

BNZ  
MĀORI  
EXCELLENCE  
IN FARMING AWARD 2017  
SHEEP AND BEEF



AHUWHENUA TROPHY  
FIELD DAY HANDBOOK

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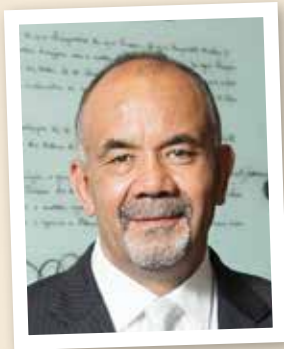
# THE AHUWHENUA TROPHY

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## »» FROM THE MINISTER FOR MĀORI DEVELOPMENT



**Tātai whetū ki te rangi, mau tonu, mau tonu;  
Tātai tangata ki te whenua, ngaro noa, ngaro noa.**

Tēnā tātou katoa,

Our ability to grow our collective confidence in who we are and the contribution and distinctiveness we bring to our country and to the world determines the extent to which we can realise the aspirations of our people.

The three Ahuwhenua Trophy finalists - Ōmāpere Rangihāmama Trust (Kaikohe); RA & JG King Partnership, Puketawa Station (Eketahuna); and Pukepoto Farm Trust (Ōngarue) possess the attitude, ambition and courage characteristic of Māori entities working for the good of their people.

They deserve our attention and celebration as examples to inspire others. They have shown tenacity and perseverance over many years to get them to where they are today – at the top of their game.

All three sheep and beef farming finalists have demonstrated a commitment to sustainability and a striking balance between people, planet and profit. They also share an unflinching drive to realise a vision and a will to pursue continuous improvements on their farms.

Each embraces a tirohanga Māori, a Māori world view that requires a balance between the social, cultural, environmental and economic factors which is the key to unlocking their potential.

They are exemplars of Māori farming innovation that have looked to do things differently, and to take on new approaches to problem solving in order to reach new heights.

Ōmāpere Rangihāmama Trust, RA & JG King Partnership, Puketawa Station and Pukepoto Farm Trust are part of a movement and creed of Māori farms modeling the belief that the immense impact of our country's primary sector can be harnessed and contribute more substantially to the increased prosperity of all New Zealanders.

I wish them all the best for the competition and as finalists they are all winners in our eyes.

**Hon Te Ururoa Flavell**

MINITA WHANAKETANGA MĀORI  
MINITA WHĀNAU ORA



## »»» FROM THE MINISTER FOR PRIMARY INDUSTRIES



### **Matomato te taiao, matomato te tangata.**

The Ahuwhenua Trophy competition is a key way to celebrate the strengths of the Māori farming community and its commitment to excellence. This year the spotlight is on our sheep and beef farms.

The New Zealand landscape has changed significantly since the inception of the Ahuwhenua Trophy 84 years ago by Sir Apirana Ngata and Lord Bledisloe.

Since then, Māori agribusiness has proved itself a crucial part of the New Zealand farming economy, demonstrating the ability to be innovative and resilient. These characteristics are essential as we work together to find sustainable solutions for the future and aspire to double the value of primary exports by 2025.

Continued hard work by all parties to bring success to Māori agribusiness will also support growth in the regions.

Through varied programmes, MPI works to partner with Māori owned farms to support their aspirations, whether it's for innovation, increased profitability or sustainability. Practically this can mean supporting capability development and strategic planning so these businesses can deliver better results.

I recognise the value farming provides for Māori land owners to develop the wellbeing of their communities through skilled employment and income generation. Māori have been able to utilise their skills and tikanga to develop the land in ways that embody their beliefs and traditions while still enabling growth and prosperity. For many, farming is a way of sustainably protecting land and assets for future generations.

Every farm that competes in this competition provides inspiration. Collectively, they strive to be the best they can be for their shareholders and communities. I encourage all to benefit from their experience and commitment to excellence.

With a background in farming I know the commitment that is required to enter and I extend my warmest congratulations to all of this year's finalists.

I'm proud to support this event.

Kohia taikākā, ruia taitea,  
Nāku, nā

**Hon Nathan Guy**

MINISTER FOR PRIMARY INDUSTRIES



## »»» FROM THE CHAIRMAN



### **Toitū te whenua, whatungarongaro te tangata.**

In 1933 Sir Apirana Ngata and Lord Bledisloe issued a challenge to Māori farmers when they established the Ahuwhenua Trophy. They were endeavouring to encourage and incentivise Māori farmers to perform to higher levels in all aspects of their operations. This came at a time when New Zealand was caught in the midst of a world-wide depression and when prices for primary products had fallen dramatically and just making ends meet was challenging.

The word resilience is much used, and Māori farming and agribusiness epitomises the concept of resilience. Our people were the first exporters of primary producers and we have a long and proud tradition in this area.

Today Māori farming operations are well placed to deal with the so called headwinds that are facing farmers in New Zealand. We are long term farmers and our strategy is intergenerational, long term and not locked into short profit cycles.

That is why we once again have another impressive cohort of finalists in this year's Ahuwhenua Trophy for the top sheep and beef farm. It is also why we have some highly motivated and skilled young people competing for the Ahuwhenua Young Māori Farmer Award. The value of better education and training is showing through in a positive way.

We are seeing Māori in all facets of the agribusiness sector applying new technologies, working with scientists and working with other players in the agri sector to develop new products and markets.

What ends up as a high product on a plate or in a high value retail outlet, has its beginnings on the farm and the Ahuwhenua Trophy is an important catalyst to foster the concept of increasing the production of high value products from Māori enterprises.

In these challenging times all the entrants in this competition have proudly opened their farming operations up for scrutiny by their peers and the wider agri sector. They are prepared to show that even in hard times how they have succeeded in meeting the aspirational goals of Sir Apirana Ngata and Lord Bledisloe and the alumni of other finalists and winners of this prestigious trophy.

Māori agribusiness continues to go from strength to strength and is now recognised as one of the power houses of the New Zealand economy. Our farming systems are seen as best practice for the whole industry and our love and nurturing of the land, stock and people is being welcomed by international consumers. Our story is one we can feel proud of and rightly celebrate through the Ahuwhenua Trophy process, especially the awards dinner which has received much critical acclaim by media and the wider agri sector. Every year the Ahuwhenua Trophy showcases new and brilliant talent. It's time to celebrate this.

### **Kingi Smiler**

CHAIRMAN OF THE AHUWHENUA TROPHY MANAGEMENT COMMITTEE



# »» History of the Ahuwhenua Trophy



The Ahuwhenua Trophy is the most prestigious award for Māori agriculture. It is now 84 years since the visionary Māori leader Sir Apirana Ngata and the Governor General at the time Lord Bledisloe launched this award. Since the re-launch of the competition fourteen years ago Māori agribusiness is now seen as an integral part of the New Zealand economy.

The Ahuwhenua Trophy competition was introduced to encourage skill and proficiency in Māori farming. Sir Apirana Ngata realised the importance of retaining and improving what remained of Māori land was critical. He led the renaissance of Māori land development which had been decimated during the colonisation of New Zealand by forced sales and lack of opportunity and access to development capital.

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. The Trophy was displayed in the Waiapu Farmers store which two weeks later caught fire and destroyed the cup. 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 and beef farms became increasingly evident and in 1954 the competition was divided into two separate awards, each with their own trophy. Once again, Lord Bledisloe, a man with farming interests 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. It was Gina Rudland and Wayne Walden who along with Meat New Zealand chairman John Acland re-launched the awards in 2003. The new criteria for the awards took into account the changing face of Māori farming and the increasing importance of Māori Incorporations and Trusts in the agribusiness sector.

In 2005, the Ahuwhenua 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 for Māori Development, 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 (PKW) Incorporation's Farm 12 in Taranaki under the chairmanship of Spencer Carr and Secretary Peter Charleton. Previous Chairmen of PKW Edward Tamati and Charles Bailey were dual winners of the Trophy as individual farmers in 1965 and 1971, 1970 and 1976 respectively.

A new award for young Māori farmers was introduced in 2012. The first winner of the Ahuwhenua Young Māori Farmer Award was Tangaroa Walker. The 2015 Sheep and Beef Award was won by Hannah Wallace.

Today the Ahuwhenua Trophy remains the pre-eminent accolade to win in Māori farming and is recognised as the most prestigious and comprehensively judged award in New Zealand. The entrants, finalists and eventual winners all share and live the enduring values, goals and vision of Sir Apirana Ngata and the competitive spirit of Lord Bledisloe.

A special book, 'Ahuwhenua – Celebrating 80 years of Māori Farming' was launched by the then Minister of Māori Affairs, Hon Dr Pita Sharples in 2013. It was written by the eminent historian Dr Danny Keenan and traces the history of the Award and gives a quite brilliant insight into the development of Māori farming over 80 years. This book shows just how much Māori farming has developed over the years and how the Ahuwhenua Trophy has established a strong platform for the future growth.



# »» Looking Back

## THE 2015 SHEEP & BEEF FINALISTS

### MANGAROA STATION – 2015 WINNER

Since winning the 2015 Ahuwhenua Trophy things have not slowed down for Mangaroa Station and our whānau. At our field day it was obvious that we would have to make some strategic moves regarding our cows due to the dry summer and autumn, with very little feed heading into the winter. Luckily we gained feedback at our field day and managed to secure three areas to graze nearly 500 cows. When they were due home we made the decision to sell half our herd because feed was still short but this was made easier by the increased value for beef. It was a good call as the remaining cows came through in good condition and it took the pressure off financially and mentally.

This season has been the most challenging we have faced since farming Mangaroa. El Niño in 2016 didn't front for us, which was great, only a touch of facial eczema. A kind autumn, warm winter, 180% ewe scanning – things couldn't get any better. Well the force of mother nature gave us a reality check in September 2016 with an unusually late dumping of snow of up to half a metre right in the middle of lambing and then 14 days continuous rain straight after. The lambs took a battering and so did our percentage. Fortunately having repaid a lot of debt previously gave us plenty of flexibility when we needed it.

This summer we were dealt another challenge with continuous wind and daily temperatures reaching the mid 30s, by early February we were facing a drought. Luckily for us we deviated off our plan to clear the last third of our farm of scattered scrub and instead in spring 2015 built a water scheme to two thirds of the farm. Tapping two springs at 570m has enabled us to gravity feed 55 troughs, with four holding tanks and a holding capacity of 150,000 litres. This has been money well spent when faced with the summer we have just had.

The Ahuwhenua Trophy judging process really made us think about future plans for our business and our children, and with this in mind in November we decided to add another dimension to our business by purchasing 128 acres on the Gisborne flats. Something quite different to what we have at Mangaroa, the Waituhi property is in squash for part of the year and then in grass in autumn/winter. Hopefully this will complement what we are doing now and won't put any pressure on us during the busiest time of the year at Mangaroa as it will be in crop.



*Mangaroa Station*

When we entered the Ahuwhenua Trophy in 2015 all three kids were at boarding school. Now Ariana is on her second year of study towards a AgriCommerce Degree majoring in Māori Agribusiness at Massey University; Lee finished school at the end of 2016 and is undertaking our own whānau farming Cadetship with stints at his three uncles and aunties farms, while completing Level 3 with Primary ITO helping him to prepare for a career as a Shepherd; and Atawhai, though still at school facing the challenge of his first year of NCEA, managed to achieve his goal of shearing 200 lambs in eight hours in January.

Being a part of Ahuwhenua Trophy has been a wonderful experience for us. Through the benchmarking, and meeting and being able to have discussions with experts in their fields, it has allowed us to move our business to another level.

### PAUA STATION

Paua Station owned by Parengarenga Incorporation is based in the small community of Te Kao just 35km south of the top of New Zealand, Cape Reinga. The setting for the farm is stunning with views out over the Tasman Sea and Pacific Ocean. The station consists of 2,431 effective hectares of easy rolling pasture and runs a herd of more than 2000 Angus cattle and 6,500 sheep including more than 4000 breeding ewes.

Since participating in the Ahuwhenua Trophy competition, Paua Station has merged with its sister station Te Rangi and now stands as one 5900 hectare station – Parengarenga Station.

From being a finalist, the Incorporation has a greater appreciation of having a more defined set of goals commensurate with their vision, and now has the ability to be able to translate these into meaningful 12 month action priorities and 90 day goals and a more meaningful cadence of review.

This has ensured that the whole team, trustees, kaumātua, management, staff and business affiliates (accounting firm, Māori agribusiness, Callaghan Investments) are engaged in this process and that we are able to more clearly define our 5 year goal, 12 month action priorities and the 90 day goals across our various business units.





*Paua Station*

As a result of being part of the Ahuwhenua Trophy process, the Incorporation has found better ways to ensure what they do is against a defined plan. Other benefits to flow from being part of Ahuwhenua has seen us introduce greater transparency of input costs through a tendering process and the same to output opportunities through a tendering process.

Staff are critical to the operation and we now have a greater understanding of their needs, aspirations and personal goals through a recent 360 degree process and ongoing six monthly reviews. Our staff like this.

On the financial side, we have made a change in the financial structure to release debt, while on the farm side we now have a much stronger focus on rotational grazing and monitoring the development of our Effective Farming percentage across the farm. We are currently doing an analysis of sheep verses beef and are obtaining greater input from advisors and mentors.

But above all we at Parengarenga Station are having more fun than ever.

Finally, we continue seeing the benefits of being part of the Ahuwhenua Trophy competition. It has given us new contacts and ideas and helped us make this station a more valuable asset for our whānau.

## **MARANGA STATION**

Since the 2015 Ahuwhenua Trophy sheep and beef competition the team at Maranga have experienced many positive changes. The opportunities that the competition provided us to network, benchmark and gain valuable all-round advice has put us in a far better place than before.

Through Ahuwhenua we personalised our Health and Safety policy and staff have completed a tractor driving course. Through the BNZ Scholarship our daughter completed a Certificate in Apiculture and is now in the process of increasing hive numbers at Maranga.

We have also purchased Cloud Farmer. This allows staff and owners to keep records about day-to-day activity, stock tallies, chemical and animal records and other valuable on-farm information. This has been a great communication tool and made it so easy when we completed our MPI audit earlier this year.

In terms of stock, over the last two years our lambing started to climb again to over 140%. Currently we are suffering very dry conditions with westerly winds, yet we are still able to process lambs at over 19.5kg. This was helped by the planting of a rape crop earlier in the year.

Other crops we planted include 20ha of swedes for young cattle winter grazing, plus another 8ha of rape for winter lambs. By purchasing our employee Rangi a new tractor, hay gear and direct drill, it has enabled him to bale hay and put crops in when required. This year we cut approximately 800 bales of haylage. We sold off 300 to cover overheads and have kept the remaining 500 along with a small profit.

Over the last two years we have developed a small orchard with a variety of fruit trees. This winter we plan to add to the orchard, continue with weed control, fertiliser and the development of water systems and fencing.

One of our biggest accomplishments since Ahuwhenua was taking full advantage of the spike in log prices. We are glad to say this has taken \$500K off our debt and we look forward to 2018 when we log the next block and continue until the remaining 45ha is harvested. Replanting these areas will also commence this winter.

Since our 2016 trip to Europe we have been brainstorming about what we can add or tweak at Maranga. There is still a steady stream of WWOOFers coming through and more and more want a slice of our paradise, so developing something to meet this need is one of our current projects. Ahuwhenua Trophy has taught us that farmers, or more so Māori farmers, don't sell ourselves enough. The average overseas person we spoke with wanted to know about our culture and of course the food, wine and where it comes from.

On behalf of the team at Maranga we would like to thank all the Ahuwhenua Trophy Management Committee our support crew and friends at both Mangaroa and Parengarenga for a lasting experience.



