

Jason Wakefield, *Variable Order Sharemilker*
Jamie Hannah, *Herd Manager*
Kingston Tarei, *Dairy Assistant*
Ngahararei Bosma, *Dairy Assistant*

Farm Description

Himiona Farm is a 177ha (effective) property milking 570 cows and on track to produce 225,000 kgMS in 2013/14. The Trust owns 57ha opposite the Kokohinau Marae and over the period since establishment has added 120ha of leased land from neighbouring and local whānau trusts.

The farm is not contiguous and the furthest block milked on is 3.5 km away. To help manage this situation a mix of once/twice a day milking systems has been used.

The farm business has been in a strong growth and development phase since its purchase but is now at a point of fine tuning. Cow numbers grew from 198 in 2006/07 to 570 this season.

The farm is mainly grass based importing maize and grass silage/hay from other Putauaki Trust based land holdings.

Putauaki Trust – Himiona Farm

History of the Farm

Ko Putauaki te Maunga
Ko Rangitaiki te Awa
Ko Ngāti Awa te Iwi
Ko Te Pahipoto te Hapū
Ko Kokohinau te Marae

The corpus land of the Putauaki Trust is 1,187ha situated at the base of our tipuna maunga Putauaki near Kawerau. Up until 2006, the main activities of the Trust included beef production and grazing dairy cows, a forestry block and geothermal power generation. The enterprise mix has since expanded to include dairying, maize growing, manuka for honey, industrial land uses and a composting business amongst others.

Himiona Farm is a relatively recent addition to the total asset base of Putauaki Trust. Purchased in 2006, the farm (named after the late Himiona Hunia an original trustee of Putauaki Trust) provided a footprint back in the home of its majority owners Te Pahipoto in Te Teko.

Himiona Farm is 57ha situated on the Rangitaiki Plains between the townships of Te Teko and Edgecumbe directly opposite to the Kokohinau Marae. When purchased it was barely economic because of its size. However, it was of significant cultural and spiritual value to the Trust and its owners, due to an enduring commitment to reacquire our traditional homeland metre by metre, acre by acre, for as long it takes.

Surrounding the farm were a number of small land blocks owned by whānau, the majority themselves owners in the Trust and the Trustees had a clear vision to convert a marginal farming operation into a high performing model of collaboration not seen before across the Rangitaiki Plains. What has resulted is a transformation from a marginal operational to a farm that over the last eight years has tripled its size on the back of leases of whānau land which has provided multiple benefits:

1. Increased scale for better utilisation
2. Higher lease returns for landowners
3. All contributing to a significant increase in the profitability of the Trust. For example in 2006 the dividend paid per share in the Trust was $100, in 2013 the dividend paid per share was $268.

This in turn has placed a greater emphasis on the Trust as kaitiaki (stewards) to care for the land that we have been entrusted.

In 2009/10 Himiona Farm became economically self-sustainable comprising 114ha of land, producing 111,470 kgMS from 336 cows. Even during the severe drought in 2012/13, the farm performed well producing 189,781 kgMS from 564 cows.

Currently, Himiona Farm is running 570 friesian/jersey cross cows and is on target to produce 225,000 kgMS this season. In previous seasons the herd has included around 35% of total cows milked once daily (OAD herd). The move to OAD reduces the distance cows walk daily and reduces the number of times the cows walk through other farms. The farm is now on twice a day milking regime for the full herd. The farm is run by a variable order sharemilker Jason Wakefield and two full time staff who are mokopuna of the Trust.

The five year plan is focusing on three key areas:

1. Increased milking platform: lease and owned land acquired resulting in a milking platform of 213ha and 700 cows producing at least 280,000 kgMS
2. Training and development: the development of a broader more comprehensive Ngāti Awa cadetship programme and continued improvement in practices of kaitiakitanga and farming best practice
3. Extension of dairy development: convert part of the corpus land at Kawerau into dairying with the use of irrigation which has recently been secured by resource consent.

Himiona Farm is most unusual in its structure and the innovative approach taken by the Trust to build up the milking platform by leasing land essentially off itself via whānau who themselves are beneficiaries of the Trust.

Without the faith and belief of our whānau and our hapū in what we're doing, how we're doing and most importantly why we're doing it, ara mo ngā uri whakaheke, we would never have achieved what we have.

In many ways Himiona Farm is a model for unlocking small parcels of Māori land which exist in other parts of the country. It is an innovative model of utilisation and collaboration, which in our situation has resulted in vastly superior financial returns to owners.

Putauaki Trust – Himiona Farm

Governance and Strategy

VISION

Kia tipu ngā rawa o Putauaki hei oranga mo ngā uri, otira e aronuitia ana hoki te oranga me te mauri a to tātou whenua.

To grow the value of Putauaki Trust's assets for the benefit of all shareholders, taking into account sustainability and the protection of the land.

Whāia te iti kahurangi, ki te tuohu koe me he maunga teitei.

STRATEGIC PLAN

Goals

- Improve returns on our assets
- Grow our assets
- Consider increased risk for improved return
- Agree increased risk profile for an agreed percentage of our assets
- Grow our land based businesses
- Investment diversification (in agreed areas)
- Dairy growth strategy over the next four years involves continuing to focus on improved farm performance on Himiona Farm and a dairy conversion on the Kawerau block
- Create opportunities for employment for our beneficiaries.

Planning

We undertake an annual Strategic Planning session with the Board utilising an external facilitator.

We review and monitor progress against Annual Business Plan and Key Performance Indicators (KPIs).

We undertake a SWOT analysis and our Strengths and Opportunities include:

- Shareholding backing and confidence
- Small number of shareholders (whānau)
- Strong balance sheet/cash position and no debt
- Diverse experience and expertise amongst Board members
- Location of Putauaki land
- Trusted advisors
- Clear lines of responsibility.
- Progressive, open-minded and willingness to work with others
- Evaluate and analyse opportunities
- Own administration base with General Manager responsible for day to day operations of the Trust
- Emotional/cultural principles incorporated into decision-making processes
- Investment in multiple dairy farms/Himiona stepping stone to further agribusiness opportunities
- Conversion of Kawerau block
- Further geothermal development
- Leasing and purchasing of more land to expand dairy operations within tribal rohe (Rangitiaki Plains).

Putauaki Trust – Himiona Farm

VALUES

- Rangatiratanga – autonomy and decision making in control of our own destiny through leadership
- Kaitiakitanga – accept our obligations of guardianship, preservation and protection of Putauaki land
- Manaakitanga – caring for our shareholders and their uri
- Whakapapa – maintaining the tribal identity of Te Pahipoto
- Kotahitanga – united in the pursuit of mutual benefit for the shareholders, Te Pahipoto and Ngāti Awa whānau
- Whanaungatanga – bringing our whānau together.

GOVERNANCE

The Trust Order, which was reviewed and amended in 2008, enabled the Trustees to make investment decisions without mandate from the owners, however, the owners are kept well informed of any major investments through the Trusts communication channels (website, AGM, newsletters). In addition, the Trust Order safeguarded the corpus whenua of Putauaki as that land can never be sold or used as security.

Trustees are appointed for life under the Trust Order. The Trustees currently have a diverse range of skills and experience including: Māori authority administration, Trustee administration, finance knowledge, strategic planning, legal expertise, engineering, negotiation expertise, on-farm work experience, tikanga and matauranga Māori.

The Trust has an Associate Trustee programme in place which is extensively advertised and a recent Associate Trustee, Eric Eruera, was appointed a full Trustee at the 2013 AGM. The Trust tracks the development and progress of previous tertiary grant recipients and two of the current board are past recipients. The Trust has a commitment to developing its governance capability by ensuring Trustees and management staff attend relevant training courses to keep up to date with current practices. All Trustees have recently attended the Icehouse Māori Trustee training course and continue to attend relevant Institute of Directors training modules, as well as the comprehensive five day Company Directors course.

Putauaki Trust – Himiona Farm

Social / Community / Ngā Tikanga Māori

Direct contribution to shareholders and our community is provided by way of an annual dividend and grant distributions. Under the Trust's current dividend policy an annual dividend of 30% after tax paid profit is paid out for the year ended 30 June (in 2013 $268 per share was paid).

Putauaki Trust has a range of grants and sponsorship available to our shareholders and beneficiaries ranging from health grants, education grants including tertiary, boarding secondary and primary, a marae grant, community grants and discretionary grants. The Trust has established a Charitable Trust from which the majority of these grants are paid. The Trust allocates 10% of its after tax profit towards grants. It has a policy of supporting the local Te Teko community and many of its beneficiaries are affiliated to the local kohanga reo, primary school, sports clubs and other Te Teko organisations. The Trust is a strong supporter of Kokohinau Marae. As well as paying a marae grant (currently $50,000 pa) the Trust supports many of the activities the marae is involved in including the annual Poukai which is held every January. In addition the Trust is a major supporter of the local kapahaka group. The Trust continues to work collaboratively with other Māori trusts and economic authorities.

Tikanga Māori is weaved into all parts of the Trusts business and its commitment to Māoritanga is reflected in the responsibility that its Trustees have within Ngāti Awa. Himiona Farm and the Trusts main block in Kawerau has been reviewed to identify any culturally sensitive areas in the farm. To develop our land, grow our business and empower our people, we recognise the need to expand our thinking, our networks and our knowledge. We can achieve this through strategic partnerships, locally, regionally and nationally.

STRATEGY

The key strategies the Trust are implementing to maintain its commitment to Māoritanga and tikanga Māori are to continue supporting our whānau, our marae and our community; and to work collaboratively with other Māori economic entities and Trusts within Ngāti Awa and the wider Mataatua rohe.

Putauaki Trust – Himiona Farm

Farm Data and Key Performance Indicators

FARM INFORMATION

Putauaki Trust – Himiona Farm	2010/11	2011/12	2012/13	2012/13 benchmark*
Effective dairy hectares	131	168	177	
Support block effective hectares	0	0	0	
Peak cows milked	449	490	564	
Milksolids (MS)	145,879	175,679	189,781	
Staff numbers (FTE's)	3.3	3.3	3.3	
Supplements fed (kg/cow)	432	584	803	
Soil fertility (P/pH)	Not tested	35 / 5.9	Not tested	
Nitrogen (kg/ha)	131	105	108	
Physical KPIs				
Cows/ha	3.4	2.9	3.2	2.9
MS/ha	1,114	1,046	1,072	977
MS/cow	325	359	336	332
MS as a % of cow weight	68%	75%	72%	
Cows/person	136	148	171	164
MS/person	44,206	53,236	57,509	54,393
Pasture-crop eaten (kg/ha)	12,880	12,240	11,770	
6 week in calf rate (%)	58%	71%	76%	
Liquidity (cash)				
Net cash income/kgMS	4.85	3.89	5.02	
Farm Working Expenses/kgMS	3.37	3.09	2.79	
Cash Operating Surplus	1.48	0.81	2.23	
Interest, tax, rent, non-dairy inc./kgMS	1.08	0.94	1.08	
Discretionary cash/kgMS	0.4	-0.13	1.15	
Operating Profit $/ha				
Gross Farm Revenue/ha	6,462	5,778	5,586	5,536
Operating Expenses/ha	4,207	3,693	3,543	3,937
Operating Profit/ha	2,255	2,085	2,043	1,599
Operating Profit $/kgMS				
Gross Farm Revenue/kgMS	5.80	5.53	5.21	5.67
Operating Expenses/kgMS	3.78	3.53	3.30	4.03
Operating Profit/kgMS	2.02	2.00	1.91	1.64
Operating Profit Margin (%)	34.9%	36.1%	36.6%	28.9%
Balance sheet				
Closing Dairy Assets	4,480,575	5,127,837	5,249,078	
Closing Total Liabilities	17,397	9,868	4,282	
Closing Total Equity	4,463,178	5,117,969	5,244,796	
Closing liabilities/kgMS	0.12	0.06	0.1	20.49
Debt/assets %	0.4%	0.2%	0.1%	37.5%
Return on Dairy Assets %	3.3%	4.2%	3.0%	3.5%

**Benchmark: North Island farm owners with variable order sharemilkers*

Putauaki Trust – Himiona Farm

COMPARISON WITH OTHER FINALISTS 2012/13

Name	Putauaki Trust – Himiona Farm	Te Rua o Te Moko Ltd	Ngāti Awa Farms Ltd – Ngakauroa Farm
District	Te Teko	Normanby	Te Teko
Sharemilking description	V/O sharemilker	50% sharemilker	V/O sharemilker
Effective dairy hectares	177	170	158
Support block effective hectares	0	0	46
Peak cows milked	564	490	520
Milksolids (MS)	189,781	147,254	174,260
Staff numbers	3.3	3.2	2.8
Supplements fed (kg/cow)	803	500	817
Soil fertility (P/pH)	35 / 5.9*	47 / 5.9	93 / 6.2
Nitrogen (kg/ha)	108	147	142
Physical KPIs			
Cows/ha	3.2	2.9	3.3
MS/ha	1,072	866	1,103
MS/cow	336	301	335
MS as % of cow weight	72%	64%	67%
Cows/person	171	153	186
MS/person	57,509	46,017	62,236
Pasture-crop eaten (kg/ha)	11,770	11,261	12,250
6 week in-calf rate (%)	76%	82%	69%
Liquidity ($)			
Net cash income/kgMS	5.02	3.07	5.36
Farm working expenses/kgMS	2.79	1.97	2.75
Cash operating surplus	2.23	1.10	2.61
Interest, tax, rent, non-dairy inc./kgMS	1.08	0.71	0.40
Discretionary cash/kgMS	1.15	0.39	2.21
Operating Profit $/ha			
Gross Farm Revenue/ha	5,586	3,349	6,174
Operating Expenses/ha	3,543	1,836	3,540
Operating Profit/ha	2,043	1,513	2,634
Operating Profit $/kgMS			
Gross Farm Revenue/kgMS	5.21	3.87	5.31
Operating Expenses/kgMS	3.30	2.12	3.05
Operating Profit/kgMS	1.91	1.75	2.26
Operating Profit Margin (%)	36.6%	45.2%	42.7%
Balance sheet			
Closing Dairy Assets	5,249,078	7,723,958	6,999,810
Closing Total Liabilities	4,282	348,205	658,367
Closing Total Equity	5,244,796	7,375,753	6,341,443
Closing Liabilities/kgMS	0.1	2.36	3.78
Debt/assets %	0.1%	4.5%	9.4%
Return on Dairy Assets %	3.0%	2.8%	5.9%

**2011/12 data*

Putauaki Trust – Himiona Farm

Financial and Benchmarking

BUSINESS GROWTH GOALS

The Trust has experienced significant growth and progress over the past 10 years and it now has a strong balance sheet and good cashflow to move forward on. The Trust's growth has been due to the astute decisions made by the Trustees in the past and the challenge for the Board going forward is to maintain this growth in a sustainable manner. Over the next five years the Board has set itself financial goals of increasing its asset base from $20 million to $30 million, revenue from $4.8 million to $6.5 million, profit before tax from $1.7 million to $3 million and return on assets to 10%.