*Maranga Station*



# ***Proudly supporting Māori farming now and for many generations to come.***

***Platinum sponsor of the 2017 Ahuwhenua Trophy  
BNZ Māori Excellence in Farming Award.***



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

*Tēnā ko te toa mahi kai e kore e paheke.*

*The warrior who works hard at growing food will not fail.*

**Find out more**  **0800 955 455**  **[bnz.co.nz/agribusiness](http://bnz.co.nz/agribusiness)**

*2015 finalists, whānau and supporters  
celebrate the Ahuwhenua Trophy  
BNZ Māori Excellence in Farming  
Awards Dinner for Sheep and Beef  
in Whanganui.*



**AHUWHENUA  
TROPHY**



**2017 AWARDS DINNER**  
*Friday 26th May*

*ASB Leisure Centre, Whangarei*

For further details email [ahuwhenuacompetition@tetumupaeroa.co.nz](mailto:ahuwhenuacompetition@tetumupaeroa.co.nz)

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The Ahuwhenua Trophy Management Committee supports SAFER FARMS.





Te Puni Kōkiri  
REALISING MĀORI POTENTIAL

# Māori Succeeding as Māori



Te Puni Kōkiri supports the Ahuwhenua Competition – recognising its contribution for strengthening economic wealth. Māori famers are embracing our history of innovation and modern day best-practices in areas like governance, environmental sustainability, and skill development. Māori agribusiness has now become a powerhouse of the New Zealand economy.

Te Kāwanatanga o Aotearoa

**Growing and protecting through  
supporting excellence in  
Māori farming for our mokopuna**

[www.mpi.govt.nz](http://www.mpi.govt.nz)

Gold sponsor of the 2017 Ahuwhenua Trophy  
BNZ Māori Excellence in Farming Award  
Te Kāwanatanga o Aotearoa

Ministry for Primary Industries  
Manatū Ahu Matua



GROWING AND PROTECTING NEW ZEALAND

# »» Omapere Rangihamama Trust, Omapere Farm

*Lake Road and Te Pua Road, Kaikohe, Northland*

Field Day: Thursday 20th April 2017



# »» Omapere Rangihamama Trust, Omapere Farm

## FIELD DAY PROGRAMME

|       |                                                                      |
|-------|----------------------------------------------------------------------|
| 9.00  | Pōwhiri at Kohewhata Marae, 6869 Mangakahia Road, Kaikohe, Northland |
| 9.35  | Introduce the programme                                              |
| 9.45  | Morning tea                                                          |
| 10.05 | Farm tour for those who have suitable vehicles – buses               |
| 10.35 | Farm Stop 1: Blue Yards – Land and Pastures                          |
| 11.20 | Farm Stop 2: Papakauri – Animals and People                          |
| 12.45 | Hākari (lunch) at Kohewhata Marae                                    |
| 1.30  | Presentation: Governance and Business                                |
| 2.30  | Background to the competition                                        |
| 2.50  | Judges' comments and prize giving                                    |
| 3.30  | 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, 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.





# Omapere Rangihamama Trust, Omapere Farm

## WHAT IMPRESSED THE JUDGES

### GOVERNANCE AND STRATEGY

- Each of the Trustees and management personnel know their own roles in executing both the overall Trust strategy and that of the sheep and beef unit. They are not afraid to seek outside expertise and assistance where required.
- The reporting and communicating of information is very good from bottom up and top down through operations, management and governance levels.
- Clear strategy for direction of sheep and beef enterprise through a re-balancing of ratio's and shifting from a breeding to a trading focus.

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

- Strong connection to Putahi maunga which is held in high regard.
- The Papakainga housing project involving the creation of fifteen homes on the Trusts whenua for the benefit of shareholders and beneficiaries.
- An annual contribution towards educational scholarships of \$50,000.

### FINANCIAL AND BENCHMARKING

- Successful implementation of a strategic decision to reduce the proportion of sheep leading to a \$349/ha economic farm surplus (EFS) against a three year average EFS of \$257/ha.
- The sheep and beef unit has relatively low debt with a debt servicing % of Gross Farm Revenue at 3%. Whilst there is not an aversion to debt, the strategy is to repay any borrowing as soon as possible.
- Improved profitability has been achieved by both increasing Gross Farm Revenue and keeping Farm Working Expenses in check over the past three years.
- Regular farm management and variance-to-budget reporting carried out.

### FEED PRODUCTION

- The use of soil maps for targeted improvement in feed production through animal management to avoid pugging in the wetter months. Additionally, has provided an ability to tailor a fertiliser programme accordingly.
- Adaption of phosphate fertiliser programme to cater for soil type.
- No supplements are fed therefore good planning is required for managing grazing plan and pasture covers in tandem with livestock sales and purchases.
- Good strategic use of nitrogen through the May to September period.

### ANIMAL PERFORMANCE

- A deliberate strategy regarding bull policy which aims to take advantage of climatic conditions and finish a high number of livestock through the winter and spring months.
- The policy is flexible as it allows for sale of bulls at lower weights, whilst targeting high growth rates.
- Farmax shows production (kg carcass/ha) has increased by 24% over past four years to 234 kg carcass/ha.

### ENVIRONMENTAL / SUSTAINABILITY

- Use of soil maps to identify soil types that require specific management. During wetter months, lighter stock classes grazed on podzolized soils with heavier livestock on free draining volcanic soils. RPR phosphate incorporated into fertiliser programme to minimize phosphate losses.
- Lake Omapere riparian area fully fenced eight years ago.
- A waterways fencing programme has commenced with assistance from Northland Regional Council, with significant amount completed.
- Proactive on establishment and use of shade trees for livestock.



# »» Omapere Rangihamama Trust, Omapere Farm

## DIRECTORY

**Tribal affiliation:** Ngāpuhi

**Number of owners:** 3,532

### BOARD OF TRUSTEES

Raniera (Sonny) Tau, *Chairman*

Taoko Wihongi

Dr Te Tuhi Robust

Colleen Bermingham-Brown

Rachel Witana

Bruce Cutforth, *Independent Trustee*

### FARM COMMITTEE

Chris Boom, *Independent Consultant*

Colin Rakena, *Shareholder*

Lloyd Brennan, *Farm Manager*

Bruce Cutforth, *Independent Trustee*

John Parmenter, *Accountant*

### FARM STAFF

Lloyd Brennan, *Farm Manager*

Brookes Cooper, *Head Shepherd*

Paul Albert, *General Hand*

## FARM DESCRIPTION

The Trust has a total land area of 1,997ha. Within this area 1,253ha is devoted to the Omapere Farm sheep and beef operation, of which 902ha is effective. The Omapere Farm is located in central Northland between the Kaikohe and Okaihau townships, bordering Lake Omapere and Putahi maunga.

This farm is on flat to rolling country, with very good road access through the middle of the property. Soil types consist of mainly heavy clays with some areas of free draining volcanic soil types.

Omapere Farm winters approximately 1,200 bulls, 80 beef cows and 1,600 ewes. Friesian bull calves are purchased at 3-8 months of age and processed at 21-27 months of age (May – December). Omapere has three full time staff and a trainee shepherd (casual).





## Omapere Rangihamama Trust, Omapere Farm

### HISTORY OF THE FARM

The farm run by the Omapere Rangihamama Trust (ORT) is situated just 2km northwest of the Far North township of Kaikohe and is regarded by its shareholders as a taonga tukuiho, gifted to them over time by their ancestors.

Up until the 1950s the Omapere land had separate titles occupied by individual/whānau owners who used the land for food gardens and small dairy units. The size of individual lots became uneconomic with some lots starting to show signs of neglect. Under the Māori Affairs Act 1953 these separate titles were amalgamated under one title known as Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust. During this process the Crown (through the Māori Trustee) acquired a substantial holding in the Omapere block due to the conversion and live purchasing of shares. After the amalgamation, it was run as a sheep and beef unit under the management of the Department of Māori Affairs.

Under new leadership, from 2007 there has been a determined effort by Trustees and shareholders to purchase the Māori Trustee shares back. ORT now owns 54.86% of the shares and there is an ongoing strategy to continue purchasing shares until it is fully owned by them.

In the past the farm ran a combination of sheep and beef. The planned move away from sheep to beef has largely been driven by better returns for bull beef and poorer returns for wool, sheep and lamb.

The farm is mainly undulating country with some flats making it ideal as a finishing farm. The bulls are bought in as rising one year olds and then sold on as two year olds. The stock are only grass fed. A manager and three staff run the farm and they report to a farm committee comprising of a consultant, a shareholder, the Trust's accountant and a Trustee chosen for their specialist farm knowledge, skills and attributes.

A unique feature of the Omapere Farm is that the farm borders the only Māori owned lake in Aotearoa – Lake Omapere. This is considered a sacred site and a taonga tūpuna in its own right. On the property is also Putahi maunga, one of the pou of the house of Ngāpuhi. This maunga also holds the oldest Ngāpuhi burial caves where only Ngāpuhi chiefs are interred. Their protection is absolutely paramount and the Trust is one of those responsible for this duty of care. The Trust has identified other sacred burial sites, wāhi tapu and sites of significance on the property. ORT has ensured that these areas have all been fenced off and in some cases vested as Ngā Whenua Rāhui.

Care of the environment is a major foundation for the ORT strategy and the Trust takes this and the reduction of our environmental footprint very seriously. ORT prides itself on being ahead of legislative requirements in this kaupapa. As an example, the fencing of a significant buffer zone bordering Lake Omapere was commenced in 2001, long before legislation requirements were enacted. The fencing of Putahi maunga, has been in place for many years.

ORT also maintains strong links with their shareholders by holding six monthly special meetings and a full AGM in October at which Governance reports on the quadruple bottom line of environmental, social, cultural and economic outcomes achieved and not achieved over any given reporting period. Approval is also sought for any major changes to farm policy.

ORT is a great model of whānau working collaboratively to gain the maximum return from their land but at the same time placing equal emphasis on preserving this taonga for future generations.



# »» Omapere Rangihamama Trust, Omapere Farm

## GOVERNANCE AND STRATEGY

### VISION

***Kia huri te whenua hei oranga mō te iwi – The land will sustain its people***

### STRATEGIC PLAN

The Trustees are tasked to 'manage the land and its resources to their fullest economic potential to advance positive social change for whānau'. This is underpinned by the intrinsic values of honesty; integrity; respect; unity; commitment; and kaitiakitanga following tikanga Māori.

The strategic plan covers a five-year period identifying both short and long term priorities. A recent update was facilitated by an independent consultant and ORT are in the first year of a new five-year cycle. The board then presented the plan to shareholders and beneficiaries to gain their confirmation of the strategies at the AGM in October 2016.

The following table summarises the areas covered in the Strategic Plan.

| Strategies                                                                                                                                                                                                                                                                              | Industry                                                                                                                                                                                             | Environmental                                                                                                                    | Social                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• 100% ownership of shares in the whenua</li><li>• Financial stability and viability</li><li>• Economic growth</li><li>• Benefits to our Trust community</li><li>• Natural resource management</li><li>• Sites of cultural significance</li></ul> | <ul style="list-style-type: none"><li>• Sheep and beef</li><li>• Forestry</li><li>• Housing</li><li>• Dairy</li><li>• Apiary</li><li>• Quarry</li><li>• Land Use, Research and Development</li></ul> | <ul style="list-style-type: none"><li>• Ngā Whenua Rāhui</li><li>• Water habitat protection</li><li>• Carbon emissions</li></ul> | <ul style="list-style-type: none"><li>• Scholarships</li><li>• Voucher distribution to shareholders and beneficiaries</li></ul> |

The work plans for each area are allocated to Trustees who have primary responsibility for each business enterprise and/or strategy, to oversee and provide progress reports to board meetings.

The Strategic Plan includes timeframes, key objectives and expected outcomes. The Board seeks professional independent advice to inform and assist with implementing strategies. Recent examples include:

- a) Land and Environment Plan on each of the Trust's two land blocks which included:
  - the identification of all soil types and land resources
  - threats relating to soil health, water quality and biodiversity
  - recommending an action plan to achieve long term sustainability of the farms waterways.
- b) Carbon Emissions Future Management Plan for 2016 – 2044. This report summarised the Trust (and farm) current carbon footprint, future issues and risks and identified possible management strategies.

### GOVERNANCE

The Board follows an inclusive approach with shareholders by bringing major issues or strategies to shareholder twice yearly meetings. The Board presents the information and options they have considered and seeks a mandate from shareholders on their recommendations.

Changes are made to those recommendations where there is a clear directive from shareholders. Examples of this process are the dairy conversion in 2013 and the fifteen house papakainga project, both of which were extensively reported over a number of years and several meetings to ensure the shareholders were fully informed and supportive.

The Board seeks out shareholders, with skill sets and experience identified by the Board as necessary for the governance of the Trust and oversight of its varied businesses. This also extends to independent trustees being invited to fill particular needs. Final decisions are left to the shareholders on who is appointed to the Board.





## Omapere Rangihamama Trust, Omapere Farm

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

#### GOALS

Affiliated hapū to the Trust are: Ngāi Tawake, Te Uri o Hua, Takotoke, Ngāti Kura, Ngāti Korohue, Ngāti Rangi, Ngāti Whakaeke, Ngāti Ueoneone, Ngāti Tautahi, Te Popoto, Ngāti Hinemutu and Te Uri Taniwha.

The affiliated marae are, Kohewhata, Parihaka, Puhimoanaariki, Te Iringa, Te Kotahitanga, Parawhenua, Rawhitiroa and Okorihi. As noted in the section on Trust history, the Māori Trustee held a majority of the shares in the Trust's land. In accordance with a clear mandate from the shareholders, the Trustees negotiated an agreement with the Māori Trustee to buy back those shares. The Trust now holds 54.86% of the shares. The plan is to have 100% ownership by 2025. Each time the shares are bought back and cancelled, the value of the remaining shares held by whānau shareholders increases pro rata.

The Trust operates with a commitment to being intrinsically conscious of the impact of how our tikanga and business decisions provide comfort for our shareholders. An example of this was the decision made in the early 2000's to fence off the frontage to Lake Omapere to protect the habitat of the taniwha Takauere. This in our view provides a cultural balance to progressing the work of the trust and its farming operation.

The Trust distributes \$50,000 worth of educational scholarships each year to shareholders and beneficiaries. The Trust also provides grocery vouchers to the value of \$60 for shareholders and \$30 for beneficiaries who attend each of the twice-yearly shareholder meetings. This combined with the pro rata increase in individual shares, through the buyback of the shares held by the Māori Trustee is a significant return to our shareholders.

Currently there is discussion on how best the Trust can achieve the widest outcome for distribution of funding to shareholders and beneficiaries alike. The Trust is considering the idea of marae or hapū distribution.

The Trust Chair is also the Chairman of the Ngāpuhi iwi authority and has very much to do with all Takiwā and hapū of Ngāpuhi, especially those affiliated to this Trust. All of the other Māori Trustees/shareholders on the Board are leaders within their respective, whānau, hapū, iwi and marae. This is an added bonus when contemplating who to consult in the first instance when a change of direction is required. The collective exposure to iwi, hapū and whānau is recognised as an area of strength for the board in undertaking its governance responsibilities.

#### STRATEGIES

- An agreed value and repayment plan to buy back the shares held by the Māori Trustee was reached in 2012. The repayments are prioritised as part of the annual budget in order to honour that agreement.
- Knowledge and practice of tikanga is valued by the Trust and enforced by the Kaumātua Trustee appointed to the Board of Trustees and is an expectation of the shareholders at all times.
- Maximising of returns from the Trust's various businesses thereby providing the financial resources for social initiatives to support shareholders, beneficiaries and their community.