In relation to Himiona Farm, the Trust has a strong business plan in place with key performance indicators as follows:

Year	2013/14	2015/16	2017/18
Milksolids	226,363 kg	235,560 kg	279,543 kg
Hectares	170	181	213
GFI	$7,300/ha	$7,500/ha	$7,750/ha
FWE	$4,300/ha	$4,250/ha	$4,250/ha
Op. Surplus	$3,000/ha	$3,250/ha	$3,500/ha

INVESTMENT POLICY

The Trust has a Statement of Investment Policy and Objectives which provides guidelines and parameters on investment decisions and asset allocation. The Trust wants to achieve an average pre-tax and fees return of 10%. Social and cultural benefits to the Trust including employment opportunities to beneficiaries are also a driving force.

STRATEGY

The Trust has a number of opportunities on the horizon to help drive its forecast financial growth including a dairy conversion and industrial zoned development on its Kawerau block. In addition it has a 100ha forest block due for harvesting within the next year which will realise approximately $3.5 – $4 million. The Trust is concentrating on its dairy conversion in Kawerau which is an immediate priority and will involve a capital investment of $4.5 – $5 million. In addition, increasing the size of Himiona Farm to enable milking of 700 cows to maximise the use of the infrastructure in place is also a priority.

The Farm Consultant and General Manager produce the budget in consultation with the Sharemilker in June of each year. The budget is then presented to the Board for ratification. Variance actual to budget reports are presented with other farm reports at Trustee monthly meetings.

Putauaki Trust – Himiona Farm

Feed Production

GOALS AND MANAGEMENT PLANS

The goal is to utilise feed grown at a cost effective level on Himiona Farm and other lands owned and managed by Putauaki Trust. The system is grass based with 10% – 15% of feed imported. Monitoring shows pasture growth per ha has risen from 11 t DM/ha/yr to 12.5 – 13 t DM/ha/yr.

Up to 85% of the herd is grazed off in winter for 6 – 7 weeks. Pasture renewal has been done as various lease blocks were secured, often coming out of maize and following 8 – 10ha of summer brassica cropping. Management strives to improve efficiency of feed use across the board whilst aiming to lift annual pasture production to 13.5 – 14 t DM/ha.

SOIL MANAGEMENT AND FERTILITY

The soils are generally heavier silt loams with some areas of pumice overlay. In the main they are sensitive and prone to pugging in winter and early spring.

The fertiliser programme is planned based on nutrient budgeting and monitoring with a view of moderate inputs of nitrogen only. Maize growing is practised in a sustainable fashion using a mixture of organic fertiliser products.

Putauaki Trust – Himiona Farm

Animal Performance

GOALS AND MANAGEMENT PLANS

The farm is targeting in-calf rates of above 75% inside a six week mating period and 100% calved in nine weeks thereby eliminating inductions. Emphasis on identifying and treating any non-cycling cows prior to mating is a priority in achieving these goals.

This has been achieved with a 15 July start to calving for both heifers and mixed age cows.

The retention of extra cows as herd numbers built towards 600 wintered has influenced the herd selection process although some of the herd number build has come from purchasing genetically superior in-calf heifers. Improving the genetic merit of the herd as a whole is a key focal point ahead.

REPLACEMENTS

The calves are grazed on-farm until summer and then transferred to lease blocks. The replacement rate is targeted at 25% to allow scope for growth in herd quality and now that numbers have stabilized on increased emphasis on culling on production.

Yearling heifers are grazed off the milking platform and required to achieve minimum targeted liveweights at key dates at mating and as an in-calf two year olds.

PRODUCTIVITY

Typical of dairy conversion scenarios there has been a steady build–up of milksolids production over the establishment period. Per cow production was under 300 kgMS/cow but has risen to 360 kgMS/cow since 2008/09 on a mixed OAD/TAD system.

In 2013/14 this should reach 400 kgMS/cow and this will be the minimum standard ahead.

Similarly per ha output has lifted by 30% up to 2012 /13 and in 2013/14 is expected to lift by 26% on the five year average. "The farm has come of age but there is more to achieve".

The potential production is targeted at 1300 kgDM/ha and 400 – 450 kgMS/cow over the next five years. That level will actually almost be achieved this year but we know that this has been a top season for all farmers so can't rely on that again next year.

The strategy mainly revolves around herd improvement genetically and more extensive culling on productive traits. We are also aiming to lift the efficiency of feed conversion to milk production and increasing the number of cow days in milk for the herd from an average of 250 days to 265 days. This should increase per cow production per year by 20 – 25 kgMS/cow.

Putauaki Trust – Himiona Farm

Human Resource

GOALS

For Himiona Farm the goal is to have one of our own beneficiaries managing the farm in a sharemilking arrangement or as a Farm Manager with all staff ideally also beneficiaries of the Trust. The Trust has partially achieved success in the area of people management by employing beneficiaries of the Trust in its administration base with the General Manager and office staff.

STRATEGY

The dairy operation at Himiona Farm has operated under a lower order sharemilking arrangement for the past five years. The current sharemilker, Jason Wakefield, was recruited after a thorough interview process and was employed based on his experience and track record in managing and turning around difficult farms. The relationship between the Trust and the sharemilker is critical to the success of the farm. Jason reports directly to the General Manager of the Trust. In conjunction with the Trusts Farm Consultant, the General Manager carries out a monthly operational review of the farm. The General Manager also meets with the sharemilker on an ad hoc basis and the Trustees also have regular direct contact with him. A report is prepared by the Farm Consultants that monitors the sharemilkers on-farm performance tracking a number of key performance indicators. This report is tabled and reviewed at the Trusts monthly meeting. In addition the sharemilkers performance is reviewed on an annual basis.

The sharemilker has responsibility for all farm staff recruitment and management. Jason has a commitment to employ local people where possible and currently has two workers who whakapapa to Putauaki Trust. Training is carried out by Jason on the farm as needs are identified. The Trust is committed to ensure all staff attend relevant training courses including Primary ITO courses to keep them up to date with current practices and ensuring top performance is maintained.

The Trust has had a long association with Peter Livingston from AgFirst for over 20 years. He is a key component of the fabric of Putauaki Trust and the Trustees value his advice and input implicitly. Peter regularly keeps the Trustees informed of both local and regional industry developments as well as regular benchmarking of our farms performance.

Benchmarks on productivity on a regional basis are produced monthly by the Farm Consultant on productive items of relevance. Financially the farm's KPIs are regularly assessed in relation to factors such as revenue per ha, costs of production per kgMS and farm operating surplus per hectare. These are compared to industry standards. Such data is utilised in forward planning. For example, the costs of production have reduced from $3.78/kgMS three years ago to $3.30/kgMS last year, well below industry averages. Operating Profit has increased markedly. "Efficiency is a strategic outcome sought".

The rural professionals are expected to identify opportunities and show leadership in their field of expertise.

Putauaki Trust – Himiona Farm

Environmental / Sustainability Goals and Practices

GOALS

The location of the farm relative to the Rangitaiki River and the sensitive nature of the soils are key factors in landcare planning. The Trustees have highlighted the need to protect all waterways, their flora and fauna.

Key goals have been set around nutrient management, maintaining soil structure, stock exclusion from waterways, dairy effluent management, product use of agrichemicals and hazardous substances, and responsible disposal of farm waste.

In addition the farm is located adjacent to Kokohinau Marae and urupa. The need to ensure farming operations do not adversely impact on this 'location of significance' to the Pahipoto people is paramount.

STRATEGY

The Trust has developed a farm operations manual which makes all farm participants aware of the obligations to environmental and sustainability matters, and the Trusts' overall biodiversity plan.

NUTRIENT MANAGEMENT

Nutrient management planning and budgeting is completed annually and backed up with monitoring.

The use of artificial nitrogen applied has reduced from above 150 kg N/ha/yr in the period 2006 to 2008 to an average of 100 kg N/ha/yr in the last five years. The goal is to reduce the nitrogen losses to below industry average levels of around 35 – 40 kg N/ha/yr.

The herd is wintered off the milking platform on land that grows oats in winter then maize in summer to spread the overall nutrient loading.

Similarly, phosphorus is applied as required to maintain levels in biologically recommended ranges.

Putauaki Trust has made a move to using a proportion of composted and organic products (chicken manure) across its pastoral lands. This programme is currently being expanded.

Dairy effluent is sprayed at light rates across 20ha of the farm, an area soon to be expanded to 32ha as a new system with an extended storage capacity, in a lined pond, is installed this autumn. This in turn is expected to further reduce the need for introduced fertiliser. Additional storage capability will eliminate the need to irrigate in late winter and during periods when the soil is wet. Silage storage bunkers have been erected to not only help improve utilisation of high value supplements but also to manage any leachate effectively.

SOIL MANAGEMENT

Long term farming sustainability requires an "all care, all responsibility" approach to caring for the whenua.

Wintering off minimises the potential for soil damage through pugging.

Light cultivation and no tillage approaches for cropping and regrassing programmes are practiced to preserve soil structure.

WATERWAY PRESERVATION

Stock are excluded from drains and waterways. The flow of excess water from top and sub soils through the drainage system is carefully maintained.

Dairy effluent spreading is kept well clear of waterways and key drainage points.

OTHER

The local area is well populated by whānau and an orchard is on the boundary. Issues such as minimising dust and noise nuisance are included in the planning.

Compliance with resource consents is monitored closely and maintained.

Achieving leadership status in all landcare and environmental matters is a guiding goal required by the Trustees and owners of Putauaki Trust.

Putauaki Trust – Himiona Farm

Entrepreneurship and Innovation

GOALS

The Trust's goals are centred on an integrated model of full utilisation of its own land base for milking, for wintering and for feed production. The Trust also plays a key leadership role in terms of collaboration across Ngāti Awa.

STRATEGY

- The Trust was a cornerstone investor in the Ngakauroa Dairy collaboration
- It has expanded the range of uses across its corpus land from agribusiness to also include industrial use, manuka honey development, composting and is currently exploring direct heat use opportunities from its geothermal resource
- It is a partner in the Manu Hou Limited Partnership investment vehicle into Private Equity
- It has developed a high performing Australasian equity portfolio
- Is a regular contributor to local Māori economic forum
- The Trust seeks to be regarded as an entity that exceeds the expectation of the owners in ensuring all activites relating to caring for the whenua are sustainable in an intergenerational fashion.

Farm Infrastructure

Starting from a small base, the Trust has had to heavily invest in the infrastructure of the property. In effect this has been a dairy conversion project that is just reaching its status quo position.

A new 40 aside herringbone shed, built to accommodate up to 600 cows, is in its sixth season.

Additional calf rearing and equipment storage facilities were built by the milking shed and the race network extended to link up the various lease blocks that now make up the milking platform. These stretch over a 3.5 km distance and are of high quality.

The farm has a network of drains that link to a main canal.

An upgraded dairy effluent system being installed this autumn will handle a 700 cow herd and a lined pond is included to aid nutrient management.

A second house was added in 2014 with other labour units sourced from the local district.

Paddock numbers have increased from 26 in 2006 to 93 today with the progressive addition of lease blocks over the period, all with reticulated stock water. The layout of the farm, in three main blocks, places restrictions on the ability to manage with ease, hence the original decision for a mixed milking regime.

Recognition of the need to optimise the efficiency of feed use has resulted in a decision to establish silage storage bunkers. These will also help manage any leachates.

The pasture renewal programme has been extensive with all new blocks added regrassed after years of maize cropping. The Trust has invested considerable capital in rebuilding the soil nutrient status of such areas to enable high quality pastures to be sustained.

Putauaki Trust – Himiona Farm

Farm Map

Te Rua o Te Moko Ltd

321 Austin Road, Normanby

Field Day Friday 14 March 2014

Te Rua o Te Moko Ltd

FIELD DAY PROGRAMME

9.30	Pōwhiri at Kanihi Marae, 7 Omahuru Road, Okaiawa (near Hawera)
10.00	Karakia – Morning Tea
10.30	Introduction to Field Day Programme and History of the Ahuwhenua Trophy
10.35	History / Governance / Structure / Strategy / Financial
11.15	Farm tour including two stops Discussion on Production / Staff / Environmental Management
1.00	Reconvene for Farm Summary
1.10	Award Ceremony and Presentation
1.30	Kai and Refreshments

Note: times are approximate

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors to their property that a number of potential hazards exist in the course of travelling over the property in vehicles and on foot, 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, including preparation of a health and safety plan for the day, 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.