# »» Omapere Rangihamama Trust, Omapere Farm

## FARM DATA AND FINANCIAL DATA

### FARM DESCRIPTION

|                                                  |                                                                                                                                                                          |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Total area ha</b>                             | Trust land area 1997 – 1,253ha of which 351ha is native bush cover and ineffective area                                                                                  |
| <b>Effective grazing ha</b>                      | 902                                                                                                                                                                      |
| <b>Subdivision</b>                               | Total of 221 paddocks and cells. Older 8 wire batten fences gradually being replaced and further subdivided by electrics. Additional sticks and strings put up in winter |
| <b>Water supply</b>                              | Troughs on 80% of farm, other areas relying on dams                                                                                                                      |
| <b>Contour</b>                                   | Flat to rolling                                                                                                                                                          |
| <b>Pasture</b>                                   | Ryegrass based with areas of kikuyu                                                                                                                                      |
| <b>Fertiliser applied for year kg/ha</b>         | 2015/16 season – 450kg RPR and S/ha on 450ha; 2 T/ha lime on 110ha; 1 T/ha lime on 508ha                                                                                 |
| <b>Seasons rainfall mm</b>                       | 2015/16 season: 1,349mm                                                                                                                                                  |
| <b>NIWA 10 yr rainfall mm (nearest location)</b> | 1,532mm                                                                                                                                                                  |
| <b>Olsen P</b>                                   | Average 17.5; Range 7-25, over 12 soil test sites                                                                                                                        |
| <b>Soil pH</b>                                   | Average 5.8; Range 5.5-6.2                                                                                                                                               |

### LIVESTOCK SUMMARY

| Stock Numbers 1st July       | 2013-14      | 2014-15      | 2015-16      |
|------------------------------|--------------|--------------|--------------|
| <b>SHEEP</b>                 |              |              |              |
| MA Ewes                      | 1,433        | 1,451        | 1,164        |
| 2 Tooth Ewes                 | 456          | 486          | 446          |
| Ewe Hgts                     | 535          | 388          | 132          |
| In Lamb Hgts                 | -            | 150          | 368          |
| Ram Hgts/Trade lbs           | 764          | -            | -            |
| Rams                         | 36           | 32           | 32           |
| Other Sheep                  | -            | -            | 30           |
| <b>Total</b>                 | <b>3,224</b> | <b>2,507</b> | <b>2,172</b> |
| <b>Total Sheep SU (SSU)</b>  | <b>2,881</b> | <b>2,423</b> | <b>2,133</b> |
| <b>CATTLE</b>                |              |              |              |
| MA Cows                      | 115          | 80           | 85           |
| IC R2 Hfrs                   | 25           | 23           | 25           |
| Dry R2 Hfrs                  | 21           | 22           | 9            |
| R1 Hfrs                      | 55           | 69           | 45           |
| R1 Bulls                     | 298          | 433          | 495          |
| R2 Bulls                     | 353          | 263          | 446          |
| MA Bulls                     | -            | -            | -            |
| R1 Steers                    | 61           | 4            | 4            |
| R2 Steers                    | 38           | 1            | 2            |
| MA Steers                    | -            | -            | -            |
| Breeding Bulls               | 7            | 3            | 7            |
| <b>Total</b>                 | <b>973</b>   | <b>898</b>   | <b>1,118</b> |
| <b>Total Cattle SU (CSU)</b> | <b>4,918</b> | <b>4,438</b> | <b>5,634</b> |
| Dairy Hfrs SU                | -            | -            | -            |
| Deer SU                      | -            | -            | -            |
| <b>Total SU</b>              | <b>7,799</b> | <b>6,861</b> | <b>7,767</b> |
| <b>Stocking Rate/ha</b>      | <b>9.9</b>   | <b>7.8</b>   | <b>8.6</b>   |
| <b>Sheep/Cattle Ratio %</b>  | <b>37%</b>   | <b>35%</b>   | <b>27%</b>   |



# »» Omapere Rangihamama Trust, Omapere Farm

## FINANCIAL AND PHYSICAL KPI'S

|                                | 2013-14  | 2014-15   | 2015-16   |
|--------------------------------|----------|-----------|-----------|
| <b>PHYSICAL SUMMARY</b>        |          |           |           |
| Effective Area (ha)            | 786      | 883       | 902       |
| Total SU                       | 7,799    | 6,861     | 7,767     |
| SU/ha                          | 9.9      | 7.8       | 8.6       |
| Sheep/Cattle Ratio %           | 37%      | 35%       | 27%       |
| Labour Units                   | 3.30     | 3.30      | 3.30      |
| Total SU's/Lbr Unit            | 2,400    | 2,111     | 2,390     |
| Scanning % MA Ewes (Ex Trips)  | 155%     | 174%      | 175%      |
| Scanning % 2th Ewes (Ex Trips) | 145%     | 161%      | 169%      |
| Lambing %                      | 122%     | 132%      | 144%      |
| Calving % <sup>1</sup>         | 87%      | 85%       | 85%       |
| Sheep D&M %                    | 11.4%    | 7.3%      | 3.5%      |
| Cattle D&M %                   | 4.3%     | 1.3%      | 2.1%      |
| Wool kg/SSU                    | 4.77     | 5.48      | 4.74      |
| Wool \$/kg Greasy              | \$3.66   | \$3.83    | \$4.00    |
| <b>FINANCIAL SUMMARY</b>       |          |           |           |
| GFR/ha                         | \$801    | \$934     | \$1,037   |
| FWE/ha                         | \$504    | \$526     | \$554     |
| FWE as a % of GFR              | 63%      | 56%       | 53%       |
| EFS/ha                         | \$145    | \$278     | \$349     |
| <b>SUNDRY</b>                  |          |           |           |
| Debt Servicing % GFR           | 2%       | 4%        | 3%        |
| Farm Profit Before Tax         | \$83,600 | \$192,164 | \$258,555 |
| Return on Capital              | 2.3%     | 4.7%      | 5.5%      |

FWE = Farm Working Expenses – Adjusted for Fertiliser & R&M

GFR = Gross Farm Revenue

EFS = Economic Farm Surplus – Adjusted for Fertiliser & R&M

NG = Not Given

<sup>1</sup> B+LNZ Calculation of Calving %: The number of calves marked as a percentage of cows mated (Includes dry cows and is adjusted for the sale or purchase of in-calf cows)

## BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA 2015-16 BENCHMARKING PERFORMANCE

| 2015-16 SURVEY (PROVISIONAL) CLASS 4 N.I. HILL COUNTRY NORTHLAND-WAIKATO-BOP<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |       |       |         |            |
|-------------------------------------------------------------------------------------------------------------------------------|-------|-------|---------|------------|
| Class 4                                                                                                                       | Unit  | Mean  | Omapere | Variance % |
| Effective Area                                                                                                                | ha    | 334   | 902     | 170%       |
| Stocking Rate                                                                                                                 | SU/ha | 9.6   | 8.6     | -10%       |
| Lambing                                                                                                                       | %     | 126%  | 144%    |            |
| Gross Farm Revenue                                                                                                            | \$/ha | 1,069 | 1,037   | -3%        |
| Total Expenditure                                                                                                             | \$/ha | 804   | 750     | -7%        |
| EBITR                                                                                                                         | \$/ha | 407   | 407     | 0%         |

2015-16 B+LNZ Farm Survey Data is provisional and farm comparisons should be regarded as only approximate

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

See also the footnotes below the 2015-16 Benchmarking Performance table on the next page.



# »» Omapere Rangihamama Trust, Omapere Farm

BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA  
2014-15 BENCHMARKING PERFORMANCE

| BASED ON 2014-15 SURVEY, CLASS 4 N.I. HILL COUNTRY NORTHLAND-WAIKATO-BOP<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |              |              |              |            |                    |         |
|---------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|------------|--------------------|---------|
| Class 4                                                                                                                   | Unit         | Top 20%      | Mean         | Omapere    | Variance %<br>Mean | Top 20% |
| Effective Area                                                                                                            | ha           | 341          | 334          | 883        | 164%               | 159%    |
| Total Labour Units                                                                                                        | No.          | 1.69         | 1.47         | 3.3        |                    |         |
| Open Total                                                                                                                | SU           | 3,488        | 3,116        | 6,861      |                    |         |
| Stocking Rate                                                                                                             | SU/ha        | 10.2         | 9.3          | 7.8        | -16%               | -24%    |
| Sheep:Cattle SU Ratio                                                                                                     | %            | 24%          | 42%          | 35%        |                    |         |
| Lambing                                                                                                                   | %            | 141%         | 125%         | 132%       |                    |         |
| Calving <sup>1</sup>                                                                                                      | %            | 85%          | 79%          | 85%        |                    |         |
| Sheep Loss                                                                                                                | %            | 5%           | 5%           | 7%         |                    |         |
| Cattle Loss                                                                                                               | %            | 2%           | 2%           | 1%         |                    |         |
| Wool Shorn                                                                                                                | kg/SSU       | 6.2          | 5.2          | 5.48       |                    |         |
| Wool net before freight                                                                                                   | ¢/kg         | 364          | 371          | 383        |                    |         |
| <b>Gross Farm Revenue</b>                                                                                                 | <b>\$/ha</b> | <b>1,666</b> | <b>1,073</b> | <b>934</b> | -13%               | -44%    |
| Gross Farm Revenue                                                                                                        | \$/SU        | 163          | 115          | 120        | 5%                 | -26%    |
| Wool Revenue                                                                                                              | \$/SSU       | 23           | 20           | 21         |                    |         |
| Sheep Revenue                                                                                                             | \$/SSU       | 130          | 86           | 76         |                    |         |
| Sheep+Wool Revenue                                                                                                        | \$/SSU       | 153          | 106          | 97         | -8%                | -36%    |
| Cattle Revenue                                                                                                            | \$/CSU       | 147          | 110          | 117        | 6%                 | -21%    |
| Dairy Grz Revenue                                                                                                         | \$/DzSU      | 154          | 110          | -          |                    |         |
| Deer+Velvet Revenue                                                                                                       | \$/DSU       | 29           | 82           | -          |                    |         |
| <b>Total Expenditure</b>                                                                                                  | <b>\$/ha</b> | <b>1,009</b> | <b>805</b>   | <b>717</b> | -11%               | -29%    |
| Total Expenditure                                                                                                         | \$/SU        | 99           | 86           | 92         |                    |         |
| Wages and Salaries                                                                                                        | \$/ha        | 102          | 70           | 130        |                    |         |
| Animal Health                                                                                                             | \$/ha        | 50           | 48           | 32         | -33%               | -36%    |
| Shearing                                                                                                                  | \$/ha        | 28           | 33           | 21         |                    |         |
| Fertiliser                                                                                                                | \$/ha        | 177          | 133          | 132        | -1%                | -25%    |
| Vehicles & Fuel                                                                                                           | \$/ha        | 67           | 54           | 32         | -41%               | -52%    |
| R & M                                                                                                                     | \$/ha        | 87           | 76           | 40         | -48%               | -54%    |
| Administration                                                                                                            | \$/ha        | 43           | 31           | 48         |                    |         |
| Interest                                                                                                                  | \$/ha        | 147          | 123          | 37         | -70%               | -75%    |
| Farm Profit Before Tax                                                                                                    | \$/ha        | 657          | 268          | 218        |                    |         |
| <b>EBITR</b>                                                                                                              | <b>\$/ha</b> | <b>838</b>   | <b>418</b>   | <b>339</b> | -19%               | -60%    |

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

<sup>1</sup> B+LNZ Calculation of Calving %; the number of calves marked as a percentage of cows mated (includes dry cows and is adjusted for the sale or purchase of in-calf cows)





# Omapere Rangihamama Trust, Omapere Farm

## BUSINESS MANAGEMENT

### GOALS

To grow the operating cash surpluses and the number/value of livestock so that ultimately Omapere Farm will be amongst the top performing dry stock businesses in Northland, producing both sustainable and large cash surpluses to support the Trust in providing for its shareholders and beneficiaries into the future.

#### Key performance indicators

- Maximising operating cash surpluses for the stage of development the farm is at.
- Maintaining and where possible lifting farm operating profit/ha.
- Cents/kg DM gross margin from pasture.
- Carcass and wool production/ha.
- Kg live weight of livestock wintered/ha.
- Benchmarking against other farms.

#### Investment criteria for new investments

- Development must contribute to growth of stock numbers and ultimately sustainable cash surpluses.
- Any debt associated with the growth must pay for itself in as short a timeframe as possible to minimise risk to the business and provide additional cash surplus for further development and for use by the Trust.
- Development must be economically and environmentally sustainable.

### STRATEGIES

- Improving infrastructure to run efficient bull production systems. This includes fencing, water reticulation and upgrading cattle yards.
- Improving the poorer performing areas to increase production. Weed control, fencing, water and increased soil fertility are required.
- Manage newly developed areas so they do not revert to a poor state – protect before taking on more! Requires on-going weed control and soil fertility improvement.
- Maximise growth and utilisation of pasture.

#### Key strategies currently being implemented

- Stock policy is moving to mostly bulls with sheep numbers being reduced. Beef breeding numbers are likely to stay constant. This change is in response to better returns from bulls and fading sheep infrastructure.
- Infrastructure development is focused on providing improvements for increasing bull numbers.
- Development of poor producing land as capital allows, to improve production/ha and farm surpluses.

#### Developing and implementing the budget

- The draft annual budget is prepared by the Farm Manager and Consultant in line with the farming approach agreed by the Farm Committee to meet the growth and development strategies.
- The draft budget is reviewed and amended by the Farm Committee before submission to the Board of Trustees along with the budgets for the Trust's other business enterprises.
- Any amendments required to balance the Trust's overall need for cash surpluses and the farm's need for development capital are considered and incorporated into the final budget.
- After Board approval, variances against budget are monitored quarterly by the Farm Committee.
- Based on actual performance and expected changes to come, alterations to the farming approach are made if appropriate to try to meet or exceed budget.
- Actual versus budget variances, at a summarised level, are also reported to the Board every six weeks.



## »» Omapere Rangihamama Trust, Omapere Farm

### FEED PRODUCTION

#### FEED MANAGEMENT

The farm maintains an all grass wintering system (no supplements fed). Nitrogen is strategically used to manage pasture cover. Improved pastures generally receive two nitrogen applications – late autumn and late winter.

Temporary electric strings are used during winter and spring to manage cattle with daily or two daily breaks. This helps to extend the rotation length, maximise pasture growth and minimise pugging damage to grazed areas. Cattle are mainly on 3-4 day shifts during the summer and autumn seasons.

Sheep are grazed on rotation and set stocked during lambing. They are generally grazed on areas where infrastructure has not yet been established for the planned efficient cattle systems. After weaning, lambs are generally grazed on bull finishing areas until processing.

Cows are generally grazed on the undeveloped areas where pasture quality is poor.

#### SOIL MANAGEMENT AND FERTILITY

Soil tests and fertiliser applications are undertaken annually. In recent years, RPR and Sulphur mixes have been used for the slow release of Phosphate, aiming to reduce losses from runoff of phosphate on low anion storage capacity soils. Some targeted capital fertiliser applications to lift Olsen P as part of development programme. Lime targets lower pH areas to lift pH to a good level >6.0.

Heavier bulls are wintered on the free draining volcanic soils to minimise pugging damage on the more sensitive heavy clays. Lighter bulls and sheep are wintered on the heavy clay soils.





## Omapere Rangihamama Trust, Omapere Farm

### ANIMAL PRODUCTION

#### SHEEP AND WOOL PRODUCTION

In recent years, the Romney ewes have been put to terminal rams and no ewe lambs have been retained. This is currently a sinking lid on ewe numbers with the plan for the ewe flock to be minimal within three years, a result of poor sheep returns compared to bulls and fading sheep infrastructure.

All lambs have been finished on the farm in recent years, with all lambs finished by February this season. The objective is to have 50% of lambs prime pre-Christmas and the balance by end of February.

Ewes are shorn twice a year with wool sold in the shed.