Te Rua o Te Moko Ltd

What Impressed the Judges

GOVERNANCE AND STRATEGY

- Strong governance experience including knowledge in strategic, financial and technical areas
- The owners are fully engaged and pleased with this model to enable the full utilisation of their lands
- Aspects such as independent directors, associate directors and Institute of Directors training were seen as positive aspects of managing the governance team
- A lot of good thinking has gone into the strategic plan with a clear vision and a focus on cashflow generation.

SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

- Land Based Training Joint Venture is a positive strategy to engage and train local Māori and get them involved in agriculture on their own land
- Awareness of Pa sites
- Pastoral, supportive approach with students after they have attended their training courses
- As part of being a student they have duties at the marae e.g., cooking.

FINANCIAL AND BENCHMARKING

- Financial analysis using DairyBase indicates a strong business generating good profits with low debt
- Liabilities account for only 3.5% of the asset value compared to North Island farm owners with sharemilkers who average approximately 17% debt to asset ratio
- Operating profit has been above the North Island benchmark in each of the last three years
- Production dropped significantly in 2012/13 season however costs have been reduced by $300/ha to still achieve a profitable result
- Operating profit margin is significantly higher than benchmark consistently being 44% to 45%
- Strong equity growth since inception
- Focus on cashflow rather than capital gain. This is an underlying driver of the business and is documented in the strategic documents
- High profit margin ensures the business can withstand significant changes to milk price/input costs, and still be viable.

FEED PRODUCTION AND ANIMAL PERFORMANCE

- There was a drop in production for the 2012/13 season as a result of a new herd and unexpectedly spread calving pattern; in a short timeframe, calving pattern has been compacted and milk production will rise to 400 kgMS/cow up from 300 kgMS/cow
- The farm is plated regularly and compared to target covers
- The sharemilkers have passion for their cows indicated by their mantra 'siga las vacas – follow the cows'.

HUMAN RESOURCE

- High levels of management support from Te Tumu Paeroa and their Farm Consultant
- With the current and previous sharemilkers, Te Rua o Te Moko Ltd have selected people who are high performers and goal driven
- The sharemilkers have a real team focus with their staff.

ENVIRONMENTAL / SUSTAINABILITY GOALS AND STRATEGIES

- The farm is environmentally compliant
- Effluent is spread on crop areas
- Nitrogen leaching is under 20 kg N/ha/yr – a very low figure.

ENTREPRENEURIAL AND INNOVATION

- Establishing a farm training organisation on the farm to build capability from within is a great initiative
- Buying stock over time to build up a herd economically.

Te Rua o Te Moko Ltd

Directory

OWNERS

Te Rua o Te Moko 1A2:
Jamie Tuuta, *Responsible Trustee*
Moses Tonga, *Advisory Trustee*

Te Rua o Te Moko 1B:
Jamie Tuuta, *Responsible Trustee*
Gloria Hinehou Reihana-Kerehoma, *Advisory Trustee*
Zack Sullivan, *Advisory Trustee*

Te Rua o Te Moko 2A2:
Jamie Tuuta, *Responsible Trustee*
Toby Hikaka, *Advisory Trustee*

Te Rua o Te Moko 2B:
Tihi Anne Daisy Noble, *Trustee*
Keith Douglas Brooks, *Trustee*
Patricia Coles, *Trustee*
Philip King, *Trustee*

Te Rua o Te Moko Ltd Board Members
Dion Maaka, *Chair*
Doug Brooks, *Director*
Philip Luscombe, *Director*

MANAGEMENT TEAM

Blair Waipara, *Te Tumu Paeroa Business Performance Team*
Aaron Hunt, *Te Tumu Paeroa Business Performance Team*
Rob Gollan, *Independent Rural Farm Supervisor*
Cris Morrison, *Land Based Training School*

FARM STAFF

Michael and Ruth Prankerd, *50/50 Sharemilkers*
Ngawharau Apaapa, *Herd Manager*
Shane Coleman, *Herd Manager*

Farm Description

The farm comprises 170ha (effective) of flat to rolling ash soils, milking 500 cows and aiming to produce in excess of 200,000 kgMS or 1,176 kgMS/ha this season.

All cows are wintered upon the farm with replacements grazed off farm from calves until 20 months of age. Pastures and fertility on the farm are excellent.

We operate a system two farm with 50/50 sharemilkers, Michael and Ruth Prankerd and their two full time staff, Ngawharau Apaapa and Shane Coleman.

The farm stocking rate is limited by the small cow shed on the lease land so we look to optimise the pasture grown and extend our milking seasons by growing turnips and maize on the farm to fill the spring and winter deficits.

Development opportunities exist within the farm to improve farm infrastructure to enable maximum performance and profitability for the benefit of our owners.

Te Rua o Te Moko Ltd

History of the Farm

Based in Normanby, South Taranaki, Te Rua o Te Moko Ltd (TROTM) is a highly successful business that represents the shared aspirations of the owners of four separate Ahuwhenua trusts. It also encompasses a treaty settlement property that provides access to core farming infrastructure. Prior to 2007 each of the participating blocks was leased individually. During 2007 the owners of the respective blocks entered into discussions regarding collaborating to create the shared opportunity to enter into a farming business.

In 2008 the trusts resolved by way of a meeting of owners to progress a feasibility study and based on the results decided overwhelmingly to proceed into active management. Between 2008 and 2009 work began to formalise a suitable structure to govern and manage the business. This included in-depth discussions with Ngā Ruahine to gather support for the enterprise as a likely potential future partner. This also included a precedent setting negotiation with the Office of Treaty Settlements (OTS) to enable the business to 'start-up' on a property under live negotiation.

By 31 May 2010 at the conclusion of its inaugural season, TROTM achieved all of its business objectives and in the process increased its equity in the business by 71%. In 2011/2012 TROTM then implemented its innovative herd acquisition programme and by 2015/2016 expects projects to have grown 'free equity' in the business (equity over and above the value of land) by a stunning $2 million in six seasons from a zero base. At this point TROTM will be in a position to take full control of the farming activities. By taking active risk in the business the owners have breathed life into their aspiration to get back onto the land. Through this business the owners intend to achieve their economic, social, cultural and environmental objectives.

TROTM Chairman, Dion Maaka notes, "this has been possible through the passion and entrepreneurial spirit of the owners. It has required an openness to collaborate to bring together four trusts, over 1,100 owners and other parties to commit to a common vision. The aim is to utilise the land fully, establish a resource to train Māori so we can grow our own farm capabilities and a commitment to excellence so that we can bring prosperity and opportunities for future generations. We are both humbled to be selected as a finalist and excited to be able to showcase our farm business as a potential model for others."

In 2013, in conjunction with Land Based Training, TROTM established a training operation for descendants of owners and other young local Māori aspiring to a career in farming. Last year saw all eight students graduate with all gaining employment!

Te Rua o Te Moko Ltd

Governance and Strategy

VISION AND STRATEGY

2008 marked a watershed moment for the owners of the TROTM blocks. It was on this date that the owners' collaborative and entrepreneurial vision was established. This culminated in the development of the whakataukī:

He urunga whenua, mau tonu! Affirm yourself to the maintenance of the land!

This is the call to action issued by the active owners to TROTM, the unincorporated joint venture business which is the vehicle through which the economic, cultural, social and environmental aspirations of our owners will be realised.

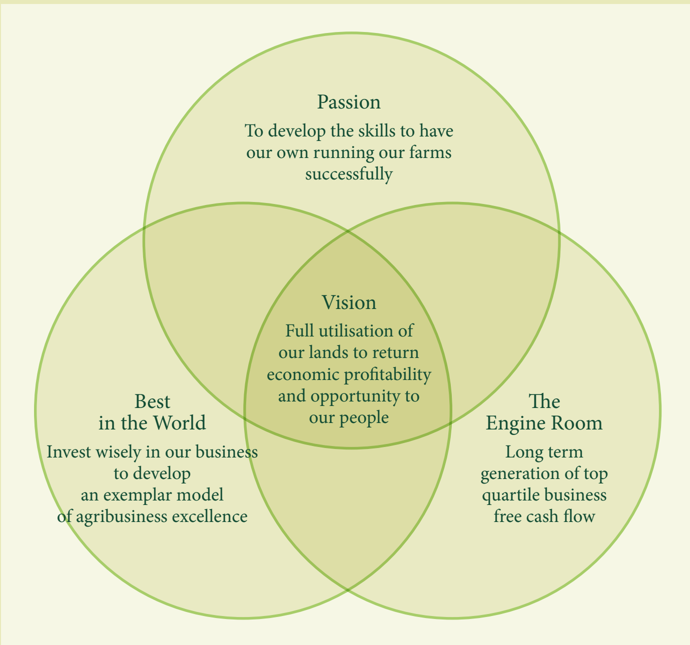
This has culminated in the formation of our business Vision and Strategic Plan which is based on simplicity and absolute clarity of purpose.

OUR PASSION: this is what ignites the passion within our business and drives us to go the extra mile.

BEST IN THE WORLD: this is our strategic execution statement that will enable the achievement of our collective vision.

ENGINE ROOM: this is our single strategic measure of business success linked directly to our owners' aspirations to increase our collective ability to provide for our own.

VISION: these three pillars culminate around the achievement of our ultimate and shared timeless vision.



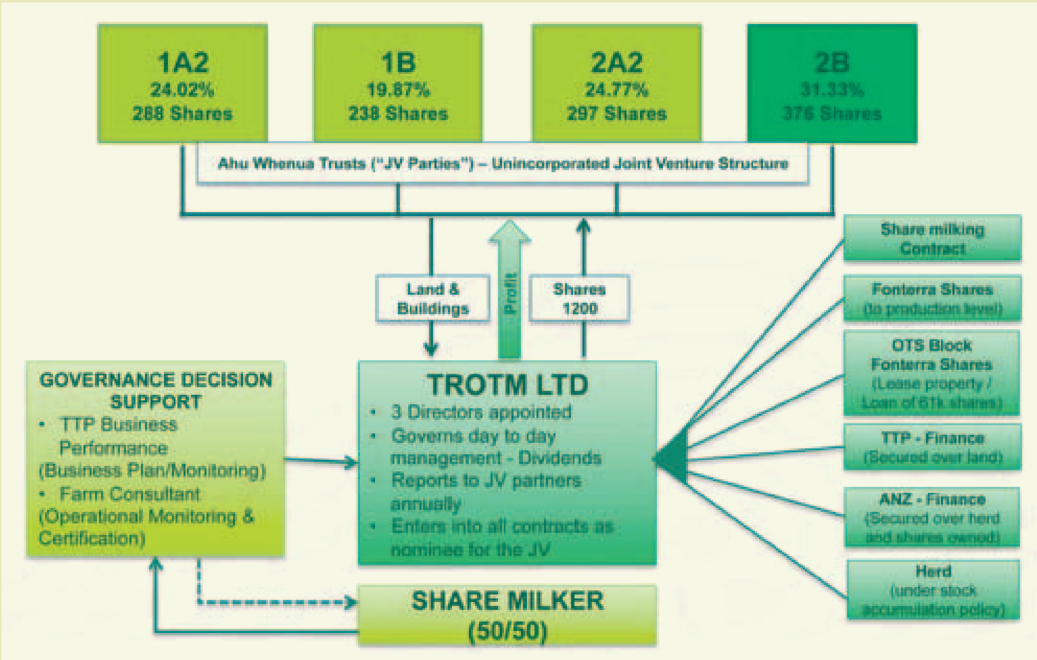
Te Rua o Te Moko Ltd

Execution of our strategy through our innovative collaborative structure:

Execution of our strategy is based on the simple concept of "the right people with the right skills making the right decisions for our people." This creates the collective and critical intellectual capital required to start up a business from a zero base. Our plan is reviewed and updated annually.

We place our owners at the top of our structure in recognition that we as a business exist to serve them.

Each position in our structure, from governance to management, has been handpicked based on a clear understanding of the level and quality of capability required and following a robust due diligence approach. Knowledge development and transfer are also key guiding principles.



GOVERNANCE

- Innovative and 'out of the box' thinking to overcome traditional challenges
- Specific skills and experience on farm
- Industry knowledge and experience
- Exceptional financial skills
- An ability to engage with owners to ensure the business is meeting their requirements at AGMs and meetings of owners providing board and management accountability
- Keep it 'lean and mean' and yet create opportunities for associates to be involved
- Formal training on Institute of Director courses for all current and future directors.

MANAGEMENT

- Sharemilkers are hand-picked based on proven performance. Current sharemilkers are past finalists in Taranaki Sharemilker of the year
- Management team provides a unique five year governance scorecard approach to identifying and monitoring KPIs giving us forward vision at all times
- Farm Superviser is selected based on specific dairy knowledge and experience of summer cropping in dry zones and an innovative approach to developing our herd for a future move to full owner management.

At the heart of our decision making is an intense focus on profitability, thereby increasing our ability to provide free cashflow to our owners. For this reason our focus is on good production, exceptional cost control and the quality of day to day decision making.

Te Rua o Te Moko Ltd

Social / Community / Ngā Tikanga Māori

He urunga whenua, mau tonu! Affirm yourself to the maintenance of the land!

The trust demonstrates its support in a number of ways:

Whakawhanaungatanga

- TROTM reunited 1,100 owners with their land; owners connected with their individual trusts to make the decision to merge
- Whanaungatanga has given the owners an opportunity to create greater wealth
- Created an on-farm 'hub' for iwi, hapū and whānau; the centre is used as a common space for board meetings, trust meetings, landowner meetings and education.

TROTM farm-based training centre

- The farm-based training centre is upskilling whānau with nationally recognised qualifications in farming
- Provides training for the next generation and releases up to eight qualified trainees into the workforce every year, benefitting not only iwi, hapū and whānau but also the local rural community
- Training opportunities encourages whānau to return to their whenua
- Knowledge allows moemoea – dreams to be achieved; long term aspirations are to eventually have whānau employed in farm management, farm governance and farm management roles
- Every student on this course gains a deeper understanding of tikanga Māori through pōwhiri, and course content includes kōrero from kaumātua about the land's history and local tikanga
- All of last year's graduates passed are now making a living from the whenua.

Whakamana

- TROTM is a model for successful and sustainable whānau business in South Taranaki
- The uniqueness of TROTM is that owners of the four individual blocks withheld distributions since 2009; their accumulated undistributed income and a collaborative role with the Māori Trustee put in place the business that will ultimately enable kaumātua grants and education scholarships in the future
- The trust empowers rangatiratanga – control over land activities
- Succession planning increases the availability of experienced and capable owners who are prepared to assume these management roles as they become available
- The trust is supporting two Directors (Doug Brooks and Dion Maaka) to complete the reputable Institute of Directors course
- Over the next year the individual trusts will have the opportunity to nominate uri as Associate Directors.

Tikanga

- The sustainability of Taranaki tikanga is imperative and practiced in all forums of business at TROTM.

Kaitiakitanga

- A Pa site restoration project is due to commence in 2014
- Ongoing riparian planting project has been in place since 2010, approximately 2,500 plants have been planted by uri
- Business to business relationships with Kii Tahi Nursery and Land Care, Ngā Rauru and New Plymouth District Council (for riparian planting) Opus International Consultants, Ngā Ruahine, Ngāti Ruanui
- Students from the Kimihia Kapahaka (Hawera High School) completed ripiaran planting, on-farm along the banks of the Waingongoro River as part of a fundraising project.

Dairy New Zealand (2013) comment on Te Rua o Te Moko Ltd

"A solid team of directors, trustees and advisors is in place with a focus on building iwi capability to continue to drive this successful business forward."

Te Rua o Te Moko Ltd

Farm Data and Key Performance Indicators

FARM INFORMATION

Te Rua o Te Moko Ltd	2010/11	2011/12	2012/13	2012/13 benchmark*
Effective dairy hectares	170	170	170	
Support block effective hectares	0	0	0	
Peak cows milked	480	495	490	
Milksolids (MS)	178,939	190,491	147,254	
Staff numbers (FTE's)	3.2	3.2	3.2	
Supplements fed (kg/cow)	250	350	500	
Soil fertility (P/pH)	56 / 5.7	Not Tested	47 / 5.9	
Nitrogen (kg/ha)	103	119	147	
Physical KPIs				
Cows/ha	2.8	2.9	2.9	2.6
MS/ha	1,053	1,121	866	1,006
MS/cow	373	385	301	392
MS as a % of cow weight	89%	92%	64%	
Cows/person	150	155	153	199
MS/person	55,918	59,528	46,017	77,911
Pasture-crop eaten (kg/ha)	13,684	14,567	11,261	
6 week in calf rate (%)	83%	85%	82%	
Liquidity (cash)				
Net cash income/kgMS	3.67	2.91	3.07	
Farm Working Expenses/kgMS	1.97	1.81	1.97	
Cash Operating Surplus/kgMS	1.7	1.1	1.10	
Interest, tax, rent, non-dairy inc./kgMS	0.50	0.46	0.71	
Discretionary cash/kgMS	1.2	0.64	0.39	
Operating Profit $/ha				
Gross Farm Revenue/ha	3,866	3,823	3,349	3,405
Operating Expenses/ha	2,174	2,127	1,836	2,479
Operating Profit/ha	1,692	1,696	1,513	926
Operating Profit $/kgMS				
Gross Farm Revenue/kgMS	3.67	3.41	3.87	3.39
Operating Expenses/kgMS	2.07	1.9	2.12	2.46
Operating Profit/kgMS	1.60	1.51	1.75	0.92
Operating Profit Margin (%)	43.8%	44.4%	45.2%	27.2%
Balance sheet				
Closing Dairy Assets	6,690,471	6,544,096	7,723,958	
Closing Total Liabilities	255,537	315,003	348,205	
Closing Total Equity	6,434,934	6,229,093	7,375,753	
Closing liabilities/kgMS	1.43	1.2	2.36	
Debt/assets %	3.8%	3.5%	4.5%	
Return on Dairy Assets %	3.5%	3.4%	2.8%	

**Benchmark: North Island farm owners with 50% sharemilkers*

Te Rua o Te Moko Ltd

COMPARISON WITH OTHER FINALISTS 2012/13

Name	Putauaki Trust – Himiona Farm	Te Rua o Te Moko Ltd	Ngāti Awa Farms Ltd – Ngakauroa Farm
District	Te Teko	Normanby	Te Teko
Sharemilking description	V/O sharemilker	50% sharemilker	V/O sharemilker
Effective dairy hectares	177	170	158
Support block effective hectares	0	0	46
Peak cows milked	564	490	520
Milksolids (MS)	189,781	147,254	174,260
Staff numbers	3.3	3.2	2.8
Supplements fed (kg/cow)	803	500	817
Soil fertility (P/pH)	35 / 5.9*	47 / 5.9	93 / 6.2
Nitrogen (kg/ha)	108	147	142
Physical KPIs			
Cows/ha	3.2	2.9	3.3
MS/ha	1,072	866	1,103
MS/cow	336	301	335
MS as % of cow weight	72%	64%	67%
Cows/person	171	153	186
MS/person	57,509	46,017	62,236
Pasture-crop eaten (kg/ha)	11,770	11,261	12,250
6 week in-calf rate (%)	68%	82%	69%
Liquidity ($)			
Net cash income/kgMS	5.02	3.07	5.36
Farm working expenses/kgMS	2.79	1.97	2.75
Cash operating surplus	2.23	1.10	2.61
Interest, tax, rent, non-dairy inc./kgMS	1.08	0.71	0.40
Discretionary cash/kgMS	1.15	0.39	2.21
Operating Profit $/ha			
Gross Farm Revenue/ha	5,586	3,349	6,174
Operating Expenses/ha	3,543	1,836	3,540
Operating Profit/ha	2,043	1,513	2,634
Operating Profit $/kgMS			
Gross Farm Revenue/kgMS	5.21	3.87	5.31
Operating Expenses/kgMS	3.30	2.12	3.05
Operating Profit/kgMS	1.91	1.75	2.26
Operating Profit Margin (%)	36.6%	45.2%	42.7%
Balance sheet			
Closing Dairy Assets	5,249,078	7,723,958	6,999,810
Closing Total Liabilities	4,282	348,205	658,367
Closing Total Equity	5,244,796	7,375,753	6,341,443
Closing Liabilities/kgMS	0.1	2.36	3.78
Debt/assets %	0.1%	4.5%	9.4%
Return on Dairy Assets %	3.0%	2.8%	5.9%

**2011/12 data*

Te Rua o Te Moko Ltd

Financial and Benchmarking

Operational Strategy – our formula for success:

Operating Profit and Liquidity = True farm operational performance

Key Factors in our formula for success:

Governance excellence driving exceptional and timely decision making on-farm leads to top quartile profitability

GOALS

Long term generation of business free cashflow:

- Increasing EFS to exceed $5,000/ha by 2015/16 by assuming full management of our business
- Maintaining exceptional cost control and improving cost efficiency from 55% to 42% of GFI by 2015/16
- Improving Net Operating Profit Margin from 45% to 52% by 2015/2016.

Production goals:

- Increase our stocking rate through redevelopment of our shed infrastructure from 500 to 544 cows in milk by 2015/16
- Maintain production of 390 kgMS/cow by 2015/16
- Increasing total production from 200,000 to 212,500 kgMS.

Creation of 'Free Equity':

- Creation of $2 million of equity (in herd and associated shares) from a zero base (at the start of the 2009 season) by 2015/2016.

Increasing our decision support data quality:

- Move onto Farmax from June 1 this year to improve pasture management efficiencies and opportunities
- Weather monitoring technology on-farm within the next two years (Ecoconnect, NIWA).

The budget is developed in collaboration with the sharemilker, farm management and supervision and is presented to the board for final approval.

Our investment criteria:

Every dollar spent must have a direct impact on our ability to increase free cashflow from the business (or manage significant business risk).

Discounted cashflow analysis is conducted to determine cost benefit for investment through formal and adopted business case at the board level.

We use our entrepreneurial approach and relationships to secure discount rates for capital purchases.

Te Rua o Te Moko Ltd

Feed Production

FEED MANAGEMENT

An annual feed plan is agreed and established for the farm with the sharemilker. The feed plan is presented to the Board showing monthly feed targets, supplements to be fed, crops and production targets. Once approval has been gained for this, a feed budget with ten day cover targets is established for the winter and spring period. This is used for on-farm management to make decisions depending upon the farm's actual feed position relative to the feed targets set.

Weekly pastoral walks are undertaken by the sharemilker and their staff and these are fed into the spring rotation planner, pasture wedges and compared back to the ten day feed targets.

15ha of turnips and 10ha of maize are grown upon the farm and used to fill the summer dry and extend the lactation in autumn as well as feed maize in spring.

Palm kernel is fed in trailers to feed cows for maximum production in spring. Palm kernel is stored in a bunker purpose built into a hay barn.

SOIL MANAGEMENT AND FERTILITY

Soil tests are taken on the farm on a bi-annual basis and compared to the base levels that were established when the farm was first established.

Annual fertiliser plans are drawn with the Ballance fertiliser representative and these are followed through for both pasture and for crops. Nitrogen is put on following the cows and taken from a silo on the farm. 150 kg N/ha is budgeted.

The ash soils when wet are prone to pugging damage and cows are stood on the yard or in race areas if any potential pugging is possible. The average soil test result is pH 5.9, Olsen P level 42, and potassium 4.

Animal Performance

SHAREMILKERS STOCK

Herd Fertility

The strong reproductive performance of our sharemilker's herd is a staple on which seasonal production and genetic gain is based. A 90 – 98% three week submission rate without intervention or inductions gives the desired result of three week in-calf rates of greater than 60%. Additionally, a synchronisation process for heifers at grazing ten days prior to mating of the rest of the herd results in a calving mid-point of less than 14 days after the planned start of calving.

The highest Breeding Worth (BW) straws are selected for the highest value genetic gain. 112 calves are reared for replacements to the sharemilkers herd and an additional 14 are reared for TROTM. Sire selection is based on breed traits and conformation to give a medium sized crossbred cow. Calves are fed fresh first up colostrum within the first 12 hours of being born and there is a focus on saving colostrum in an attempt to send all milk to Fonterra. Calves are offered meal from day one and are moved outside within two weeks. They are offered four litres of colostrum a day and are targeted for weaning at 90 – 100 kg. They are grazed off-farm at independent graziers from December.

TROTM STOCK

TROTM's aim is to have its own herd by 1 June 2015. TROTM is targeting a crossbred to jersey herd, which is in the top quartile for BW in New Zealand. The herd needs to be of medium stature with high capacity. 22% replacements will be run on an annual basis.

Te Rua o Te Moko Ltd

Human Resource

The mantra for the business of sharemilkers, Michael and Ruth Prankerd, is 'Siga las Vacas – Follow the Cows'. We believe that as herd owning sharemilkers, our cows will 'lead' us to realising our long term goal of farm ownership. In order to point the cows in the right direction (and achieve all the shorter term goals and KPIs on the way to this success), we need the right people guiding them. Our system therefore runs a two herd approach with our two staff members, Nga and Shane, herd managing one herd each. Both staff are now in their second season with us, both progressing from Trainee to Herd Manager this season. Both were chosen to work with us because they share our common values, are self-motivated and have loads to offer the industry in the future.

The five core values we have in our business are:

- Work ethic
- Pride in place
- Reward as deserved
- BHAG (Big Hairy Audacious Goal) focus
- Teamwork.

We feel that sharing our goals with all of our stakeholders is important in being held accountable to actually achieving them. We also encourage our farm staff to share their career and off-farm goals with us. If we are aware of what our staff are working towards we can help enable their learning and success. We therefore include a section on goal setting in our bi-annual staff appraisals. This gives staff time to focus on what they want out of the job. An intricate ten day bonus system allows our on-farm team to keep KPIs and short-term goals front of mind, and means constant measured progress towards achieving greater goals.

New team members receive a clearly defined job description at the onset of their employment. Staff are under the direct supervision of Michael until they are confident on their own. As their understanding of our system, policies and procedures increases, so do their responsibilities. Health and safety plays a big part in the induction process, with hazards identified during first week on the job, and ongoing focus being highlighted through strict adherence to the health and safety plan.

Our team culture is built around weekly meetings with smoko supplied (and cooked lunch in the spring) by Ruth. These meetings are minuted and outline individual action plans for the week. Prioritising jobs creates understanding of what we are all working towards in a week. This open forum also allows open communication and camaraderie that binds our team together. A coffee percolator in the shed further adds to our team culture and builds on the idea of a happy workplace, as a person often has time to make coffee for the milker and it gives an excuse to catch up and coordinate work on a daily basis.

Ongoing learning is a strong focus for us and our staff. We encourage attendance at the local Te Roti discussion group as often as possible, as well as any other relevant educational workshops in the area identified at weekly meetings and within the appraisal system as well as liaising with providers to see what's on. Nga and Shane have also attended several Primary ITO and DairyNZ courses. We endeavour to be good role models ourselves, and therefore also take on personal development; this year Michael completed his degree through Massey and also a Diploma in Agribusiness through Primary ITO.