#### CATTLE PRODUCTION

Friesian bull calves are purchased between November and May (3-8 months of age) and then sold prime at >600kg live weight between May and December (21-27 months of age). With limited volcanic soils, capable of handling heavy cattle during winter, bulls are targeted with a relatively high growth path to ensure some bulls are processed prior to late winter/early spring. Bull carcass weights averaged 315kg over the last two seasons.

Angus cows have been mated with Murray Grey bulls during recent years. Bull calves are kept entire and go into the bull finishing system. Heifers are processed at around 18 months (400kg+). The herd has reduced in size over recent years, however this is under review. Numbers may be increased as ewe numbers decrease.

#### FLOCK AND HERD FERTILITY

Ewes are terminal sired with no replacements kept. Ewes scanning has averaged 167% over the last four seasons and lambs weaned 130%.

Breeding cows and ewes are farmed on the poorer country. The main focus of the farm is increasingly on bull finishing. Although the breeding groups are a minor part of the farming system, in-calf and lambing rates achieved are above Northland averages.

#### ANIMAL HEALTH

Sheep are drenched and dipped as needed. Ewes are capsuled before lambing.

Cover comb used for the winter shear. Lighter, poorer sheep are either sold or drenched, to reduce losses.

Bull calves to one year are drenched at 4-5 week intervals with an oral combination drench. R2 bulls drenched up to two times with pour on (for safety reasons).



# »» Omapere Rangihamama Trust, Omapere Farm

## HUMAN RESOURCES

### GOALS

The farm objective for staff is to provide a healthy, safe and satisfying working and living environment where staff can develop, excel and be recognised and rewarded for their achievements.

Success in this area is measured by the job commitment and satisfaction by those working on the farm. This reflects in recognition of the profitability, production, efficiency of the farm system and continual gains being made by all those involved in the farm.

Encouraging shareholders and beneficiaries to register an interest in working for the organisation and ultimately being part of the management of the trust going forward.

### STRATEGIES

- The Trust has a policy of recruiting the best available person for the job. Any position is advertised widely as well as considering shareholders who have previously registered their interest with the Trust for employment.
- Rural recruitment specialists are used in the interview and selection process. Formal staff induction and information processes are followed.
- Annual performance reviews are conducted, with feedback and issues discussed on a one on one basis.
- New trainees are expected to enrol in relevant ITO courses and are mentored / trained on farm.
- Staff are all required to have and maintain appropriate Growsafe certification.
- No positions have had to be advertised in the last three years. Staffing retention has been stable.

### RURAL PROFESSIONALS

The Trust has built a team of rural professionals based upon three key attributes – knowledge, team-work and clear communication. Selection of the current team has been done through a combination of personal recommendations and proven track records.

The Trust's current bankers, Bank of New Zealand were selected after holding an innovative Banker's Field Day to showcase the Trust's businesses and seek a banking partner committed to supporting the Trust's business growth in all areas.

The ongoing performance of the Trust's advisors is considered in the context of the trends in the farm's results and whether their teamwork and communication continues to meet the Board of Trustees expectations.





# Omapere Rangihamama Trust, Omapere Farm

## ENVIRONMENTAL / SUSTAINABILITY

### GOALS

The key goal from the Trust's Strategic Plan is to ensure that the Trust's environmental footprint is not compromised. We aim through such underpinning values as respect, commitment, kaitiakitanga, integrity and tikanga Māori to ensure we deliver our land to future generations with its mana intact.

The Trust overall to have net negative carbon emissions.

### Key performance indicators

- The health and well-being of Lake Omapere.
- The health and well-being of all waterways within the farm.
- The health, protection and enhancement of natural and farm habitats.
- The Trust's 'Carbon Balance Sheet' is negative.

### PRACTICES

- Fencing of waterways to exclude all cattle and sheep.
- Planting of trees in fenced off riparian strips for nutrient filtering and to provide stock shade and shelter.
- Expand water system to enable easy access for stock to trough water.
- Sound management of livestock to minimise impacts on the soil. The main focus of this is on minimisation of pugging damage to avoid movement of sediment into water bodies.
- Consider the impact of any significant changes to the business upon the Trust's carbon profile.

### Key strategies currently being implemented

- Use the recently completed Land and Environmental Plan, which includes soil types, land use capability, recommended waterway fencing and protection, maps and land management assessments to enhance development and land management practices.
- To have all waterways and intermittent waterways fenced off from stock access by 2020. The Lake Omapere boundary was permanently fenced off from stock access in 2006/7 including riparian planting that averages 50-70m and in some places up to 200m in width.
- To plant trees, both exotic and native, in fenced off areas for stock shade.
- Annual soil tests to inform/monitor an appropriate fertiliser regime. Sustainable use of nitrogen. Use of RPR fertiliser or other slow release forms of Phosphate to minimise runoff into waterways.
- Rubbish skip for all farm and household rubbish. If not recycled, rubbish is put into the skip for off farm disposal by contractors at a permitted landfill.
- The retention of all carbon credits (allocated under the Emissions Trading Scheme for the Trust's pine forest) to offset the carbon emissions from its dry stock and dairy farms.
- Recently completed report by an industry expert, of the Trust's current carbon footprint and expected changes following the harvest and replant of the pine forest.



# »» Omapere Rangihamama Trust, Omapere Farm

## ENTREPRENEURSHIP AND INNOVATION

- Farmax software is utilised for planning, monitoring, reporting and benchmarking. 'What if' modelling of stocking policies evaluates strategic and within season options.
- One outcome of the land and environment plan has been to identify the best use of land, e.g., identifying marginal/uneconomic dry stock areas bordering the existing pine forest and adding them to the area replanted following the recent harvest.
- Recognising the added benefit of break feeding bull mobs, during winter and spring to maximise pasture utilisation and conversion of pasture to meat. This has been enhanced by fencing waterways.
- The old adage of 'do it once, do it right' is always applicable, e.g., a new pumping system has been installed into one of the bull finishing areas to increase water capacity, as part of the staged infrastructure development to meet the expansion into bulls.
- Investment into new cattle yards in the heavy bull area to improve stock handling efficiency and safety.
- Use of side-by-side vehicles for staff safety, transporting passengers and gear.
- Using preferred supplier status to have same morning kill for bulls sent to the works to maximise yield.

## FARM INFRASTRUCTURE

The farm has good internal access with lanes and/or public roads to all areas.

The three staff houses and general farm buildings are of a satisfactory standard. There are two woolsheds and sheep yards; one main set of cattle yards with two satellite sets.

Permanent fences are a combination of seven wire/batten and electric. As the sheep fencing reaches the end of its useful life it is being converted to two wire electric for cattle systems.

Stock have access to water troughs over 80% of the farm, with dams in other areas. A second pumping station has recently been installed along with tanks, increasing capacity to meet the demand from more bulls.

Of the farm's 902ha effective, approximately 200ha of it is challenged by low soil fertility, poor pasture species and weeds, predominantly gorse and rushes. These areas are being improved by subdivision, water, weed clearance, capital fertiliser/lime and finally permanent pasture. These developments are being done 'in house', as annual cash flow allows.

The farm's goal is that once improved, land that has been 'brought back' is not allowed to revert. Gorse and rushes, are always a threat; constant maintenance and monitoring is needed to keep them under control.



## »» Omapere Rangihamama Trust, Omapere Farm

### FARM MAP



# “By supporting excellence in agribusiness, we help Māori realise their land’s potential.”

Jamie Tuuta - Māori Trustee

Mobilising Māori land & assets to create this generation's legacy



Ōku iwi he mana ohooho  
Ōku whenua he mana takatu  
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Helping grow the country

# »» RA & JG King Partnership, Puketawa Station

*185 Puketawa Road, Tiraumea, Eketahuna*

Field Day: Thursday 27th April 2017



## »» RA & JG King Partnership, Puketawa Station

### FIELD DAY PROGRAMME

|       |                                                                          |
|-------|--------------------------------------------------------------------------|
| 9.00  | Pōwhiri at Puketawa Station, 185 Puketawa Road, Tiraumea, Eketahuna      |
| 9.30  | Introduce the programme                                                  |
| 9.40  | Morning tea                                                              |
| 10.05 | Farm tour for those who have suitable vehicles – quads and side-by-sides |
| 10.35 | Farm Stop 1: Top Yards – Land and Pastures                               |
| 11.45 | Farm Stop 2: Middle Yards – Animals and People                           |
| 12.45 | Hākari (lunch) at Puketawa Station                                       |
| 1.30  | Presentation: Governance and Business                                    |
| 2.30  | Background to the competition                                            |
| 2.50  | Judges' comments and prize giving                                        |
| 3.30  | 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, 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.



# »» RA & JG King Partnership, Puketawa Station

## WHAT IMPRESSED THE JUDGES

### GOVERNANCE AND STRATEGY

- A clear vision for the business which focuses primarily on increasing stock units via productivity improvements and repaying debt.
- The strategic purchase and development of Puketawa Station is part of a longer term goal for the purchase of a finishing block.
- Strong strategy around developing land and infrastructure with a complementary strategy on livestock productivity.
- Very good at involving experts in their own field across a range of agribusiness products and services companies.

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

- Strong whānau connections for the benefit of the business and future generations.
- Strong leadership and participation in the community through shearing and horse club affiliations.
- Have maintained a very good level of community involvement despite the high workload in the business.
- Mentoring and training of youth through involving them with farm activities and tasks to improve their farm skills and confidence.

### FINANCIAL AND BENCHMARKING

- Clear financial target of achieving \$800/ha of Gross Farm Revenue (GFR) at 55% Farm Working Expense of GFR.
- Consistent debt repayment targeting \$60,000 per annum, having repaid \$300,000 over past three and half years.
- Cost and benefit analysis each year on where to re-invest projected surplus funds.
- Use of reporting system that provides actual versus budget variance reporting.

### FEED PRODUCTION

- Very good understanding of what is needed to grow more dry matter.
- Recent review of fertiliser strategy and tactics will have positive impact on the property.
- Excellent approach to managing dry conditions via establishing crops on challenging contour.
- Management of gorse, tauhinu and manuka in tandem with fertiliser application and slope characteristics is an efficient approach to growing more feed and ceasing weed creep onto productive land.

### ANIMAL PERFORMANCE

- Use of scales to track livestock weights at key times of the year, alongside regular condition scoring of ewes.
- Tagging of ewes to track reproductive performance with any non-performers put to terminal sire.
- Targeted management of lambs for finishing by drafting into weight ranges.
- Strategy of mating rising two year heifers with an aim of increasing the lifetime productivity of the beef cow.

### ENVIRONMENTAL / SUSTAINABILITY

- Strategy for maintaining manuka and tree cover on steeper hillsides, whilst spot spraying gorse and manuka in areas that will benefit production.
- Extensive water reticulation that removes the pressure from natural water areas.
- Initiation of a Whole Farm Plan through Horizons Regional Council that has enhanced and re-affirmed the environmental strategy.



## »» RA & JG King Partnership, Puketawa Station

### DIRECTORY

**Tribal affiliation:** Ngāti Awa me Ngāiterangi

**Number of owners:** 2

### PARTNERSHIP

Ronald King, *Owner, Overall Operations Manager*

Justine King, *Owner, Administration and General Stock Hand*

### FARM STAFF

Ron Falconer, *Shepherd General*

### FARM DESCRIPTION

Puketawa Station is owned and operated in partnership by Ronald and Justine King. The property is a sheep and beef breeding unit located at Tiraumea about 45 minutes east of Pahiatua, in the northern Wairarapa. It consists of 1108ha (917 effective) and is mainly medium to steep hill country with some rolling contours. Sheep breeding stock on the farm comprise of 3177 Romney breeding ewes plus 850 ewe replacements and 148 stud ewes with cattle numbers made up of 144 Hereford cows plus replacements.



## »» RA & JG King Partnership, Puketawa Station

### HISTORY OF THE FARM

Puketawa Station was purchased by Ronald and Justine King in 2013. The farm was in a tired condition and since then the couple have worked hard to improve both pastures and farm infrastructure.

Their journey to buying Puketawa is quite remarkable. Ronald originally owned a 280 acre sheep and beef farm near the Taranaki township of Whangamomona. In 2001 Ronald and his three siblings and their partners, who were all accomplished shearers, pooled their financial resources and purchased Mangaroa Station in the Ruakituri Valley in northern Hawke's Bay.

The whānau bought Mangaroa to work collectively and build their assets, so they could eventually all buy their own large scale farms. Later, the whānau also bought Ruakaka Station in the nearby Tiniroto Valley which they also worked hard to improve and develop. Due to a combination of very hard work and great sacrifice, all the siblings now own their own farms. They are role models for the value of cooperation and determination.

Ronald's sister Nukuhia Hadfield and her husband Bart, won the Ahuwhenua Trophy for the top Māori sheep and beef farm with Mangaroa Station in 2015.

The strong whānau tradition continues at Puketawa Station with Justine's father Ron Falconer living on the farm and offering his vast farming knowledge and experience, as well as playing a major role in the day to day running of the property. Justine's sister Veronica and her husband Warwick, as well as Ronald's sister Marama and husband Rob also help on the farm from time to time.

Justine is an accomplished horse woman and set up the Alfredton Riding Club, and runs many horse activities within and for the community. Ronald has retained his shearing interests and in 2015 was the manager and a judge when the New Zealand shearing team competed in the United Kingdom. He has also judged at world shearing champs, golden shears, NZ champs and many other shows around NZ. They are also both very involved with many other community and school run ventures.

The couple continue to develop and upgrade Puketawa Station and have a development plan that includes spraying gorse, planting trees and retiring areas of land to mitigate erosion. They also involved in riparian planting and generally improving the farm and preserving the environment. Ronald and Justine take their role as kaitiaki seriously and seek to preserve the environment for their children and future generations.



# »» RA & JG King Partnership, Puketawa Station

## GOVERNANCE AND STRATEGY

### VISION

Our vision is to create a financially and environmentally sustainable farming business to support our whānau in future endeavours. Five strategic areas that will help us achieve this are:

- People – surround ourselves with a capable team with specific expertise
- Whenua – farming with both a commercial and environmental hand
- Stock – livestock are our engine room
- Opportunity – assess opportunities that could further our business and make us happy
- Whānau – has always been the strength to our success to date and will continue to be our future.

| SWOT                                                                                               |                                                                    |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| STRENGTHS                                                                                          |                                                                    |
| Operational                                                                                        | – Management expertise<br>– Work ethic                             |
| Mobile                                                                                             | – Happy to move for right opportunity                              |
| Focus of asset growth                                                                              | – Investment in the farm<br>– Livestock performance<br>– Expertise |
| WEAKNESSES                                                                                         |                                                                    |
| Physical resources                                                                                 | – Weeds<br>– Contour<br>– Climate                                  |
| OPPORTUNITIES                                                                                      |                                                                    |
| Increased production through development                                                           |                                                                    |
| Reasonable scale and potential to lift carrying capacity by 25%                                    |                                                                    |
| Combination of combined owner operator and equity partnership leading to restructure opportunities |                                                                    |
| THREATS                                                                                            |                                                                    |
| Environment: prone to summer dry/variability                                                       |                                                                    |
| Regulatory environment impacting on production                                                     |                                                                    |
| Feral pigs and deer: both feed production and disease such as TB                                   |                                                                    |
| Market prices                                                                                      |                                                                    |

### STRATEGIC PLAN

The five strategic goals to help us achieve our vision:

1. Continuous improvement: ensure the basics are done right then look for furthering ourselves outside the farm gate (e.g., entering the Ahuwhenua Trophy).
2. Financial sustainability: self-funding of all work and reduction of debt is a focus.
3. Environmental sustainability: work within Horizons framework exceed in areas such as erosion control.
4. Whānau: education and experience. Experience things together. With hard work and informed decision-making comes success.
5. Future: opportunity for intergenerational wealth and education.