Te Rua o Te Moko Ltd

Environmental / Sustainability Goals and Practices

GOALS

Our core focus is on exercising our kaitiakitanga responsibilities for the protection of our whenua and taonga.

The environmental goals for TROTM include:

1. All waterways protected
2. All waterways planted by the end of the 2014/2015 dairy season
3. No effluent discharge to water
4. To meet all regional council and Fonterra environmental and sustainability goals.

KPIs

- No stock access to waterways
- All riparian planting completed by end of 2014/2015 season
- Effluent systems apply less than 200 N kg/ha/yr
- No effluent discharged to water.

STRATEGY

All waterways upon the farm have been mapped by Taranaki Regional Council with fencing completed by the farm. The planting programme cost around $70,000. This has been programmed over the time the farm has been in existence and currently there is a small area to complete next winter.

Planting has been completed using the labour of descendants of shareholders and utilising the project as fundraising opportunities for them. Kii Tahi Nursery and Land Care, a local Taranaki Māori business, is our supplier for plants and planting. The planting reduces cost of weed control on riverbanks.

We established a traveling irrigator effluent system upon the farm when it was taken over. We are looking to extend that area to cover at least 35ha. The effluent is utilised on at least two cropping paddocks per year to fully utilise the nutrients that have been stored in the pond through spring.

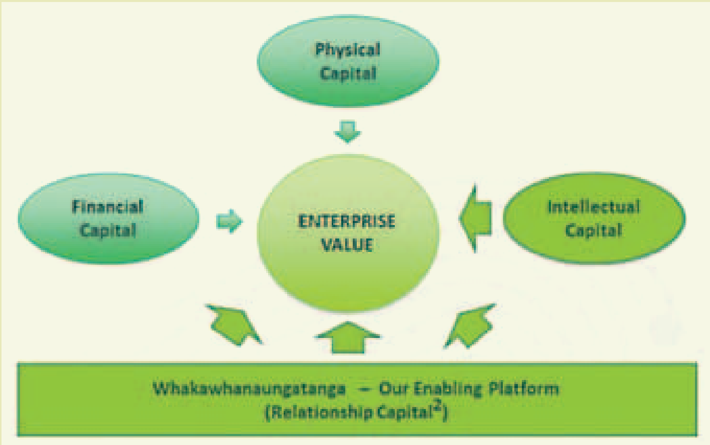
In the redevelopment a feed pad will be added to increase the standoff area available for cows so increasing feed utilisation and also increasing effluent collection.

Te Rua o Te Moko Ltd

Entrepreneurship and Innovation

Entrepreneurship is a process through which individuals or groups identify opportunities, allocate resources, and create value, typically with a lack of financial or physical capital at 'start-up'. We believe our business is a classic example of entrepreneurship in the purest sense.

This is our entrepreneurial model for the creation of greater 'Collaborative Enterprise Value':



Whakawhanaungatanga Platform – the entrepreneurial vision and clarity of purpose from our owners is what propels us to succeed. Our owners have all taken active positions in this business, sharing in the associated risk and rewards.

Physical Capital – our business is unique in that a lack of individual physical capital (in land scale and opportunity) has been overcome by our owners having the courage, conviction and foresight to collaborate around a shared vision of holistic wealth creation. We have leveraged an OTS property under live negotiation to enable this business setting a new precedent in the process. This was only achievable through the ability to include iwi in our vision from the get go.

Intellectual Capital – through our innovative structure and specific skills and capability we have 'bootstrapped' our business from scratch and from a zero start we expect to have created $2 million of 'free equity' by 2015/16 over and above the value of our land.

Sustainable Māori Business Ecosystem – we are now part of an ecosystem of Māori businesses sourcing riparian plant stock, trading of stock and provision of trained farm graduates through our training school to and from other local Māori businesses. Our entrepreneurship extends to our innovative herd accumulation strategy, the unique structure of the business, overcoming the challenges of a small cowshed and establishment of our training facility.

Te Rua o Te Moko Ltd

Farm Infrastructure

The bulk of the farm's infrastructure is contained on the OTS lease block. This lease block is going through a settlement process and the improvements will be passed on as they stand to the Ngā Ruahine iwi. This has meant that investment into those facilities has been unable to happen as there is no compensation for improvements in the lease and the added value would form part of the final settlement valuations.

TROTM has improved the dairy shed to a point with equipment and facilities that can be used when the shed is redeveloped, i.e., hot water cylinders, milk pumps, chillers, filters and vacuum pumps are all shed sized so that they can be utilised in a larger, more modern plant.

The position of the cowshed on the OTS lease is central to the farm and is the right place for the land block.

The water supply was established from the river on the boundary of the farm and pumped to the cowshed before being fed back to the stock through a Dosatron inline water dispenser. A bore at the cowshed is filtered through a Moffat sand filter and is used to wash the plant and feed water to the houses. It produces potable water.

The farm has a supply of metal, so races are continually upgraded on an annual basis. With some contour, they continually need work.

Subdivision is at a good level and a number of fences have been taken out with the amalgamation of smaller titles coming together to milk as one.

Supplements are stored in bunkers on concrete, which were extended by TROTM when they arrived.

The cow yard is an issue, as it is small and can only take one herd at a time and has cow flow issues that have been improved with the alterations that have been made to date.

Staff are housed in two houses and the administration block. The houses are of a good standard.

A large number of sheds exist on the property and are used for calf rearing, storage of gear and of training school equipment.

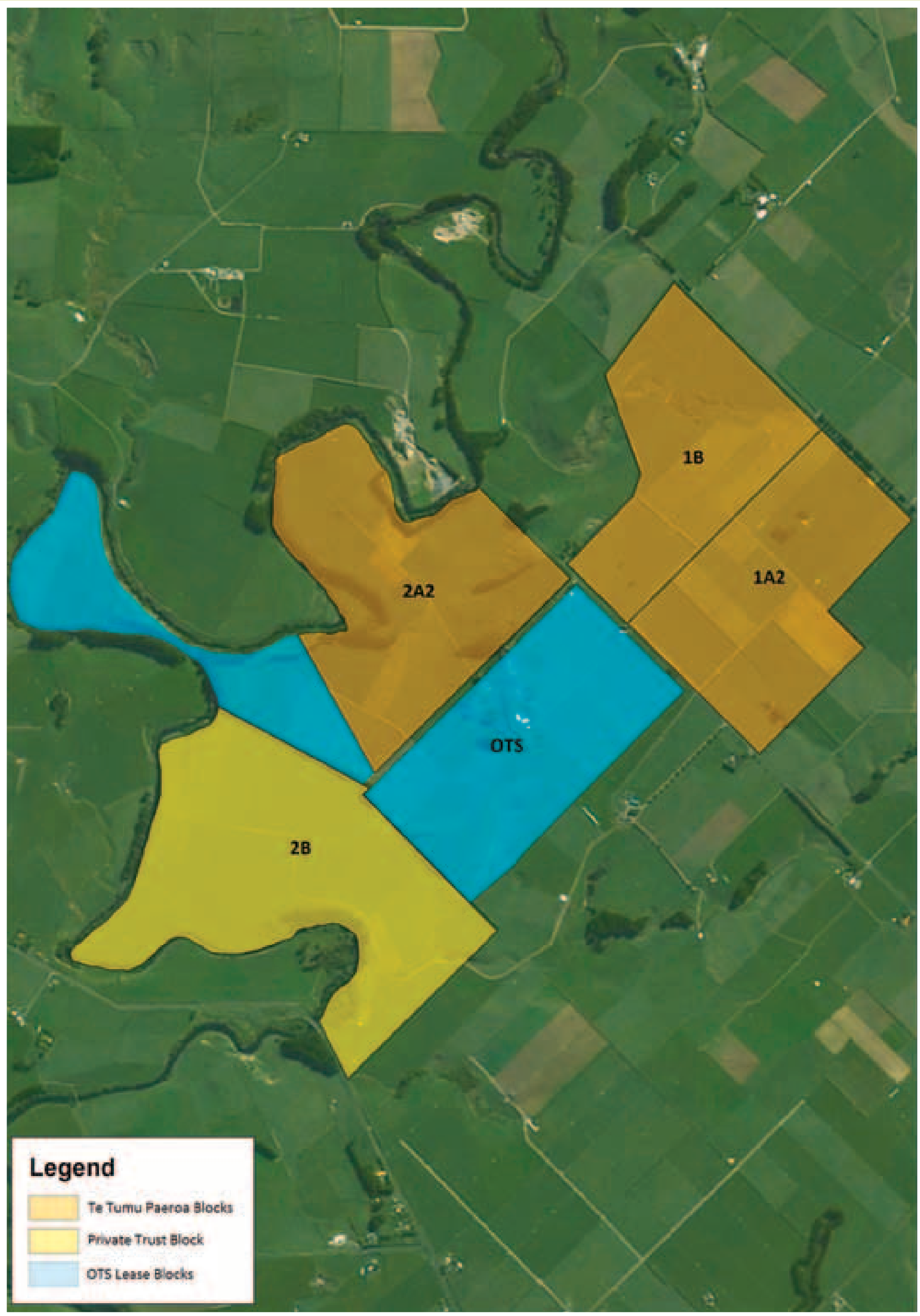
The students utilise part of the administration block as a classroom and this is central to the farm to facilitate their involvement in day to day activities.

The cowshed size is a limiting factor to production as milking time far exceeds a normal dairy proposition. This is turned to a positive by TROTM installing cup removers and making the shed a one man shed, combined with clever staff management from Michael and Ruth with milking time reduced per labour unit on-farm by rotation and timing.

The cowshed receives regular servicing to ensure it is not a risk component to the production system.

Te Rua o Te Moko Ltd

Farm Map

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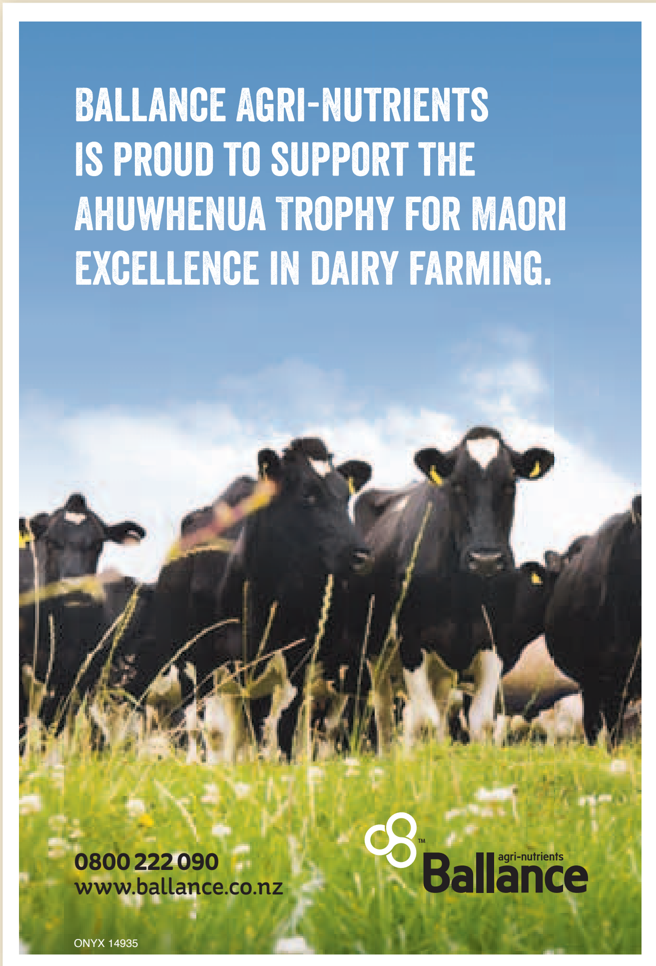
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Ngāti Awa Farms Ltd – Ngakauroa Farm

672 Western Drain Road, Awakeri

Field Day Wednesday 19 March 2014

Ngāti Awa Farms Ltd – Ngakauroa Farm

FIELD DAY PROGRAMME

9.30	Pōwhiri at 672 Western Drain Road, Awakeri
10.00	Karakia – Morning Tea
10.30	Introduction to Field Day Programme and History of the Ahuwhenua Trophy
10.35	History / Governance / Structure / Strategy / Financial
11.15	Farm tour including two stops Discussion on Production / Staff / Environmental Management
1.00	Reconvene for Farm Summary
1.10	Award Ceremony and Presentation
1.30	Kai and Refreshments

Note: times are approximate

IMPORTANT NOTES FOR FIELD DAY ATTENDEES

The owners of the property wish to point out to all visitors to their property that a number of potential hazards exist in the course of travelling over the property in vehicles and on foot, 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, including preparation of a health and safety plan for the day, 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.

Ngāti Awa Farms Ltd – Ngakauroa Farm

What Impressed the Judges

GOVERNANCE AND STRATEGY

- Strong values and principles
- Clear vision to get back all of the Ngāti Awa land
- Smaller trusts involved with the joint venture feel fully engaged and valued
- Shareholders and investors have confidence and don't get involved in the day to day operations of the business.

SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

It was considered a real strength and was highlighted in the presentation. There was a focus on:

- Karakia
- Mahinga kai
- Cultural identification
- Pa sites identified
- Taonga Tuturu ana wāhi tapu.

FINANCIAL AND BENCHMARKING

- DairyBase analysis indicates a highly profitable operation during three years of data analysed with results above benchmarks
- Operating Profit was $2,634/ha compared to $1,599/ha for the benchmark for 2012/13
- Profit margin is high at 42.7% compared to 28.9% for the benchmark
- Return on dairy assets is 5.9% compared to 3.5% for benchmark
- A 'top 50%' benchmark is available and Ngakauroa is in alignment with this for two of the last three years
- Use of benchmarking to determine performance level is undertaken.

FEED PRODUCTION AND ANIMAL PERFORMANCE

- A good level of formal monitoring is undertaken in relation to pasture covers, cow condition, reproduction, soil moisture levels etc
- 134ha are irrigated providing stable grass supply in the summer months.

HUMAN RESOURCE

- Mike has completed level 5 Primary ITO and has also won a Primary ITO People Management award
- Sharemilkers sit at the board table and are seen as an important part of the management team
- A cadetship programme was launched two years ago where they have support for accommodation, bike purchases etc
- Mike and Donna are very supportive of their staff and want them to succeed
- Formal agreements are in place
- Enid and Peter provide a very supportive environment for sharemilkers which was acknowledged by Mike and Donna.

ENVIRONMENTAL / SUSTAINABILITY GOALS AND STRATEGIES

- An environmental specialist is employed part of the management team
- Strong environmental focus on compliance and wetlands
- Good relationships with regional council.

ENTREPRENEURIAL AND INNOVATION

- Innovative joint venture approach allowing equity partnership arrangements
- All the Ngāti Awa land has been documented and proactive discussions are held with owners in relation to optimising the performance of that land for shareholders. This is creating a huge opportunity for growth.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Directory

Tribal Affiliation: Ngāti Awa
Number of Owners: Six shareholders/owners
Name of Owner: Ngāti Awa Farm (Rangitaiki) Joint Venture Ltd

Ngāti Awa Farms Ltd	Putauaki Trust	Kiwinui Trust (Rangitaiki 31P 3F Trust)	Moerangi Kereua Ratahi Trust	Ihukatia Trust	Omataroa Rangitaiki No2 Trust
50.91%	6.21%	6.21%	6.21%	24.25%	6.21%
Sir Harawira Gardiner, *Chairman*	Tiaki Hunia, *Chairman*	Hohepa Mason, *Chairman*	Stanley Ratahi, *Chairman*	Charlie Elliot	Tamaoho Vercoe, *Chairman*
Tamaoho Vercoe	Tamaoho Vercoe	Enid Ratahi-Pryor	William Newton	Wharekaihua Coates	Charlie Elliot
Graham Pryor	Charlie Elliot	Wilhelm Studer	Hemo Mate	Tuwhakairo O'Brien	Hohepa Mason
Wilhelm Studer	Anaru Rangiheuea	Parehuia Aratema	Enid Ratahi-Pryor	John Hunia	Whaiora Puutu Brown
Les Stowell	Kiriwaitingi Rei		Crete Wana		

Joint Venture Management Board Members

Sir Harawira Gardiner, *Ngāti Awa Farms Ltd*
Tamaoho Vercoe, *Ngāti Awa Farms Ltd*
Les Stowell, *Ngāti Awa Farms Ltd*
Wilhelm Studer, *Ngāti Awa Farms Ltd*
Graham Pryor, *Ngāti Awa Farms Ltd*
Charlie Elliot, *Omataroa Rangitaiki No2 Trust*
Tuwhakairo O'Brien, *Ihukatia Trust*
Hohepa Mason, *Kiwinui Forestry Trust*
John O'Brien, *Putauaki Trust*
Stanley Ratahi, *Moerangi Kereua Ratahi Trust*

Farm Management

Ngāti Awa Group Holdings Ltd
Enid Ratahi-Pryor QSO, *Chief Executive*
Peter Livingston, *AgFirst Farm Consultant*

Farm Staff

Mike Learmond and Donna Constantine, *Variable Order Sharemilkers*
Richmond Brown, *Farm Hand*
Jess Hammond, *Farm Hand*
Matangireia Ngaropo, *Ngāti Awa Farm Cadet*

Farm Description

Ngakauroa Farm consists of a 186ha (effective) milking platform and 46ha of supplying run-offs.

Production from 620 cows is expected to exceed 240,000 kgMS in 2013/14. Prior to this season the farm was 158ha milking 520 cows and producing 174,260 kgMS.

Replacements are grazed on run-offs, as are dry cows in winter.

The farm is flat and around 65% irrigated. The production system is mainly grass based with maize grown on 8 – 10ha to fill autumn feed deficits.

The focus areas over the next 2 – 3 years is completing an upgrade of infrastructure including: a new effluent system, the irrigation infrastructure and decreasing our leachate footprint on the farm.

Ngāti Awa Farms Ltd – Ngakauroa Farm

History of the Farm

The farmland and surrounds were once a diverse wetland, known as the Rangitaiki Wetlands. They were a valued natural resource to Rangitaiki hapū as they were plentiful in many types of bird, plant and fish-life. Land confiscations in 1866 saw Ngāti Awa being removed from much of these lands to be replaced by European settlers. The wetlands were subsequently converted into farmland under the Public Works Act 1908 and the Rangitaiki Land Drainage Act 1910.

This area was traditionally called Te Papaku and the Rangitaiki River, which flows through Te Papaku, was originally known as Te Wai Koropupu o Kaimanawa. Ngāti Awa believe that Tongariro maunga had fought against Putauaki, Pohatu and Kaimanawa to protect his two female maunga Ngaruahoe and Pihanga from their advances. So fierce was the battle between Kaimanawa and Tongariro that the perspiration flowed heavily creating the awa Te Wai Koropupu o Kaimanawa, the original name of Rangitaiki River.

The name Ngakauroa was given to the area when the Mataatua waka made land fall at Okorero, known today as Thornton. Toroa, the Captain of Mataatua, when traveling up the river saw the area called Te Papaku and he was immediately reminded of his home in Rarotonga. Toroa yearned for his people in Hawaiki and so named this area Ngakauroa – the yearning of my heart.

Many centuries later in 1911, a Scotsman Doug Allan bought the farm from Māori owners. Drainage work on the Rangitaiki wetlands had just begun. Farming was very slow to start as a result of the water logged terrain. Tough times hit Doug Allan due to his other speculative interests and in the 1940s part of the farm was sold to pay off debt. Family fortunes improved during World War II when the family accepted war contracts to grow carrots and onions to service American troops stationed in New Zealand. This was the first time the farm made any real money and the farm business steadily improved.

In 1997 the farm estate was sold to Alberto Finnol, a Venezuelan national, international businessman and member of the New Zealand Dairy Board. Under the management of local identity Doug Bull, an adjoining block of land on Hydro Road was added to the estate. This block backed onto the Rangitaiki River, water rights were obtained and irrigation was then installed on the farm. The cowshed was subsequently upgraded and herd numbers increased.

The farm was purchased by Ngāti Awa in 2008 and aptly named Ngakauroa. This was the first dairy farm purchase since Ngāti Awa's raupatu settlement with the Crown in 2005. Interestingly, in 2013 Ngāti Awa purchased Doug Bulls dairy farm in Braemar Road, creating the beginning of the Ngāti Awa farming platform.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Governance and Strategy

The Ngāti Awa farming portfolio combines economic, cultural and social values. Collectively, these goals provide Ngāti Awa with an enduring commitment to developing farming as a footprint to Ngāti Awa's strategic and cultural presence while providing a financial return.

STRATEGIC PLAN

Strategic Goal:

Through farm ownership optimise economic, cultural and social wealth.

Strategic Objectives:

1. Profitable and sustainable farming
2. Structures that are fit for purpose, today, tomorrow, and into the future.

Strategies for Success:

1. Successful strategic governance and management
2. Technology increasing productivity and sustainability
3. Higher and better usage of farming assets
4. Leveraging collective resources
5. Farmhand to Farm Manager succession planning
6. Preparing vertical value chain opportunities
7. Operating locally to meet global demand.

Success looks like:

- Strong collaborative relationships
- Fully optimised farming operations
- Increased profitability and reduced costs
- More economic, social and cultural capital
- Successful joint ventures in food processing and production
- All staff committed to sustainability and quality improvement.

Ngāti Awa Farms Ltd – Ngakauroa Farm

GOVERNANCE

Ngāti Awa Groups Holdings Ltd (NAGHL) is the commercial arm of Te Rūnanga o Ngāti Awa (the Rūnanga) and is required to operate the commercial assets of Ngāti Awa profitably. Ngāti Awa Farms Ltd is a subsidiary company of NAGHL and oversees the farming assets of Ngāti Awa. The Ngakauroa Joint Venture is an entity under the Ngāti Awa Farms Ltd which provides governance over Ngakauroa Farm. The governance structure comprises representatives from each of the Joint Venture Partners including one each from the five lands trusts that constitute the Joint Venture (Omataroa No 2; Putauaki Trust; Ihukatia Trust; Kiwinui Forestry Trust; MK Ratahi Trust), and NAGHL. Representation on the Joint Venture Board (the Board) is decided by the individual partners.

The Board meets bi-monthly and receives a strategic update from the CEO, a Financial Report from the CFO and operational reports from the contract milker and consultant. The Board is required to provide an annual report and to hold an AGM each year which essentially links them back to whānau, hapū and iwi. Underpinning the governance structure are five themes:

- Creative and innovative partnering – partnering with other Ngāti Awa entities for mutual benefit
- Collectivisation of Māori land holdings – building economies of scale by collectivising Māori land holdings
- Social, cultural and economic growth and development – developing capacity and capability within the Māori farming sector
- Sustainability – land and people – developing a unified vision with shared goals and objectives for farming that supports both the environment and the people
- Ensuring financial returns for shareholders – striving for excellence in farming practice that ensures financial returns to the shareholders.

Governance members are selected by the various Trusts to represent their interests on the Board. Accordingly, they all come with extensive knowledge of Māori land and trust administration, governance and financial experience. Improving their knowledge of farming is hands on learning. Through the Chair and CEO, training is focussed upon the need of the Trustee and more importantly their specific interest. One Trustee worked alongside our sharemilker on Ngakauroa when choosing the new irrigation extensions, pricing and negotiating the purchase of the irrigators and watching them "go live". Three other Trustees take specific interest in what to look for when investing in new farms. These Trustees work closely with our CEO and CFO when researching new farm purchases to learn and understand the underlying principles of what farm to purchase and why, how we value a farm, chattels and stock and weighing up what's best overall for the benefit of the Joint Venture Partnership. This process occurred with the recent purchase of a new dairy farm and ongoing feasibility processes as opportunities arise. Governance learning and training is organic and premised upon high level experiences that can only be achieved through respectful and proactive relationships between management and governance.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Social / Community / Ngā Tikanga Māori

Ngāti Awa have 22 hapū, 18 marae and 20,000 members. Connecting our whānau, hapū and iwi to the business of farming occurs in many ways.

Reporting and celebrating our farming successes occurs every year when we report the outcomes of Ngakauroa to ngā uri o ngā hapū o Ngāti Awa. Farm visits including karakia are regular occurences for our farms. Last year, community tree planting of 10,000 trees on Ngāti Awa Heritage Estate focussed upon land remediation and re-generation of wetlands in partnership with the Bay of Plenty Regional and Whakatane District Councils. This winter Mauri Enhancement programmes in partnership with the Bay of Plenty Regional Council will commence on Ngakauroa and Tumurau Farms. Community tree planting along farm boundaries and waterways will not only improve our environmental footprint but also connect whānau, hapū and the community to the whenua of Ngakauroa.

Tangihanga on our 18 marae are supported by Ngāti Awa through the provision of fish from the Iwi Pataka Kai. This year the Pataka Kai has been expanded to include the provision of beef from our farms, including Ngakauroa. Our social and community practices are guided by Ngāti Awa te Toki, the culmination of a 50 year vision for Ngāti Awa. The whakataukī speaks of a people so bound together in strength that they cannot be quelled by adversity. Te Ara Poutama is the pathway towards realising the greater vision and provides the strategic framework for both the Rūnanga and NAGHL.

Ngāti Awa te Toki and Te Ara Poutama are the voice of ngā uri o ngā hapū o Ngāti Awa and were developed over a number of years and after many consultations with the whānau and hapū of Ngāti Awa. Both documents drive the strategic planning process for the Rūnanga and NAGHL. Te Ara Poutama, particularly, has four strategic elements which are embedded into every aspect of planning including within farming operations. The four elements are:

- **Tūrangawaewae** – which speaks to a vibrant living culture where Ngāti Awa uri have confidence and pride in being Ngāti Awa
- **Toi Ora** – achieving optimum wellbeing for ngā uri o ngā hapū o Ngāti Awa
- **Tū Pakari** – providing and growing self-determined leadership for Ngāti Awa
- **Mauri Ora** – kaitiakitanga over the environment and natural resources within the rohe of Ngāti Awa.

These elements are further embellished by three guiding principles:

- **Ngāti Awatanga** – we have a responsibility to uphold and protect our language and culture which is the cornerstone to our unique identity
- **Kaitiakitanga** – we have an obligation to protect our culture, our environment, our resources and our people for today and for future generations
- **Manaakitanga** – we must care for each other with a particular emphasis on caring for our tamariki, rangatahi and pakeke.