### STRATEGIC OPTIONS

- Ongoing improvement of livestock performance, increasing stocking rate.
- Continue with weed eradication.
- Continue strategic use of nitrogen to ensure the early lambs and ewes are to target weight in spring.
- Continue applying fertiliser strategically.
- Look for finishing block to complement this breeding property.

### GOVERNANCE

We are in sole charge of the governance and management of Puketawa Station. To assist us with this, we use people in key roles to provide professional advice and services.

Over and above this, we use what could be called an Advisory Team consisting of ourselves our Bank Manager and Accountant. Their role is to challenge us and keep us focused. We feel that together we make a good team to help advise and offer their expertise and value their help, input and expertise in this area especially.

The agenda for each meeting is set prior and is to discuss, monitor and review the values, purpose and vision of the business and the plan to achieve the vision.

Throughout our farming career we have acknowledged that we can't do it alone and have always tried to surround ourselves with a capable team with specific expertise.



## »» RA & JG King Partnership, Puketawa Station

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

#### GOALS

##### **Whānaungatanga – Opening our home to all visitors**

We take pride in showing people over Puketawa Station through hunting or trekking. Training and mentoring young people with skills such as shearing, fencing, equine husbandry, horse riding, and other farm skills is a passion, and we take great pride in see the young flourish under our tutelage.

##### **Manaakitanga – Ronald**

Ronald is heavily involved in shearing sports and is a nationally recognised judge. Apart from this he is also involved in the local community:

- NZ shearing judge and referee
- 2015 manager and judge for NZ shearing team to the UK
- 2017 World Shearing Champs judge and referee
- Coach of children's Eketahuna rugby team
- Member of the local fire brigade
- Member of the Pongaroa Pig Hunting Club.

##### **Manaakitanga – Justine**

Justine is an accomplished horse rider who loves to pass on her knowledge to others both young and old. Since owning Puketawa Station she has instigated horse and pony camps where people of all ages camp, trek and receive schooling:

- President of Alfredton District Sports Club
- President of Tiraumea Horse Sports
- Hold and run horse riding camps at Puketawa Station for children and adults
- Head instructor and organiser for the Alfredton riding club
- Member of the Alfredton school fundraising committee
- Member of the Pongaroa Pig Hunting Club.

We both attend crutching and other fundraising activities for schools and community run ventures. Koha is given to the local community and whānau for hui, tangi, fundraisers and community gatherings in the way of pork, venison, mutton, and fire wood.

Kaitiakitanga is something we take very seriously. We have retired some areas on the farm, continue with weed eradication and limit scrub cutting on erosion prone steeper areas. We also see ourselves as kaitiaki of farming skills knowledge and look to continue to pass this on.

#### STRATEGIES

We will continue to mentor and help the younger generation in any aspirations they have in the farming industry. We will continue to involve ourselves in community activities, as we feel strongly about keeping our community strong for the future. We also enjoy our involvement with different community and whānau run activities. We encourage our children to have all the strong values for the land, animals, and people we have.



# RA & JG King Partnership, Puketawa Station

## FARM DATA AND FINANCIAL DATA

### FARM DESCRIPTION

|                                           |                                                                                                                                           |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Total area ha                             | 1,108.5                                                                                                                                   |
| Effective grazing ha                      | 917                                                                                                                                       |
| Subdivision                               | 77 paddocks all greater than 1ha; 70km of well-formed tracks                                                                              |
| Water supply                              | Reticulated water to troughs as well as dams and natural sources                                                                          |
| Contour                                   | 2% flat to underplating. 10% rolling to stronger rolling.<br>43% moderately steep to steep. 45% being steep to very steep hill and gorges |
| Pasture                                   | Predominantly native ryegrass and clovers                                                                                                 |
| Fertiliser applied for year kg/ha         | 330 kg/ha, Superten (450ha) 175kg DAP (240)                                                                                               |
| Seasons rainfall mm                       | 1,025mm 2015 / 1,068mm 2016                                                                                                               |
| NIWA 10 yr rainfall mm (nearest location) | Alfredton 1,068mm (7 years)                                                                                                               |
| Olsen P                                   | 5-13                                                                                                                                      |
| Soil pH                                   | 5.7                                                                                                                                       |

### LIVESTOCK SUMMARY

| Stock Numbers 1st July       | 2014-15      | 2015-16      |
|------------------------------|--------------|--------------|
| SHEEP                        |              |              |
| MA Ewes                      | 2,577        | 2,585        |
| 2 Tooth Ewes                 | 1,038        | 854          |
| Ewe Hgts                     | 1,106        | 171          |
| In Lamb Hgts                 | -            | 557          |
| Ram Hgts/Trade lbs           | 380          | 250          |
| Rams                         | 48           | 60           |
| Other Sheep                  | 19           | 17           |
| <b>Total</b>                 | <b>5,168</b> | <b>4,494</b> |
| <b>Total Sheep SU (SSU)</b>  | <b>4,819</b> | <b>4,369</b> |
| CATTLE                       |              |              |
| MA Cows                      | 201          | 151          |
| IC R2 Hfrs                   | 28           | 45           |
| Dry R2 Hfrs                  | 37           | 25           |
| R1 Hfrs                      | 65           | 70           |
| R1 Bulls                     | -            | -            |
| R2 Bulls                     | -            | -            |
| MA Bulls                     | -            | -            |
| R1 Steers                    | 24           | 22           |
| R2 Steers                    | 19           | 19           |
| MA Steers                    | -            | -            |
| Breeding Bulls               | 8            | 7            |
| <b>Total</b>                 | <b>382</b>   | <b>339</b>   |
| <b>Total Cattle SU (CSU)</b> | <b>2,058</b> | <b>1,740</b> |
| Dairy Hfrs SU                | -            | -            |
| Deer SU                      | -            | -            |
| <b>Total SU</b>              | <b>6,877</b> | <b>6,109</b> |
| <b>Stocking Rate/ha</b>      | <b>7.5</b>   | <b>6.7</b>   |
| <b>Sheep/Cattle Ratio %</b>  | <b>70%</b>   | <b>72%</b>   |



# >>> RA & JG King Partnership, Puketawa Station

## FINANCIAL AND PHYSICAL KPI'S

|                                | 2014-15  | 2015-16  |
|--------------------------------|----------|----------|
| <b>PHYSICAL SUMMARY</b>        |          |          |
| Effective Area (ha)            | 917      | 917      |
| Total SU                       | 6,877    | 6,109    |
| SU/ha                          | 7.5      | 6.7      |
| Sheep/Cattle Ratio %           | 70%      | 72%      |
| Labour Units                   | 2.00     | 2.00     |
| Total SU's/Lbr Unit            | 3,439    | 3,055    |
| Scanning % MA Ewes (Ex Trips)  | 158%     | 162%     |
| Scanning % 2th Ewes (Ex Trips) | 154%     | 159%     |
| Lambing %                      | 125%     | 132%     |
| Calving % <sup>1</sup>         | 92%      | 90%      |
| Sheep D&M %                    | 3.0%     | 4.5%     |
| Cattle D&M %                   | 5.0%     | 1.8%     |
| Wool kg/SSU                    | 5.00     | 6.30     |
| Wool \$/kg Greasy              | \$3.83   | \$4.30   |
| <b>FINANCIAL SUMMARY</b>       |          |          |
| GFR/ha                         | \$627    | \$639    |
| FWE/ha                         | \$409    | \$396    |
| FWE as a % of GFR              | 65%      | 62%      |
| EFS/ha                         | \$126    | \$151    |
| <b>SUNDRY</b>                  |          |          |
| Debt Servicing % GFR           | 23%      | 22%      |
| Farm Profit Before Tax         | \$19,386 | \$19,005 |
| Return on Capital              | 2.3%     | 2.7%     |

FWE = Farm Working Expenses – Adjusted for Fertiliser & R&M

GFR = Gross Farm Revenue

EFS = Economic Farm Surplus – Adjusted for Fertiliser & R&M

NG = Not Given

<sup>1</sup> B+LNZ Calculation of Calving %: The number of calves marked as a percentage of cows mated (Includes dry cows and is adjusted for the sale or purchase of in-calf cows)

## BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA 2015-16 BENCHMARKING PERFORMANCE

| 2015-16 SURVEY (PROVISIONAL) CLASS 3 N.I. HARD HILL COUNTRY EAST COAST<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |       |      |          |            |
|-------------------------------------------------------------------------------------------------------------------------|-------|------|----------|------------|
| Class 3                                                                                                                 | Unit  | Mean | Puketawa | Variance % |
| Effective Area                                                                                                          | ha    | 842  | 917      | 9%         |
| Stocking Rate                                                                                                           | SU/ha | 7.8  | 6.7      | -14%       |
| Lambing                                                                                                                 | %     | 117% | 132%     |            |
| Gross Farm Revenue                                                                                                      | \$/ha | 623  | 639      | 3%         |
| Total Expenditure                                                                                                       | \$/ha | 490  | 618      | 26%        |
| EBITR                                                                                                                   | \$/ha | 212  | 164      | -23%       |

2015-16 B+LNZ Farm Survey Data is provisional and farm comparisons should be regarded as only approximate

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

See also the footnotes below the 2015-16 Benchmarking Performance table on the next page.



## » RA & JG King Partnership, Puketawa Station

BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA  
2014-15 BENCHMARKING PERFORMANCE

| BASED ON 2014-15 SURVEY, CLASS 3 N.I. HARD HILL COUNTRY EAST COAST<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |              |             |            |            |                    |         |
|---------------------------------------------------------------------------------------------------------------------|--------------|-------------|------------|------------|--------------------|---------|
| Class 3                                                                                                             | Unit         | Top 20%     | Mean       | Puketawa   | Variance %<br>Mean | Top 20% |
| Effective Area                                                                                                      | ha           | 789         | 842        | 917        | 9%                 | 16%     |
| Total Labour Units                                                                                                  | No.          | 2.05        | 2.1        | 2          |                    |         |
| Open Total                                                                                                          | SU           | 7296        | 6861       | 6877       |                    |         |
| Stocking Rate                                                                                                       | SU/ha        | 9.2         | 8.1        | 7.5        | -7%                | -18%    |
| Sheep:Cattle SU Ratio                                                                                               | %            | 53%         | 58%        | 70%        |                    |         |
| Lambing                                                                                                             | %            | 133%        | 119%       | 125%       |                    |         |
| Calving <sup>1</sup>                                                                                                | %            | 93%         | 82%        | 92%        |                    |         |
| Sheep Loss                                                                                                          | %            | 4%          | 5%         | 3%         |                    |         |
| Cattle Loss                                                                                                         | %            | 1%          | 2%         | 5%         |                    |         |
| Wool Shorn                                                                                                          | kg/SSU       | 4.8         | 4.6        | 4.97       |                    |         |
| Wool net before freight                                                                                             | ¢/kg         | 380         | 365        | 383        |                    |         |
| <b>Gross Farm Revenue</b>                                                                                           | <b>\$/ha</b> | <b>1017</b> | <b>715</b> | <b>627</b> | -12%               | -38%    |
| Gross Farm Revenue                                                                                                  | \$/SU        | 110         | 88         | 84         | -5%                | -24%    |
| Wool Revenue                                                                                                        | \$/SSU       | 18          | 17         | 19         |                    |         |
| Sheep Revenue                                                                                                       | \$/SSU       | 91          | 70         | 73         |                    |         |
| Sheep+Wool Revenue                                                                                                  | \$/SSU       | 109         | 87         | 92         | 6%                 | -15%    |
| Cattle Revenue                                                                                                      | \$/CSU       | 102         | 82         | 63         | -23%               | -38%    |
| Dairy Grz Revenue                                                                                                   | \$/DzSU      | 0           | 0          | -          |                    |         |
| Deer+Velvet Revenue                                                                                                 | \$/DSU       | 115         | 115        | -          |                    |         |
| <b>Total Expenditure</b>                                                                                            | <b>\$/ha</b> | <b>552</b>  | <b>515</b> | <b>605</b> | 18%                | 10%     |
| Total Expenditure                                                                                                   | \$/SU        | 60          | 63         | 81         |                    |         |
| Wages and Salaries                                                                                                  | \$/ha        | 83          | 77         | 31         |                    |         |
| Animal Health                                                                                                       | \$/ha        | 44          | 33         | 41         | 23%                | -6%     |
| Shearing                                                                                                            | \$/ha        | 24          | 30         | 30         |                    |         |
| Fertiliser                                                                                                          | \$/ha        | 95          | 72         | 136        | 89%                | 44%     |
| Vehicles & Fuel                                                                                                     | \$/ha        | 30          | 27         | 23         | -16%               | -23%    |
| R & M                                                                                                               | \$/ha        | 57          | 64         | 33         | -49%               | -42%    |
| Administration                                                                                                      | \$/ha        | 19          | 23         | 20         |                    |         |
| Interest                                                                                                            | \$/ha        | 59          | 58         | 146        | 150%               | 146%    |
| Farm Profit Before Tax                                                                                              | \$/ha        | 466         | 200        | 21         |                    |         |
| <b>EBITR</b>                                                                                                        | <b>\$/ha</b> | <b>537</b>  | <b>283</b> | <b>167</b> | -41%               | -69%    |

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

<sup>1</sup> B+LNZ Calculation of Calving %; the number of calves marked as a percentage of cows mated (includes dry cows and is adjusted for the sale or purchase of in-calf cows)



# »» RA & JG King Partnership, Puketawa Station

## BUSINESS MANAGEMENT

### GOALS

- Debt reduction of 60% of cash surplus
- Increase stocking rate to 8.5 SU/ha
- Equity of \$4M+
- Top 20% production for district on same class (B+LNZ data)
- Do this in an environmentally sustainable way
- Buy a finishing property.

### Key performance indicators

#### One-year KPI (2016/17)

- 170% scanning (achieved)
- 150% + lambing
- Achieve year one plan of Horizons Whole Farm Plan (WFP)
- Increase to 6,800 SU (achieved)
- 70% of lambs sold prime (90% achieved).

#### Three-year target

- 180% scanning
- 155% + lambing (by capturing potential from scanning)
- 8.5 SU/ha
- GFR \$850/ha
- Fatten all lambs
- Increase Olsen P levels to 18+
- Completed year three plan of Horizons WFP.

#### Five-year target

- Top 20% district production of meat and wool @ 200kg/ha
- Weed free on 900ha
- Completed planning for succession
- Completed year five plan of Horizons WFP
- More free time to spend with whānau.

### Investment criteria for new investments

Any investment including on farm capital investment is analysed to ensure it is of overall benefit to the business. The criteria for investment is:

- Long term benefit and help to achieve our goals
- Increases efficiency
- Aids performance
- Cost.

An outside investment that we have is an Equity Partnership in Ruakaka Station Limited. This is a 9,500 SU business of which we have a 50% ownership in the trading entity, livestock and plant. The main reason for this investment was to spread risk in terms of climate as well as being able to employ younger people into the industry. The company charter does not allow the business to accumulate debt so it must stand on its own two feet and be self-funding.

### STRATEGIES

We see our business as intergenerational and achieving our goals will allow us to continue to be financially sustainable and allow us options. We aim to maximise production on the effective 900ha and physical and financial performance is monitored and reviewed regularly so we remain focused.

Areas of focus include:

- Continue to work on feeding stock at the right times to increase production
- Continued development of land with weed eradication, cropping and new pastures
- Continue with capital applications of fertiliser
- Monitor and review with Horizons WFP
- Being open to new ideas and strategies
- Time management – due to our commitments in the community, other sporting organisations and other rural business interests, time is important to us so time management is a skill we have had to develop over time.

### Key strategies currently being implemented

- Increasing soil fertility: Olsen P levels lifted from 7-8 to 10-13
- Improving stock genetics and improved feeding: Increasing lambing from 109% to 146% and calving from 88% to 91%
- Completed and implementing Horizons WFP
- Looking at all opportunities for growth
- Improved pasture management through, weed eradication, increasing soil fertility, subdivision, cropping, and management of grazing
- Improved water system for stock by cleaning dams, renewing waterlines and installing new troughs
- Quarterly reviews of our business
- Stock will be at 6,800 SU by the end 2017 financial year and lifting.

### Developing and implementing the budget

An annual budget is completed by Ronald and Justine with some input from Ron in June each year. Budgets are updated with actuals, reviewed and discussed monthly. When meeting every quarter with the Bank Manager and Accountant, an updated budget is again reviewed and analysed. We do this to ensure that our budget is aligned to our goals and vision and that any deviations from budget are identified quickly.



## »» RA & JG King Partnership, Puketawa Station

### FEED PRODUCTION

#### FEED MANAGEMENT

To date, we have been working hard to improve feed production. We have done this mainly through grazing management and application of fertiliser. The result of this is a sward of predominately ryegrass and clover. We have also identified five key areas (including increasing soil fertility) to help us improve feed production:

##### Quality of permanent pastures

- Grazing management to improve ryegrass / clover content of pastures.
- Targeted re-grassing for pasture renewal (12ha of plantain and clover mix and 6ha of swede in 2017).

##### Forage crop yields and integrated use

- Re-grassing plan using forage crops has been introduced on Puketawa Station as a way of speeding up production increases.
- 12ha of plantain and clover mix sown on hill country (sprayed on with helicopter) in 2016. Yield of 10.5 T/DM/ha is on budget. Plantain was used due to its higher Metabolisable Energy measure of 10-10.5 with no loss of quality through summer. This is used to fatten lambs with the end goal to improve pastures.
- 6ha swede sown on hill country with a yield of 8 T/DM/ha. This will be used to winter cattle on with the main benefit being the breaking in of ground after spraying gorse.
- First year cropping at Puketawa Station as we have been concentrating both physical and financial resources have gone into fencing and weed eradication.

##### Use of low cost supplements and tactical use of nitrogen

- Swedes grown for cattle.
- Plantain clover mix grown for lambs.
- Nitrogen (DAP) applied to early lambing country N at 25kg/ha. This relieves pressure as feed demand increases.
- Buy in baleage and hay for lighter cows and weaners.

##### Feed budgeting and grazing plans

- Although we don't talk in kg/DM, we actively feed budget and grazing plans are implemented. These are updated regularly to identify any upcoming feed shortages.

#### SOIL MANAGEMENT AND FERTILITY

##### Improving soil fertility

The current fertiliser policy is one of development with capital inputs. Our goal is to increase the soils Olsen P levels of 5-13 to 15-22 within the next three years. To achieve this we are implementing the current strategies:

- Current capital fertiliser applications of 3.9kg/P/SU with a goal of never applying less than 2kg/P/SU
- Regular soil tests
- DAP spread over early lambing country at a rate of 175kg/ha
- Lime applied to country prior to cropping as well as to areas where gorse has been sprayed at a rate of 1-1.2 T/ha



# »» RA & JG King Partnership, Puketawa Station

## ANIMAL PRODUCTION

### SHEEP AND WOOL PRODUCTION

Production and timing is determined to a certain extent by the physical environment. Evidence of this is that we have never put the ram out on the same date, preferring to wait until ewe condition and pasture covers are at target. This has resulted in a lambing percentage of 109% in 2013-14 lifting to 146% (ETR) in 2016-17.

Older ewes are mated earlier than the main mob to ensure a lamb pick and their ewes are processed pre-Christmas and 70% of hoggets are mated with a 90% conception rate.

Historically lambs have been sold as a mix of prime and store but in 2017 90% lambs sold prime with the help of the share farming agreement between sister and brother-in-law, Marama and Rob.

Due to the purchase of the ewes on farm at settlement not being a type we desire; all ewes have been mated to a terminal sire and suitable replacement ewe lambs purchased. This will continue until numbers are at a level where breeding replacements will be practical. Some key points to sheep and wool production are:

- 640 at weaning mid-December. 16.6kg/cwt.
- 550 to Rob and Marama's to finish (share farming agreement).
- First pick of later lambing ewes early January (660) at weaning at 16.4kg/cwt. Further 600 to Rob and Marama.
- 1700 lambs processed January to April.
- February purchase 200 to 300 replacement ewe lambs (ongoing purchase from same vendor yearly).
- Last financial year there was a total of 29,400kg wool clipped.

### CATTLE PRODUCTION

- 60% R2 heifers mated with an 85-90% conception rate.
- 50 heifers retained for replacements.
- All weaners are sold on farm in April – average \$600 in 2015-2016.

### FLOCK AND HERD FERTILITY

We base our business around a high-performance ewe flock and have concentrated on this, the cows are seen as a grass conditioner. Stock health and welfare are a must as healthy stock are easier to handle and care for. To get the best genetic gain we:

- Buy rams within the top 5% of ram breeders flock
- Cull undesirable traits when selecting replacements
- Buy bulls with above average Estimated Breeding Values that are structurally sound
- Annual culling of underperforming stock and undesirable traits.

#### Targets

- Mixed aged ewes target weight of 67kg to the ram
- Two tooth ewes target weight of 62kg to the ram
- Ewe hogget's target weight of 42kg to the ram
- Cows condition score of 4.5-5

### ANIMAL HEALTH

We use a range of different tools and advisors to ensure animal health and welfare is catered for:

- An annual consultation with local vet and a comprehensive animal health programme is implemented
- Use of animal biopsy information
- Annual consultation with Merial Animal Health representative re: appropriate use of products
- Shearing policy
- Addressing shade and shelter issues
- Providing clean and adequate water
- Maintain animal handling facilities to a high standard
- Use of combi clamp to minimise time off grass and perform several tasks to minimise stress for sheep
- Use of capsules for better performance and ease of management
- Use of magic eye dip, for speed, ease and clean spray every time
- Annual faecal egg count tests are done
- Regular facial eczema count reduction tests undertaken.



## »» RA & JG King Partnership, Puketawa Station

### HUMAN RESOURCES

#### GOALS

We employ a wide range of people, mainly as contractors. Having been contractors in the past we ensure that all employees feel part of the team and the facilities are fit for purpose.

Our business is, and will continue to be whānau based with the majority of the farm work completed by whānau. This is a further strategy to achieve an intergenerational business.

Everyone employed at Puketawa Station is expected to work hard, have fun and develop their skills – it is not unusual for Ronald to be explaining the finer points of competition shearing to shearers after work.

#### STRATEGIES

The one permanent staff member has an employment contract.

All staff attend a morning toolbox meeting. At this meeting the previous day is discussed and issues addressed. At the meeting tasks for the day are assigned and safety issues arising discussed.

Feedback cards are in every vehicle where staff can write down feedback, safety concerns and other issues on the spot. These are also called for and discussed at toolbox meetings.

A Health and Safety plan was issued at commencement and one topic from the plan is studied monthly. A policy and procedures plan is also available so staff at any one time know what operational practice is expected as well as animal health plan and animal production target is to be achieved for the month.

Feedback to staff is on an informal basis with an annual review.

#### RURAL PROFESSIONALS

We have a very good team of rural professionals all with specific expertise. We maintain a good relationship them all.

John Tatere from Rabobank and Aaran McLeod at Advanced Accounting are two key people in our business. Their role is to challenge, discuss, monitor and review the values, purpose and vision of the business and the plan to achieve the vision of our business.

We value all our rural professionals highly as a key to our business. We have developed some of these relationships over a long time both on a personal and professional level. We like them to share and be part of our successes and we have built up a high level of trust and loyalty with them all and would like them to succeed with us.



# »» RA & JG King Partnership, Puketawa Station

## ENVIRONMENTAL / SUSTAINABILITY

### GOALS

Our goal is to farm in a financially and environmentally sustainable manner. To do this, we recently initiated a Whole Farm Plan (WFP) through the Horizons Regional Council. In designing this with Horizons, it helped us crystallise our environmental goals, put them down on paper and give us a starting point. We aim to at the very least meet the WFP targets and in the main surpass them. Some of the key points are:

- Soil conservation map and Land Use Capability map
- Retirement of some environmentally delicate areas
- Possum eradication programme with Horizons
- Erosion control
- Feral deer and pig control
- Spot scrub cutting to leave small blocks for erosion and shelter
- Eradication of gorse.

While financial goals are very important to us, our passion is the land and the environment, which we want to leave behind in good heart for future generations to come.

### Key performance indicators

- Achieving or surpassing annual targets as set in the Environmental WFP.
- Continued work with pest control to continue for healthier bush and bird life.
- An attractive farm that is a pleasure to work on.

### PRACTICES

- Planting 150-400 polls per year.
- 5.2ha of riparian retirement with 150m of protection fencing in bull paddock.
- 25.2ha of scrub and bush retirement in Boondocks paddock with 300m of protection fencing.

### Key strategies currently being implemented

We are currently implementing years 1-3 from the WFP as well as always having been aware of our environmental foot print trying to mitigate this with:

- Planting trees around lake to encourage bird life
- Recycling with house hold items
- Wire and plastic off farm recycled
- Selected scrub cutting: limited scrub cutting on areas of erosion and gullies
- Land retirement
- Pest control
- Weed eradication.



## »» RA & JG King Partnership, Puketawa Station

### ENTREPRENEURSHIP AND INNOVATION

We are always open to new opportunities for our business. We utilise new ideas and technology within our business as it becomes available, but it must add value.

- Collective whānau marketing arrangement with meat company (due to whānau collectively owning 37,000 SU)
- Weigh system
- Combi clamp for dagging, vaccinating and capsuling
- Electroclip: very quick, effective and cost efficient
- Scan all ewes, hoggets, cows and heifers
- Share farming arrangement with sister Marama and her husband Rob for finishing lambs
- Share farming agreement with True Honey bee hives
- Carbon Credits: all carbon on Puketawa Station has been measured, mapped, and application in progress
- Equity Partnership of 9,500 SU at Ruakaka Station in Wairoa
- Having stud flock to breed our own genetically high performing rams
- Go to many B+LNZ seminars which have proved to be very informative
- Continual improvement of pasture quality through cropping, grazing, and applying correct applications of fertiliser.

### FARM INFRASTRUCTURE

Security of existing fencing has been at the forefront since purchasing Puketawa Station. At take over the fencing was in an average to poor state of repair. We walked every existing fence line, making repairs or renewing where necessary. This, along with newly erected fences has resulted in there now being 77 main paddocks. Along with the fencing, two further sets of satellite sheep yards have been constructed in the past three years to now total five and an extra set of cattle yards close to the heifer calving paddocks has also been erected.

Stock water is available through natural sources and dams which is augmented by four individual gravity fed water systems supplying 65 troughs that was reinstated from an existing damaged system. There is ample water in all paddocks.

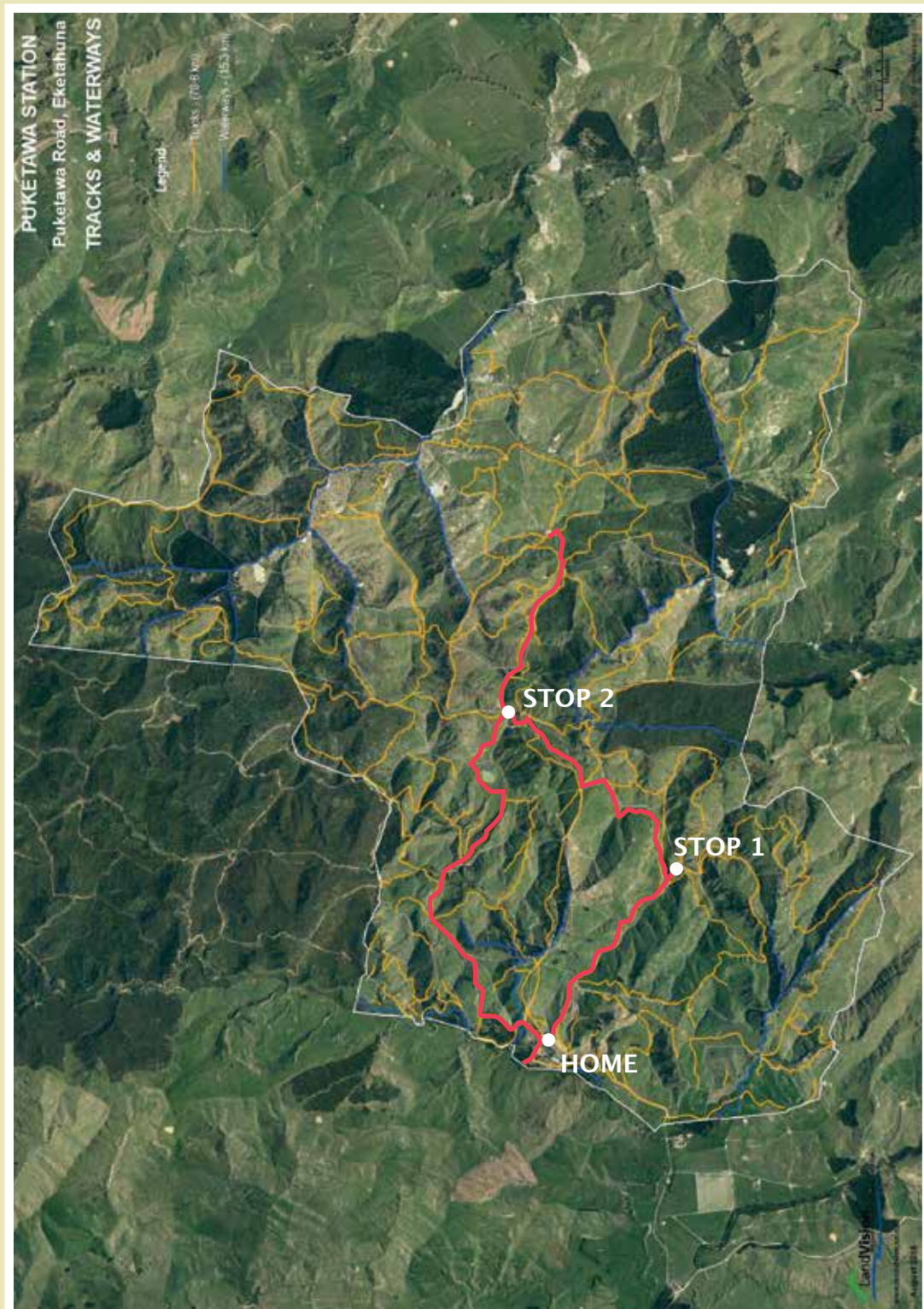
Buildings are to a high standard and have the benefit of a maintenance schedule. They include hay shed, large implement shed, stables, feed shed, two houses plus lodge. The woolshed and covered yards allow a night pen of 900 ewes although some work on covering open areas between yards and woolshed needs to be completed.

70km of tracks is to a good standard to all paddocks and with good laneways for ease of stock movement.



## »» RA & JG King Partnership, Puketawa Station

### FARM MAP



**BY FARMERS.  
FOR FARMERS**

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# »» Pukepoto Farm Trust

*509 Ohura Road, Ongarue*

Field Day: Thursday 4th May 2017



## »» Pukepoto Farm Trust

### FIELD DAY PROGRAMME

|       |                                                                          |
|-------|--------------------------------------------------------------------------|
| 9.00  | Pōwhiri at Pukepoto Woolshed, 605 Ohura Road, Ongarue                    |
| 9.35  | Introduce the programme                                                  |
| 9.45  | Morning tea                                                              |
| 10.10 | Farm tour for those who have suitable vehicles – quads and side-by-sides |
| 10.45 | Farm Stop 1: Caves – Land and Pastures                                   |
| 11.55 | Farm Stop 2: Microwave – Animals and People                              |
| 12.45 | Hākari (lunch) at Woolshed                                               |
| 1.30  | Presentation: Governance and Business                                    |
| 2.30  | Background to the competition                                            |
| 2.50  | Judges' comments and prize giving                                        |
| 3.30  | 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, 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.