Ngā Tikanga

Ngakauroa Farm is able to demonstrate adherence to Te Ara Poutama as follows

Ngakauroa Farm	Tūrangawaewae	Toi Ora	Tū Pakari	Mauri Ora
	• Reinforcing Ngāti Awa's cultural footprint • Introducing cultural element into farm cadetship training	• Higher better usage of farming assets • Maintaining profitable operations	• Farmhand to Farm Manager cadetship training • Growing the capacity of governance through JV	• Implement sustainable farming strategy • Develop Environment Management Plan

Ngāti Awa Farms Ltd – Ngakauroa Farm

Farm Data and Key Performance Indicators

FARM INFORMATION

Ngakauroa Farm	2010/11	2011/12	2012/13	2012/13 Benchmark*
Effective dairy hectares	142	150	158	
Support block effective hectares	46	46	46	
Peak cows milked	478	470	520	
Milksolids (MS)	159,997	168,273	174,260	
Staff numbers (FTE's)	2.8	2.8	2.8	
Supplements fed (kg/cow)	679	715	817	
Soil fertility (P/pH)	93 / 6.2	93 / 6.2	93 / 6.2	
Nitrogen (kg/ha)	144	137	142	
Physical KPIs				
Cows/ha	3.4	3.1	3.3	2.9
MS/ha	1,126	1,122	1,103	977
MS/cow	335	358	335	332
MS as a % of cow weight	59%	65%	67%	
Cows/person	171	168	186	164
MS/person	57,142	60,098	62,236	54,393
Pasture-crop eaten (kg/ha)	12,650	12,850	12,250	
6 week in calf rate (%)	59%	65%	69%	
Liquidity (cash)				
Net cash income/kgMS	5.56	5.57	5.36	
Farm Working Expenses/kgMS	3.44	2.99	2.75	
Cash Operating Surplus	2.12	2.58	2.61	
Interest, tax, rent, non-dairy inc./kgMS	0.46	0.46	0.40	
Discretionary cash/kgMS	1.66	2.12	2.21	
Operating Profit $/ha				
Gross Farm Revenue/ha	7,264	6,368	6,174	5,536
Operating Expenses/ha	3,931	3,684	3,540	3,937
Operating Profit/ha	2,634	2,684	2,634	1,599
Operating Profit $/kgMS				
Gross Farm Revenue/kgMS	5.31	5.68	5.31	5.67
Operating Expenses/kgMS	3.05	3.28	3.05	4.03
Operating Profit/kgMS	2.27	2.39	2.26	1.64
Operating Profit Margin (%)	45.9%	42.1%	42.7%	28.9%
Balance sheet				
Closing Dairy Assets	6,508,336	6,299,059	6,999,810	
Closing Total Liabilities	498,070	757,473	658,367	
Closing Total Equity	6,010,266	5,541,586	6,341,443	
Closing liabilities/kgMS	3.11	5	3.78	20.49
Debt/assets %	7.6%	12.3%	9.4%	37.5%
Return on Dairy Assets %	7.8%	5.8%	5.9%	3.5%

**Benchmark: North Island farm owners with variable order sharemilkers*

Ngāti Awa Farms Ltd – Ngakauroa Farm

COMPARISON WITH OTHER FINALISTS 2012/13

Name	Putauaki Trust – Himiona Farm	Te Rua o Te Moko Ltd	Ngāti Awa Farms Ltd – Ngakauroa Farm
District	Te Teko	Normanby	Te Teko
Sharemilking description	V/O sharemilker	50% sharemilker	V/O sharemilker
Effective dairy hectares	177	170	158
Support block effective hectares	0	0	46
Peak cows milked	564	490	520
Milksolids (MS)	189,781	147,254	174,260
Staff numbers	3.3	3.2	2.8
Supplements fed (kg/cow)	803	500	817
Soil fertility (P/pH)	35 / 5.9*	47 / 5.9	93 / 6.2
Nitrogen (kg/ha)	108	147	142
Physical KPIs			
Cows/ha	3.2	2.9	3.3
MS/ha	1,072	866	1,103
MS/cow	336	301	335
MS as % of cow weight	72%	64%	67%
Cows/person	171	153	186
MS/person	57,509	46,017	62,236
Pasture-crop eaten (kg/ha)	11,770	11,261	12,250
6 week in-calf rate (%)	68%	82%	69%
Liquidity ($)			
Net cash income/kgMS	5.02	3.07	5.36
Farm working expenses/kgMS	2.79	1.97	2.75
Cash operating surplus	2.23	1.10	2.61
Interest, tax, rent, non-dairy inc./kgMS	1.08	0.71	0.40
Discretionary cash/kgMS	1.15	0.39	2.21
Operating Profit $/ha			
Gross Farm Revenue/ha	5,586	3,349	6,174
Operating Expenses/ha	3,543	1,836	3,540
Operating Profit/ha	2,043	1,513	2,634
Operating Profit $/kgMS			
Gross Farm Revenue/kgMS	5.21	3.87	5.31
Operating Expenses/kgMS	3.30	2.12	3.05
Operating Profit/kgMS	1.91	1.75	2.26
Operating Profit Margin (%)	36.6%	45.2%	42.7%
Balance sheet			
Closing Dairy Assets	5,249,078	7,723,958	6,999,810
Closing Total Liabilities	4,282	348,205	658,367
Closing Total Equity	5,244,796	7,375,753	6,341,443
Closing Liabilities/kgMS	0.1	2.36	3.78
Debt/assets %	0.1%	4.5%	9.4%
Return on Dairy Assets %	3.0%	2.8%	5.9%

**2011/12 data*

Ngāti Awa Farms Ltd – Ngakauroa Farm

Farm Financial and Benchmarking Performance

BUSINESS GROWTH GOALS

- Through our utilisation of a sustainable business model the focus for Ngakauroa Farm will be on the long term future use of farm assets
- Our target for Ngakauroa Farm is to achieve a 5.5% return on investment annually and a 3% growth in equity
- We will focus on managing the controllable aspects of Ngakauroa Farm which is about effective and efficient milk production underpinned by the prudent management of costs
- We want to grow our farm based portfolio by continuing to work in partnership with Ngāti Awa land trusts
- To be able to translate the value of cultural and spiritual significance into financial quadruple bottom lines.

KPIs

- Our 2013 – 2014 cash surplus for Ngakauroa Farm was $2,900/ha and we aim to improve this surplus to $3,000/ha for the 2014 – 2015 season. Ngakauroa Farm managed to achieve a FWE/GFR ratio <57% for the 2013 – 2014 season and we aim to improve its FWE/GFR to <55% for the 2014 – 2015 season and to maintain this level as a farm benchmark
- Ngakauroa Farm exceeded its production target of 355 kgMS/cow for the 2013 – 2014 season. Our aim is to grow this KPI to 388 kgMS/cow by 2018.

STRATEGY

We are increasing our farming platform through the leasing of additional Māori land blocks adjacent or near Ngakauroa Farm. Through the purchase of a second dairy farm, Tumurau, in partnership with other Ngāti Awa Trusts, we are able to achieve size and scale considerably improving the economic viability of farming for Ngāti Awa. This strategy not only improves farming viability but also reinforces our manaakitanga of our smaller Ngāti Awa Trusts. Increasing the Ngāti Awa farming footprint not only makes sense commercially but helps achieve the moemoea of our tūpuna, the return of Ngāti Awa lands for the benefit of our mokopuna.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Feed Production

FEED MANAGEMENT

The farm operation is largely pasture based with around 120 t DM/yr imported as grass silage/hay and up to 250 t DM/yr provided by maize. Irrigation on around two-thirds of the milking platform provides a relatively consistent supply of quality grass through the lactation period.

Imported feed comprises up to 15% of total feed and this is used to plug feed deficit periods. This includes some palm kernel from time to time.

The farm uses around 135 – 145 kg N/ha, some of which is provided by whey fertiliser. This amount has reduced from up to 165 – 170 kg N/ha when whey applications were double that of the current practice.

Over the last three years the maize has been grown both on and off the milking platform. On the milking platform the pasture renovation programme has largely been by way of drilling improved species into the existing swards. On the run-offs and leases improvement has been focused on sowing new swards after the maize crop on a block by block basis.

The aim is to run a stocking rate that will utilise as much grass as possible directly into the vat via milkers as opposed to making significant amounts of silage on the milking area.

Cows are grazed off in winter on supporting run-off blocks (leased) for up to seven weeks.

SOIL MANAGEMENT AND FERTILITY

The soil type is mixed across the farmed land with some being lower lying peaty silts and the bulk supporting a pumice overlay. These respond well to irrigation and the whey spread in two applicants per annum.

Animal Performance

HERD FERTILITY

The aim is to achieve at least a 92% in-calf rate in a ten week mating period, and not use any calf inductions.

There is a strong focus on minimising the herd's death and wastage rates so that the opportunity to cull on production is optimised annually (target 15%).

Mating commence on 15 October for cows and heifers. The bulls were removed on 24 December.

The herd is tail painted early pre-mating and non-cyclers treated early.

ANIMAL HEALTH

Strong emphasis is placed on reducing the average Somatic Cell Count (SCC) to between 150,000 – 200,000. The average SCC has fallen from around 280,000 – 300,000 three years ago even though the herd number has lifted from 500 to 620 cows. The farm is grade free in 2013/14 season. Reducing the number of lame cows and metabolic issues is another area of focus for the farm.

REPLACEMENTS

Previously these were grazed on a hill country dry stock unit but in more recent times a high quality run-off area close to the milking platform has been sourced to help achieve the targeted live weight at key dates and in particular 300 kg live weight at mating.

The heifer replacement rate is targeted at 25%. Calves are grazed on the highest quality run-off block pasture at all times after weaning.

MILK PRODUCTION

Our goal is to consistently produce 400 kgMS/cow and supply only the best quality product. We run split herds to ensure the smaller jersey cross cows don't have to compete for feed with the bigger friesians. We emphasize on feeding high quality pasture and supplement to produce the desired milk quantity and quality.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Human Resource

Success to our variable order sharemilkers, Mike Learmond and Donna Constantine, is when they have people that are happy in their work and feel rewarded for their contribution to a high performing team. Their goal is to retain the same staff year after year and give them the opportunity to progress though the dairy industry.

In their words, when recruiting the right person we look for someone that we can develop and grow right though to a management level within the business. They must possess some key factors like a good attitude toward the work and other team members, the willingness to learn though hands-on and off-farm training and they must be able to work as a team.

It is important to get these key factors right when looking for someone to join our team as it can have a huge impact on the performance of other team members and the business.

We encourage weekly tool box meetings to bring up any staff concerns and review any health and safety issues that staff may have. Quarterly individual performance reviews are necessary to identify if the employee is getting the job satisfaction and training they expect, areas for improvement where more training is needed and most important to give praise when they have excelled in performance. When the employee is praised for outstanding performance their attitude toward doing a task steps up a level and they are easier to train in other areas. At the performance review it is also important to set future targets for both the employer and the employee. When setting those tasks with the employee we identify where and what training is needed for the tasks to be successfully completed at a high level of achievement.

We have been fortunate to have a Ngāti Awa Farm Cadet on Ngakauroa. We incorporate the same principals and processes for him as we do with our other staff. We do go that little bit further for the cadet helping him to get signed up with Primary ITO for his current courses and study. NAGHL, who operate the Ngāti Awa Cadetship programme provide extra support. The sharemilker attends bi-monthly Board meetings not only to report but to also hear and participate in discussions across the milking platform which includes other dairy farms. This exposure is a very high level and contributes to the knowledge and capability of the sharemilker.

Farm professionals including the Ngāti Awa Farms Consultant come under the auspices of the CEOs office at NAGHL. The Farm Consultant works closely with the sharemilker, the CEO and the Board reporting bi-monthly. The Farm Consultant reports against KPIs set by the Board.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Environmental / Sustainability Goals and Practices

GOALS

Ngāti Awa's approach to farming combines economic, cultural, environmental and social values to provide an enduring commitment to developing a strategic and cultural presence in farming while providing a financial return. Through the application of Ngāti Awa tikanga and principles on Ngakauroa Farm, Ngāti Awa seeks to show leadership in environmental awareness and protect resources in accordance with Ngāti Awa's cultural practices. Ngakauroa Farm is managed with regard to the control, protection and sustainability of the environment. The aim of the Rūnanga's management of Ngakauroa Farm is to achieve real connections between the property and the social, cultural, economic and environmental well-being of Ngāti Awa.

There are two resource consents that govern operations on Ngakauroa Farm including water abstraction for pasture irrigation and effluent disposal. Both consents are in full compliance and Ngāti Awa is committed to ensuring that all monitoring, reporting and maintenance requirements are achieved.

The Rūnanga is developing an Environmental Management Plan (EMP) for Ngakauroa Farm. The Ngakauroa EMP provides an opportunity to undertake mauri enhancement initiatives, strengthening Ngāti Awa's spiritual and cultural connection with the property. Ngāti Awa will ensure that farm operations are consistent with Ngāti Awa's obligation as kaitiaki.

KPIs

- Implementation of mauri enhancement initiatives
- Continued compliance with resource consents
- Upgrade of effluent system by 2016
- Ngakauroa EMP approval and funding commitment from Regional Council.

STRATEGY

- Consistent approach between the Rūnanga and farm management
- Strengthening of the Rūnanga's relationship with farm management
- Commitment to management of soil nutrients.

Mauri enhancement initiatives identified for Ngakauroa Farm include the following;

Waterway Management

Ngakauroa Farm is committed to a programme of waterway planting across all farm drains and canals. This will consist primarily of low growing native plants (grasses and flaxes) planted on existing drain bunding. Where drain side fencing requires maintenance the opportunity will be taken to relocate fencing to the grazing side of bunding and those areas planted.

Race and Effluent System

Ngakauroa Farm is currently scoping an upgrade of the current effluent system (for 2014 – 2015) to achieve greater solids separation and further reduce nitrate levels across the property. Currently the main exit ramps from the shed are diverted to the former ponds to minimise discharge to the drain network. This system will be maintained and enhanced with native plantings.

Roadside and Shade Planting

Ngakauroa Farm is identifying opportunities for long term planting of native tree species. Areas of road frontage and the main access way to the milking shed will be planted with native shrub and tree species. Island type plantings and fencing will be undertaken in grazing areas where there is no pivot irrigation. Long term the plantings will provide shaded grazing areas for stock and aesthetic enhancement of the property.