# »» Pukepoto Farm Trust

## WHAT IMPRESSED THE JUDGES

### GOVERNANCE AND STRATEGY

- A collaborative approach to governance that arrives at decisions by consensus rather than majority.
- The Trustees use their mix of skills to involve themselves in both governance and management of the business.
- The Trust has a farm operations committee that includes three Trustees and the Farm Manager to facilitate decision making and communication within the business.
- The Trust have an equity growth strategy with a well-structured policy of debt repayment and reinvestment into the business from 80% of the net surplus.

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

- Based on the mandate from the shareholders the Trust is on track with its strategy and policy.
- A booklet has been commissioned to document the history of the Trust.
- Distribution policy sees 20% of the net surplus returned to shareholders.

### FINANCIAL AND BENCHMARKING

- The Trustees have clear and simple Key Performance Indicators (KPIs) and a very good understanding of them as they relate to the overall business performance.
- Strong returns as evidenced by the Trusts main KPIs with a three year average Economic Farm Surplus of \$386 per hectare and three year average actual expenses at 50% of Gross Farm Revenue.
- Strong performance of debt reduction and positive cash flows over recent years following a strategic review.
- Involvement with Red Meat Profit Partnership to share information and benchmark the business with aim of improving productivity and profitability.

### FEED PRODUCTION

- Whole Farm Plan completed 2007 by Horizons Regional Council which is used strategically and on an annual basis when production and financial planning for the year ahead.
- A regular re-grassing policy is in place however is restricted to the cultivatable land area.
- Regular soil testing, results interpretation, and Overseer analysis used to formulate recommendations from fertiliser representative.
- Active involvement with project to instigate a biological control solution for the weed tutsan.

### ANIMAL PERFORMANCE

- A clear aspiration and focus around improving the calving and lambing percentages.
- A focus back on a traditional Angus breeding strategy for beef, moving away from cross-bred's to avoid calving difficulties and to capture Angus Pure premiums.
- Utilisation of carcass meat yield data from processor with objective of improving returns.
- A focus on including facial eczema tolerance in breeding objectives.

### ENVIRONMENTAL / SUSTAINABILITY

- Ngā Whenua Rāhui with retired land fenced off.
- Implementation of farm environmental plan with an annual focus on fencing and planting waterways.
- Cattle numbers have been reduced with sheep to cattle ratio moving from 59% to 67% over past four years.



# »» Pukepoto Farm Trust

## DIRECTORY

**Tribal affiliation:** Ngāti Maniapoto

**Number of owners:** 1,111

### TRUSTEE / BOARD

Aloma Shearer, *Chair*  
Roy Haar, *Trustee*  
Harry Hetet, *Trustee*  
Manu Jones, *Trustee*  
Doug Macredie, *Trustee*  
Weo Maag, *Trustee*

### FARM STAFF

Terry Head, *Farm Manager*  
Andrew Preston, *Shepherd/General*

## FARM DESCRIPTION

Pukepoto Farm Trust consists of 1,415ha of land of which 1,034ha is effective pasture, 104ha is under Ngā Whenua Rāhui covenant, 62ha is in production forest, 16ha is a roadway with the remaining 199ha unproductive. Contour is rolling to steep with soils predominantly mairua ash.

Pukepoto Whenua winters around 6,000 sheep and 800 cattle. Pukepoto has an above average stocking rate in comparison to the regional average. The farm is subdivided into 110 paddocks with half of these connected to a reticulated water system.

Pukepoto employs two full time staff with casual labour and contractors employed during peak work periods.



## »» Pukepoto Farm Trust

### HISTORY OF THE FARM

#### *Rangitoto Tuhua 60: Pukepoto Block – the people and the land*

Ngāti Hinerangi whakapapa to this land from our tūpuna Hia-roa-hapai-mauri and through his descendants the ancient iwi of Ngāti Hia who had mana whenua over this particular block. The neighbouring southern hapū in the adjoining block to Ngāti Hinerangi of Pukepoto are Ngāti Tama-kai-toa (Whānau Maria Marae) and to the adjoining block to the north east: Ngāti Tu-taka-moana.

These tūpuna names appear in the whakapapa as a reminder of whakawhanautanga and our close ties and bonded blood. The first wife of the tūpuna Rere-ahu was Rangi-aa-newa who gave birth to their only child a son named Te Ihi-ngaa-rangi near or on the summit of the hill called Pukepoto.

Pukepoto was once a major walking track for northern and southern tribes. Close by and on part of the farm is the major war trail or sacred track called Te Kohatu Ngawha which stretches north from Pukepoto farm block crossing the Ohura Road along the highest ridge lines which includes the Aka-tarewa trig and towards the Mangataua Stream (War Party Stream) and into the Mokauiti Valley.

Te Kohatu Ngawha was mainly in use probably in and around the early sixteenth century up until 1834. Through the 1840s and through to the early and mid-twentieth century there were kainga set up on the original Pukepoto block but where the farm is situated more information needs to be sourced.

In the late 1890s the Rangitoto Tuhua blocks were established and in the early 1900s Rangitoto Tuhua 60 comprised 16,000 acres (6,475ha) with 153 owners. Under the control of the Native Land Court and the Māori Land Board from the 1900s through to 1981 the Rangitoto Tuhua 60 Block was partitioned with leases arranged and parcels of land sold.

As with most Māori land blocks during this era owners were encumbered with survey costs and being unable to pay had land taken in lieu of payment. Kainga were also set up. The marae locally known as Te Koura Putaroa is sited on part of the Rangitoto Tuhua 60 Block and this was partitioned out by some of the whānau of Ngāti Hine-rangi for a place for Ngāti Pahere.

In 1978 the remaining lands were vested into a Farm and Forest Trust and in 1994 under the Māori Land Court Pukepoto Farm Trust was constituted and the lands vested into this Trust.

Today with the additional purchases of 152ha and 116.5ha of land the Pukepoto lands now comprise 1,415ha with 1,111 owners. The total hectares comprise 1,034ha of effective pasture, 104ha under Ngā Whenua Rāhui covenant, 62ha of production forest, 16ha of roadway and 199ha of unproductive land.



# »» Pukepoto Farm Trust

## GOVERNANCE AND STRATEGY

### VISION

#### *He Moemoea mo Ngā Uri*

Our vision for our whānau is to 'Revolutionise Māori Agribusiness' by adopting an outside of the square approach to our farming enterprise. In times past the block was 6,475ha and the capacity to provide for Uri was much greater. Today, whilst we seek Treaty based land return through our Wai 478 Claim, we also aim to be at the cutting edge of farm and land use options creating performance that ultimately regains greater sustainable production and capacity for the ever-increasing number of descendants.

### STRATEGIC PLAN

- Maximise sustainable land use potential.
- Optimise business growth.
- Reduce debt.
- Continue to provide a dividend to our owners.
- Create a uniquely relationship based business where relationships are a key driver of performance.
- Advocate for and support our cultural heritage.
- Sustainably manage our environment and lead the development of a district wide bird corridor.

#### **Development and implementation of strategic plan**

- Proactively seek owner's strategic views/objectives via structured facilitation.
- Hold a series of dedicated strategic trustee meetings that involve management.
- Identify key partners and advisers both current and new and incorporate them into our strategic discussions. For example, this year Landcare Research and AgResearch were utilised to explore aligning research objectives with longer term strategies. Also, Ngā Whenua Rāhui were brought in to refresh our overall conservation strategy. Earlier in the year meetings were also held with Horizons around our conservation strategy.
- Identify, join and lead regional and national specialised forums and transfer in relevant experiences and learnings.
- Undertake a formal review of the previous strategic plan.
- Mātauranga Māori, mana motuhake me te tūhonotanga ki te mauri o te whenua.



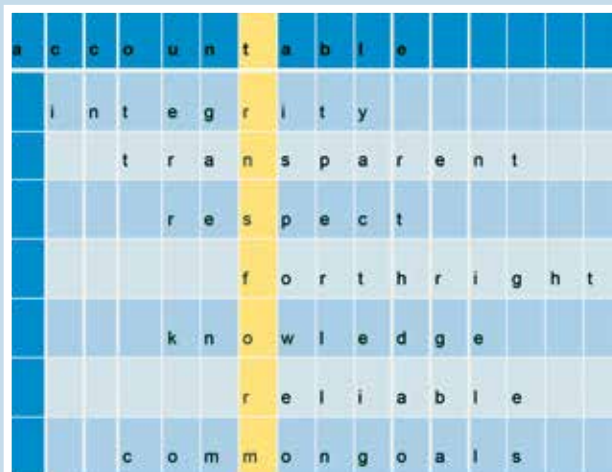
## »» Pukepoto Farm Trust

| SWOT – extracted from 2016-2017 Strategic Plan       |  | MANAGED BY                                                                                                                                                                 |
|------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STRENGTHS                                            |  |                                                                                                                                                                            |
| Consistent high performance                          |  | Operational focus of trust. Benchmarking via Awhina Group and Red Meat Profit Partnership project.                                                                         |
| Environmental progress                               |  | Environmental vision of the Trust is to influence the wider regional conservation equation. By implementing relevant goals and strategies in the Horizons Whole Farm Plan. |
| Free thinking, free expression Trust                 |  | Leadership style within the Trust – consciously valued and strived for by all. Driven by the Chair.                                                                        |
| Non-judgemental Trust culture – uninhibited dialogue |  | Leadership style within the Trust – consciously valued and strived for by all. Driven by the Chair.                                                                        |
| New Manager – new ideas                              |  | Farm Operations Sub Committee in place.                                                                                                                                    |
| WEAKNESSES                                           |  |                                                                                                                                                                            |
| Slow decision implementation                         |  | Addressed via the Chair's leadership.                                                                                                                                      |
| Operationally weighted                               |  | Awareness of the Chair and the Strategic focus.                                                                                                                            |
| Geographical spread of Trustees                      |  | A strong communication culture is fostered and encouraged.                                                                                                                 |
| OPPORTUNITIES                                        |  |                                                                                                                                                                            |
| Local networking                                     |  | Focus Groups, i.e., Tutsan Action Group.                                                                                                                                   |
| Knowledge expansion for Trustees                     |  | Attending relevant agriculture courses and governance training courses.                                                                                                    |
| Staff development                                    |  | ITO Feeding and Pastures Level 3, H&S Management Level 2, Farm IQ.                                                                                                         |
| Pasture expertise                                    |  | Farm IQ.                                                                                                                                                                   |
| THREATS                                              |  |                                                                                                                                                                            |
| Staff movement                                       |  | Focused staff development strategy, including meaningful health and safety. Comprehensive training and education.                                                          |
| Severe weather                                       |  | Water Storage Options, Feed Options, B+LNZ Severe Weather Toolbox, Weather Systems Knowledge.                                                                              |
| Navel gazing                                         |  | Attending external forums.                                                                                                                                                 |



## »» Pukepoto Farm Trust

### BUSINESS PRINCIPLES / VALUES



Values are weighted around an open and free flowing ethic as well as unity, as we believe the health of relationships and dialogue at Trust level influence every other aspect of the operation in an exponentially positive way.

### GOVERNANCE

- Annual General Meeting and Special General Meetings are well attended and communication is becoming stronger
- Six-year rotation of governance team with elections being held at the AGM.
- Governance team has broad skill mix: analytical, financial, farming, business, industry knowledge, and H&S awareness.
- Existing Trustees are given the opportunity to attend relevant training courses. For example, Agri- Women's Development Trust programmes.
- Advisors are used on an 'as-required' basis. The Trust enjoys strong relationships with its banking consultant, accountant, vet, fertiliser representative.



## »» Pukepoto Farm Trust

### SOCIAL / COMMUNITY / NGĀ TIKANGA MĀORI

#### GOALS

Because the Pukepoto whenua is originally hapū land, our social strategy is based on restoring hapū prosperity, identity and provision. This is executed by actively leading and influencing the Wai 478 Claim to return Pukepoto back to its original area of 16,000 acres.

We have commenced planning of a historical book to capture the stories of the hapū and tūpuna of all uri.

Ngā tikanga Māori is a major component of who we are and the role we have as kaitiaki is taken seriously. All Trust meetings are driven by whanaungatanga, manaakitanga, kaitiakitanga and Māoritanga.

Weo Maag is a current Trustee of the Maniapoto Māori Trust Board, and a member of the Waikato River Authority. Aloma Shearer is a past member of the Maniapoto Māori Trust Board and a past Director of the Board's fishing Company Te Kupenga o Maniapoto Limited. Doug Macredie is a judge for the 2017 Ahuwhenua Young Māori Farmer competition.

Tutsan Action Group – the benefit to being an original member of this group has been the release of a biological agent on the farm in March 2017 to control this weed pest which is prevalent in our district.

Pukepoto currently supplies water to neighbouring properties.

#### STRATEGIES

- Active participation in the Waitangi Claims Tribunal process through our Wai 478 Claim to seek the return of lands that were previously taken whilst under the control of the Native Land Court and the Māori Land Board.
- Begin the process of researching historical records and recording oral histories from key whānau members for the compilation of our booklet.
- Treating staff as whānau, consensus decision making, the practice of tikanga Māori throughout our business operation.



# »» Pukepoto Farm Trust

## FARM DATA AND FINANCIAL DATA

### FARM DESCRIPTION

|                                           |                                                     |
|-------------------------------------------|-----------------------------------------------------|
| Total area ha                             | 1,415                                               |
| Effective grazing ha                      | 1,034                                               |
| Subdivision                               | 110                                                 |
| Water supply                              | 50% plus reticulated                                |
| Contour                                   | Rolling to steep                                    |
| Pasture                                   | Ryegrass/clover mix                                 |
| Fertiliser applied for year kg/ha         | 250kg/ha, Superten                                  |
| Seasons rainfall mm                       | 1,468mm last 12 months                              |
| NIWA 10 yr rainfall mm (nearest location) | 1,340mm                                             |
| Olsen P                                   | 12.7 average; currently below optimum range of 7-19 |
| Soil pH                                   | 5.7 average                                         |

### LIVESTOCK SUMMARY

| Stock Numbers 1st July       | 2013-14       | 2014-15       | 2015-16       |
|------------------------------|---------------|---------------|---------------|
| SHEEP                        |               |               |               |
| MA Ewes                      | 4,608         | 4,927         | 4,913         |
| 2 Tooth Ewes                 | 1,959         | 1,921         | 1,562         |
| Ewe Hgts                     | 2,014         | 1,608         | 1,623         |
| In Lamb Hgts                 | -             | -             | -             |
| Ram Hgts/Trade lbs           | -             | -             | -             |
| Rams                         | 89            | 80            | 82            |
| Other Sheep                  | -             | -             | -             |
| <b>Total</b>                 | <b>8,670</b>  | <b>8,536</b>  | <b>8,180</b>  |
| <b>Total Sheep SU (SSU)</b>  | <b>8,249</b>  | <b>8,198</b>  | <b>7,839</b>  |
| CATTLE                       |               |               |               |
| MA Cows                      | 351           | 300           | 301           |
| IC R2 Hfrs                   | -             | -             | -             |
| Dry R2 Hfrs                  | 120           | 99            | 100           |
| R1 Hfrs                      | 134           | 138           | 129           |
| R1 Bulls                     | -             | -             | -             |
| R2 Bulls                     | -             | -             | -             |
| MA Bulls                     | -             | -             | -             |
| R1 Steers                    | 132           | 157           | 128           |
| R2 Steers                    | 132           | 99            | 110           |
| MA Steers                    | 4             | -             | -             |
| Breeding Bulls               | 9             | 12            | 10            |
| <b>Total</b>                 | <b>882</b>    | <b>805</b>    | <b>778</b>    |
| <b>Total Cattle SU (CSU)</b> | <b>4,506</b>  | <b>4,042</b>  | <b>3,944</b>  |
| Dairy Hfrs SU                | -             | -             | -             |
| Deer SU                      | -             | -             | -             |
| <b>Total SU</b>              | <b>12,755</b> | <b>12,240</b> | <b>11,783</b> |
| <b>Stocking Rate/ha</b>      | <b>12.3</b>   | <b>11.8</b>   | <b>11.4</b>   |
| <b>Sheep/Cattle Ratio %</b>  | <b>65%</b>    | <b>67%</b>    | <b>67%</b>    |