Nutrient Balancing

Ngakauroa Farm is committed to ensuring that nutrient loss from the operational farm is minimised or eliminated. The farm currently utilises dairy effluent and whey product as a soil conditioner. No commercial fertiliser is applied to Ngakauroa Farm.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Entrepreneurship and Innovation

The Joint Venture partnership over Ngakauroa Farm is an innovation that has allowed Ngāti Awa to successfully collaborate with other Ngāti Awa related entities. The development of strong working relationships between the various partner Ngāti Awa entities enable the sharing of resources; the collectivising of land interests; economies of scale and a collaborative approach to further investment opportunities.

Ngakauroa Farm has also allowed various other aspirations to be realised for Ngāti Awa. The Joint Venture partners have gained knowledge, experience and operational insight by being actively involved in the shared governance over Ngakauroa Farm. For Ngāti Awa the outcome is the economic growth and development of our people spread across a spectrum of Ngāti Awa entities. The partnership model is also an investment in developing the capacity and capability of the Māori farming sector.

The Ngāti Awa Cadetship Programme is another innovation which is about growing leadership in farming. “From Farmhand to Farm Manager” is the core mantra fuelling the cadetship program initiated by NAGHL. Cadets are fully funded to enrol in farming related courses through Primary ITO and receive work experience on Ngāti Awa farms. The ambition is that eventually Ngāti Awa farms will be managed by Ngāti Awa uri and that our people will be fully employed on Ngāti Awa farms at all levels

Ngāti Awa Farms Ltd – Ngakauroa Farm

Farm Infrastructure

We have a 40 aside herringbone shed situated at the eastern end of the farm. We also have an old cowshed converted into a three bay calf shed and new purpose built five bay and three bay calf sheds. The farm has two dwellings to cater for the Sharemilker and Herd Manager. Regular property and house inspections are carried out by Ngāti Awa Properties Ltd, which recently resulted in an upgrade of both houses and new utility shed.

The farm is divided into 74 paddocks all around 2ha each. There is a central pumice race running the length of the farm crossing Hydro Road, ending at the Rangitaiki River. Each year we chose a section of race and renew the pumice as part of our maintenance programme.

In January we installed a new pivot irrigation system which irrigates 67ha. We have used the opportunity to upgrade the fences running under the pivot. We changed our irrigation system to be able to utilise the water more efficiently which is drawn from the Rangitaiki River under consent. As a result we can irrigate 10ha more using the same amount of water. We then have a Turbo Rainer and five strings of pods which irrigate another 75ha totalling 143ha of the farm.

Our stock water comes from a bore which is pumped around the farm though a 40mm line. We use a Dosatron system to dispense the minerals and trace elements to the stock. We are currently having the bore water tested and looking into a filtration system to overcome the issues we are experiencing with water quality.

An effluent upgrade is also being investigated to remove the solids off the dairy platform and onto the support blocks to reduce nutrient loading.

Ngāti Awa Farms Ltd – Ngakauroa Farm

Farm Map

About the Judges

The Ahuwhenua Trophy judges play a vital role in the success of the competition. All are very experienced people who are able to accurately assess each farm and provide valuable feedback to those in governance roles and those who are involved in the day to day management of the farms.

The competition has two judging panels. The first round judges have the task of selecting three finalists – in effect the short list. At this point the finalist judges become involved and they have the task of selecting the eventual winner. They attend the field days at each of the farms and the running of these days is a part of the competition criteria. The Ahuwhenua Trophy Management Committee greatly appreciates the support of those sponsors who have made top class agribusiness experts available to judge the event.

Finalist Judges

Dean Nikora – Chief Judge

Having a person with the knowledge and skills of Dean Nikora adds great value to the judging panel. Dean, who is affiliated to Ngāti Maniapoto me Ngāti Tama, has extensive experience in governance, representation and consultancy within the primary sector. He has worked with Fonterra Shareholders Council, AsureQuality and Ballance Agri-Nutrients on a wide range of issues. Last year he was a member of an elite group of 24 New Zealand primary sector leaders who attended a bootcamp at Stanford University to determine how the agribusiness sector will play its role in the growth of the New Zealand economy. Dean is also a partner in a large dairy farming operation in Central Hawke's Bay.

David Handley

David Handley grew up on a Hawke's Bay sheep and beef farm and also spent time helping out on friends dairy farms during school holidays.

He is a qualified accountant and joined BNZ nine years ago spending the first six years in rural lending based in Pukekohe. He has been in Head Office for the last three years. In his current role he is in charge of corporate lending in Central and Lower North Island and specifically responsible for the banks 10 largest clients most of whom are involved in dairying. He is very familiar with analysis of farming businesses. He judged in the Northland Region Sharemilker of the Year competition a few years ago. He has attended a number of Ahuwhenua Trophy field days including those of Tarawera Station and Waipapa 9 Trust.

Tafi Manjala

Zimbabwe born, Tafi Manjala has 14 years experience working with farmers, eight of which have been in Northland. He and his team work through farmer networks in the region to help farmers achieve their business goals. Tafi was, for three years, a finalist judge of the Farm Manager of the Year section of the Dairy Industry Awards. He has also been a judge of the Ballance Farm Environment Awards and the Regional Sharemilker of the Year competitions.

Tafi has lived in New Zealand since 2002. He has two children and enjoys being a lifestyle beef farmer leasing land and running 50 steers.

Paul Klee

Paul Klee has been involved in the dairy industry since 2000, working with Fonterra as an Area Manger in Taranaki and Hawke's Bay prior to moving into his current role as Regional Manager, Field Services, Lower North Island.

Paul is a Massey graduate and holds a Bachelor of Applied Science in Agribusiness with Honours. He is passionate about the dairy industry and farming in general and takes an active role in growing his own farming interests in the Hawke's Bay.

First Round Judges

Chad Hoggard – Lead Judge

Chad Hoggard has worked with BNZ as an Agribusiness Partner for nearly eight years, firstly in Tauranga and then in Rotorua. He has been BNZ's Senior Partner for Rotorua and Whakatane for 18 months, managing an 18 strong team of bankers and support staff. Chad, who has a farming background, has a Bachelor of Applied Science majoring in Valuation and Farm Management from Massey University and has worked as a fertiliser consultant. He is currently a shareholder and director of a Manawatu based farming company.

Lorraine Stephenson

Lorraine Stephenson affiliates to Rangitane me Kahungunu ki Wairarapa and Te Atihaunui-a-Pāpārangi, and has been involved in the dairy industry for 35 years. She and her husband David worked their way up from paid staff to sharemilkers and today where they own their own farm. Lorraine was a founding member in 1991 of the Ikaroa/Rawhiti Māori Dairy Farmers discussion group which is still going strong to this day. She is currently the Chairperson of her own iwi, Rangitane. Her passion for conservation and environmental issues within a Māori framework has seen her spend time on the New Zealand Conservation Authority, the QEII National Trust and the Biosecurity Advisory Board. She currently represents farmers on the New Zealand Greenhouse Gas Advisory Board.

Paul Bird

Paul Bird has been a farm consultant for 20 years working in NZ, Ireland and the UK. Paul was involved in developing and delivering the DairyNZ Mark and Measure courses that have been running for 10 years. He is currently working as a consultant to DairyNZ on various business related projects including investigating success factors in large multi-unit dairy businesses. He has interests in commercial property and also aims to spend as much time as possible with his wife Anne and their two boys.

Peter Ettema

Peter Ettema has worked for the Ministry for Primary Industries (MPI) and its predecessors since 2005. His current role is as an acting manager for a five person team within the Sector Policy Directorate at MPI. Peter has a Bachelor of Agricultural Science and a Masters of Environmental Management. He has worked in the agricultural sector both in New Zealand and overseas as well as maintaining strong rural links through previous roles at the Department of Conservation and as the Wellington representative for the QEII National Trust.

Paul Radich

Paul Radich grew up in Stratford where he still lives, on a farmlet with his family. He has a BA in education and has worked, as an educator, in New Zealand, Japan and England. He spent three years with the Taranaki Regional Council as an environmental educator, before moving to Fonterra as an Area Manager and then Regional Services Manager for the Lower North Island. He is currently a Senior Area Manager in North Taranaki.

Paul has a passion for the New Zealand dairy industry and the co-operative approach. He says that being a judge in the 2010 Ahuwhenua Trophy was a highlight of his career and he is very excited to be involved again. "The Ahuwhenua competition has a great history and it is a privilege to be able to witness and be a part of this showcase of the very best in Māori farming."

Abe Seymour – Competition Kaumātua

Abe Seymour affiliates to Ngāti Tūwharetoa, Ngāti Raukawa, Ngāti Kahungunu and Atihaunui-a-Pāpārangi and is currently a Strategic Relations Adviser providing advice to a number of organisations including the Primary ITO. He is a shareholder in a number of trusts in and around the Central North Island and from time to time provides advice in those areas. He has also sat on a number of boards and directorships for Māori and is heavily involved and a strong advocate in training programmes for young Māori who are likely to be tomorrow's leaders. He is also involved in tertiary programmes, programme design and delivery to a number of organisations including the Waiariki Polytechnic.

About the Competition

Aims

- To recognise excellence in Māori farming
- To encourage participation and ensure its sustainability
- To use the Award 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 Award 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 the Entrants

By entering the Awards, participants will gain:

- Recognition for excellence in the dairy farming industry and the wider New Zealand farming industry
- Judges' expert advice and guidance to improve their farming operations
- Access to a network of progressive and like-minded individuals and organisations 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.

Awards

The winner will receive a replica of the Ahuwhenua Trophy, a medal and prizes to a value of not less than $40,000. The three finalists will receive a medal and prizes to a value of not less than $15,000.

Judging

Judging will be based on:

A. The efficiency with which the property is farmed relative to its potential

B. Financial results

C. The effectiveness of the governance of the farming enterprise.

But will also take account of:

- Triple Bottom Line Reporting
- Cost of Production Analysis.

In considering this the judges will utilise as a guideline the following weighting:

CRITERIA	MAX. POINTS AWARDED	FACTORS TAKEN INTO ACCOUNT INCLUDE THE FOLLOWING (WHERE POSSIBLE JUDGES WILL COMPARE WITH INDUSTRY BENCHMARKS AND BEST PRACTICE)
Governance and Strategy	17	• Strong leadership • Good strategy • Monitoring of strategy • Implementation of strategy
Social/Community/ Ngā Tikanga Māori	10	• Contribution to, and participation in, communities of interest to the organisation; support for local hapū, marae, and wider local community • Governance or management team's ability to include tikanga Māori in aspects of the business • Identification and protection of cultural sites
MANAGEMENT AND PERFORMANCE		
Financial and Benchmarking	20	• Economic Farm Surplus (EFS) • GFR/HA • FWE as a % of GFR • Consistency over time • Wealth creation – Leveraging Asset Base, Internal Capital Investment/Development, ROC • Understanding the Financials – Budgeting, Variance Reports, KPIs
Feed Production	10	• Development and sustainability of soil fertility • Quality of permanent pastures [composition and nutritive value] • Forage crop yields and integrated use • Use of least cost supplements and tactical use of nitrogen • Feed budgeting and grazing plans
Animal Performance	10	• Stock health and welfare • Genetic improvement • Reproductive and growth performance • Supply of products to market specifications • Purchasing and marketing skills
Human Resource	11	• Employment agreements and job specifications • Performance review approach • Training support and career development • Team culture and attitude • Health and safety plans and implementation
Environment/ Sustainability Goals and Strategies	12	• Environmental plans in place • Environmental plans are being implemented • Environmental performance is being monitored and promoted • Biodiversity is being enhanced
Entrepreneurship and Innovation	10	• Demonstrate innovative thinking and application of new technology and management approaches
TOTAL	100	

Notes

BNZ MĀORI EXCELLENCE IN FARMING AWARD 2014
DAIRY

AHUWHENUA TROPHY

PLATINUM SPONSOR

As the platinum sponsor BNZ is proud to support the Māori Excellence in Farming Award. With a team of 180 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

Te Puni Kōkiri celebrates Māori potential, success and excellence. It proudly supports the pre-eminent accolade within Māori farming – the Ahuwhenua Trophy. 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.

The Ministry for Primary Industries (MPI) works to maximise export opportunities for the primary industries, improve sector productivity, increase sustainable resource use and protect New Zealand from biological risk. Enabling the continuing growth of Māori agribusiness is a key part of MPI's strategy of growing and protecting New Zealand. As a proud supporter of the Ahuwhenua Trophy, MPI congratulates all entrants for their outstanding achievements in farming.

Te Tumu Paeroa is an independent, professional trustee organisation which protects and grows the assets for 95,000 Māori landowners. We manage 2,000 trusts, companies and joint ventures across 100,000 hectares of Māori land. We support excellence in Māori agribusiness and mobilising Māori land to create this generation's legacy.

Our purpose is to secure and enhance the profitability, sustainability and competitiveness of New Zealand dairy farming. DairyNZ represents all New Zealand dairy farmers in protecting and advancing their competitive edge on the global market. Demonstrating and delivering value to levy payers is crucial to our continued existence and is the key focus to our work.

Fonterra is proud to be a sponsor of the 2014 Ahuwhenua Trophy – Māori Excellence in Dairy Farming Awards. Our Co-operative has generated strength and success through the passion, expertise and knowledge of our New Zealand farmers.We are New Zealand's leading exporter and continue to support dairy farming and New Zealand communities

SILVER SPONSORS

BRONZE SPONSORS

SPONSORSHIP SUPPORT HAS ALSO BEEN PROVIDED BY LANDCORP, MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT AND TOHU WINES.