\*This has not been calculated as debt is not apportioned to individual farm businesses



# Pukepoto Farm Trust

## FINANCIAL AND PHYSICAL KPI's

|                                | 2013-14   | 2014-15   | 2015-16   |
|--------------------------------|-----------|-----------|-----------|
| <b>PHYSICAL SUMMARY</b>        |           |           |           |
| Effective Area (ha)            | 1,034     | 1,034     | 1,034     |
| Total SU                       | 12,755    | 12,240    | 11,783    |
| SU/ha                          | 12.3      | 11.8      | 11.4      |
| Sheep/Cattle Ratio %           | 65%       | 67%       | 67%       |
| Labour Units                   | 2.40      | 2.40      | 2.30      |
| Total SU's/Lbr Unit            | 5428      | 5209      | 5237      |
| Scanning % MA Ewes (Ex Trips)  | NG        | NG        | NG        |
| Scanning % 2th Ewes (Ex Trips) | NG        | NG        | NG        |
| Lambing %                      | 136%      | 126%      | 118%      |
| Calving % <sup>1</sup>         | 84%       | 86%       | 88%       |
| Sheep D&M %                    | 3.6%      | 3.7%      | 5.6%      |
| Cattle D&M %                   | 2.5%      | 2.0%      | 1.8%      |
| Wool kg/SSU                    | 5.48      | 5.52      | 4.47      |
| Wool \$/kg Greasy              | \$3.78    | \$3.39    | \$4.25    |
| <b>FINANCIAL SUMMARY</b>       |           |           |           |
| GFR/ha                         | \$1,041   | \$1,110   | \$980     |
| FWE/ha                         | \$551     | \$563     | \$550     |
| FWE as a % of GFR              | 53%       | 51%       | 56%       |
| EFS/ha                         | \$383     | \$458     | \$317     |
| <b>SUNDRY</b>                  |           |           |           |
| Debt Servicing % GFR           | 11%       | 11%       | 11%       |
| Farm Profit Before Tax         | \$266,958 | \$428,041 | \$258,833 |
| Return on Capital              | 5.0%      | 6.1%      | 4.2%      |

FWE = Farm Working Expenses – Adjusted for Fertiliser & R&M

GFR = Gross Farm Revenue

EFS = Economic Farm Surplus – Adjusted for Fertiliser & R&M

NG = Not Given

<sup>1</sup> B+LNZ Calculation of Calving %: The number of calves marked as a percentage of cows mated (Includes dry cows and is adjusted for the sale or purchase of in-calf cows)

## BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA 2015-16 BENCHMARKING PERFORMANCE

| 2015-16 SURVEY (PROVISIONAL) CLASS 3 N.I. HARD HILL COUNTRY TARANAKI-MANAWATU<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |       |      |          |            |
|--------------------------------------------------------------------------------------------------------------------------------|-------|------|----------|------------|
| Class 3                                                                                                                        | Unit  | Mean | Pukepoto | Variance % |
| Effective Area                                                                                                                 | ha    | 894  | 1,034    | 16%        |
| Stocking Rate                                                                                                                  | SU/ha | 8.3  | 11.4     | 37%        |
| Lambing                                                                                                                        | %     | 121% | 118%     |            |
| Gross Farm Revenue                                                                                                             | \$/ha | 728  | 980      | 35%        |
| Total Expenditure                                                                                                              | \$/ha | 537  | 729      | 36%        |
| EBITR                                                                                                                          | \$/ha | 280  | 429      | 53%        |

2015-16 B+LNZ Farm Survey Data is provisional and farm comparisons should be regarded as only approximate

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

See also the footnotes below the 2015-16 Benchmarking Performance table on the next page.



# Pukepoto Farm Trust

BEEF+LAMB NEW ZEALAND – FARM SURVEY DATA  
2014-15 BENCHMARKING PERFORMANCE

| BASED ON 2014-15 SURVEY, CLASS 3 N.I. HARD HILL COUNTRY TARANAKI-MANAWATU<br>QUINTILE ANALYSIS RANKED BY EBITR PER HECTARE |              |            |            |              |                    |         |
|----------------------------------------------------------------------------------------------------------------------------|--------------|------------|------------|--------------|--------------------|---------|
| Class 3                                                                                                                    | Unit         | Top 20%    | Mean       | Pukepoto     | Variance %<br>Mean | Top 20% |
| Effective Area                                                                                                             | ha           | 820        | 894        | 1,034        | 16%                | 26%     |
| Total Labour Units                                                                                                         | No.          | 1.73       | 1.8        | 2.4          |                    |         |
| Open Total                                                                                                                 | SU           | 6,879      | 6,968      | 12,240       |                    |         |
| Stocking Rate                                                                                                              | SU/ha        | 8.4        | 7.8        | 11.8         | 51%                | 40%     |
| Sheep:Cattle SU Ratio                                                                                                      | %            | 65%        | 67%        | 67%          |                    |         |
| Lambing                                                                                                                    | %            | 130%       | 123%       | 126%         |                    |         |
| Calving <sup>1</sup>                                                                                                       | %            | 85%        | 76%        | 86%          |                    |         |
| Sheep Loss                                                                                                                 | %            | 2%         | 3%         | 4%           |                    |         |
| Cattle Loss                                                                                                                | %            | 1%         | 3%         | 2%           |                    |         |
| Wool Shorn                                                                                                                 | kg/SSU       | 6.7        | 5.8        | 5.5          |                    |         |
| Wool net before freight                                                                                                    | ¢/kg         | 374        | 360        | 339          |                    |         |
| <b>Gross Farm Revenue</b>                                                                                                  | <b>\$/ha</b> | <b>910</b> | <b>687</b> | <b>1,110</b> | 62%                | 22%     |
| Gross Farm Revenue                                                                                                         | \$/SU        | 109        | 88         | 94           | 6%                 | -14%    |
| Wool Revenue                                                                                                               | \$/SSU       | 26         | 21         | 19           |                    |         |
| Sheep Revenue                                                                                                              | \$/SSU       | 84         | 72         | 85           |                    |         |
| Sheep+Wool Revenue                                                                                                         | \$/SSU       | 110        | 93         | 103          | 11%                | -6%     |
| Cattle Revenue                                                                                                             | \$/CSU       | 83         | 69         | 68           | -1%                | -18%    |
| Dairy Grz Revenue                                                                                                          | \$/DzSU      | -          | -          | -            |                    |         |
| Deer+Velvet Revenue                                                                                                        | \$/DSU       | -          | -          | -            |                    |         |
| <b>Total Expenditure</b>                                                                                                   | <b>\$/ha</b> | <b>586</b> | <b>526</b> | <b>696</b>   | 32%                | 19%     |
| Total Expenditure                                                                                                          | \$/SU        | 70         | 68         | 59           |                    |         |
| Wages and Salaries                                                                                                         | \$/ha        | 36         | 55         | 99           |                    |         |
| Animal Health                                                                                                              | \$/ha        | 32         | 33         | 51           | 56%                | 61%     |
| Shearing                                                                                                                   | \$/ha        | 53         | 48         | 79           |                    |         |
| Fertiliser                                                                                                                 | \$/ha        | 82         | 65         | 51           | -21%               | -38%    |
| Vehicles & Fuel                                                                                                            | \$/ha        | 33         | 25         | 17           | -32%               | -49%    |
| R & M                                                                                                                      | \$/ha        | 49         | 59         | 62           | 5%                 | 27%     |
| Administration                                                                                                             | \$/ha        | 17         | 27         | 21           |                    |         |
| Interest                                                                                                                   | \$/ha        | 102        | 73         | 127          | 74%                | 24%     |
| Farm Profit Before Tax                                                                                                     | \$/ha        | 324        | 161        | 414          |                    |         |
| <b>EBITR</b>                                                                                                               | <b>\$/ha</b> | <b>472</b> | <b>253</b> | <b>608</b>   | 140%               | 29%     |

NOTE: 'Total Expenditure' Includes Managerial Salaries Interest & Rent

EBITR = Earnings Before Interest Tax & Rent

<sup>1</sup> B+LNZ Calculation of Calving %; the number of calves marked as a percentage of cows mated (includes dry cows and is adjusted for the sale or purchase of in-calf cows)



# »» Pukepoto Farm Trust

## BUSINESS MANAGEMENT

### GOALS

Ideally to grow our business it would be fantastic if our Waitangi Claim was realised. However, we do not rely on this happening. Having consistently performed over the past six years has afforded the Trust the opportunity to reduce a significant amount of principle debt. Debt reduction is important to the Trustees to allow for future growth. This year a Statement of Investment Policies and Objectives will be drafted and implemented. This will give the Trustees clear direction on where and how we will grow our business.

#### Key performance indicators

- Production Plan
  - Natural increases
  - Sale targets
- Budget
  - Revenue monitored monthly against plan
  - Expenses monitored monthly against plan

#### Investment criteria for new investments

Drafting of Statement of Investment Policy and Objectives (SIPO) is part of the current year work of the Trustees. The goal is to have completed for the next AGM for owners' consideration.

### STRATEGIES

- Animal production: e.g., raise the lambing percentage from 127% to 140-150%.
- Meeting annual production targets.
- Meeting budget targets.
- Maintaining healthy and positive internal and external relationships.
- Drafting and implementing a SIPO.
- Information technology.

#### Key strategies currently being implemented

Reduce Debt – a distribution policy is in place that sets out the distribution of annual net profit on a percentage basis. 30% is allocated for debt repayment.

Sustainably manage our environment – the fencing and planting of a wetland area. The retirement of more native bush under Ngā Whenua Rāhui covenant.

Identify key partners and advisers – memberships and involvement in relevant industry groups e.g., Awhina Group, Red Meat Profit Partnership, Tutsan Advisory Group, Ngā Whenua Rāhui, AgResearch.

Strategic Trustee meetings – the purchase and use of Farm IQ to inform decision-making.

Useful mapping capability – updating of IT equipment to better cope with the new software applications available and those that have been purchased such as Farm IQ.

The drafting of production and budget figures.

#### Developing and implementing the budget

Initially this is drafted with a Trustee and the Farm Manager. However, a Production Plan is drafted first which informs the Budget capability.

These are then presented to the Board for consideration/amendment and final approval with the Farm Manager.

The responsibility of the Budget once approved is the Managers to realise and achieve.



## »» Pukepoto Farm Trust

### FEED PRODUCTION

#### FEED MANAGEMENT

Permanent pastures are predominantly made up of ryegrass and clover. As a result of our new winter cropping programme there is also 18.6ha of new grass also rye/clover mix.

Around 300 bales of baleage are made annually along with forage crops (swede) of approximately 15ha. This allows all cattle to be taken off the hills for the winter months. As a result of this the ewes are being set stocked onto very good covers for lambing.

#### SOIL MANAGEMENT AND FERTILITY

Undertaking annual soil tests and recognising deficiencies in certain areas of the farm ensures the right fertiliser is put in the right place.

The farm is broken into blocks. 30 units of phosphate is applied to easier intensive country. 22 units of phosphate is applied to better hill country with 18 units of phosphate applied to the rough country.

The goal is to lift Olsen P levels that currently sit around 12 to the mid-20s.

Lift pH from 5.8 to 6.0.



# »» Pukepoto Farm Trust

## ANIMAL PRODUCTION

### SHEEP AND WOOL PRODUCTION

There are generally around 6,000 Romney ewes lambled, currently sitting at around 130% survival to sale. 2,624 lambs averaged 18.6kg carcass weight pre-March.

All sheep on Pukepoto are shorn twice a year – mid December and mid June. This saves on pre-lamb crutching. In the 2015/2016 year, the farm produced 34,412kg of wool.

### CATTLE PRODUCTION

There are around 300 cows calved 250 Angus plus 50 Hereford/Friesian. Approximately 7-12% of tail end calves are sold at weaning with the balance being carried through. The heifers are put to the bull as R3 year olds and what is not vetted in calf is then culled.

Depending on the season the steers are carried through to two years old and sold in early spring when demand is high.

### FLOCK AND HERD FERTILITY

The main aim is to increase the scanning percentage from 157% to 180% with the introduction of new rams sourced from the top 10% of SIL records. This should enable 150% survival to sale. Sourcing all replacement ewe lambs from twin bearing ewes should increase fertility.

Our goal is to wean over 90% from all cows. This is currently sitting on 85%.

### ANIMAL HEALTH

- Consultation with our vet to compile and improve the annual health plan.
- The use of modern technology to increase accuracy and efficiency (new weigh drafting system).
- Electronic eye dip for clean and speedy treatment.
- Improving animal handling facilities.
- Liver analysis.



## »» Pukepoto Farm Trust

### HUMAN RESOURCES

#### GOALS

If staff are well cared for both personally and professionally they are happy and productive. Having happy and communicative staff is a key to success in any business. Te Ao Māori instils a sense of belonging and manaaki within whānau/hapū/iwi. We like to treat our staff as whānau so that they have a sense of belonging to the land and can look after our land in the way that the owners and Trustees would like to see it looked after. We are proactive about formal training and education for all staff.

#### STRATEGIES

- Regular, positive weekly communication.
- Ensuring contracts and job descriptions are fit for purpose and are regularly reviewed with the employee.
- Implementing a robust review process.
- Training for the Farm Manager is in the form of discussion groups and memberships with like-minded agribusinesses.
- Trustee led recruitment that utilises our HR experience and expertise.
- Training needs are based in farm practices, and identified farm processes being targeted for improved performance. For example, Farm IQ, H&S training and benchmarking.

#### RURAL PROFESSIONALS

We utilise the skills of our rural professional team on a regular basis.

Currently we are happy with the service provided by our banker and accountant. Our banker David Were at ANZ provides the Trustees with benchmarking figures for other farms in our region and on a national scale. This assists us to gauge where or if improvements need to be made. Our accountant, Lionel Smith, provides us with monthly accounts which indicate actual vs budget costs. Our vet, Richard Atkinson, is crucial to the production and profitability of our livestock. Relevant information assists the Trustees with future planning and assists the Farm Manager with current on farm issues.



# »» Pukepoto Farm Trust

## ENVIRONMENTAL / SUSTAINABILITY

### GOALS

Ko te tino pūtake o te kaupapa taiao, me whakamau ngā kaiwhakahaere o Pukepoto ki ngā whakaaro o ngā tūpuna e pā ana ki a Papatūānuku.

E toru ngā rito o te kaupapa:

Tuatahi, hei māra kai;

Tuarua, hei kāinga mō tuākana o te tangata;

Tuatoru, hei tūranga mauri mō ngā uri kei te heke mai.

Kua komitimitihia hoki tēnei kaupapa ki roto o ngā kaupapa whakahaere katoa o Pukepoto.

Ki a mātou o Pukepoto, ka ora ai te whenua, ka ora hoki te tangata.

In 2007 the Trustees worked with Horizons Regional Council to complete a Whole Farm Plan.

However, due to inconsistent financial performance the Plan sat idle. In recent years, this plan has been activated. The Trustees and owners are committed to fulfilling the Whole Farm Plan so as to demonstrate our duty as kaitiaki.

We have had a long relationship with Ngā Whenua Rāhui, and recently met with Mike Mohi to agree to continue with the kawenata on the previous 104ha and to retire other areas of the farm.

Ultimately our long-term goals are to protect all waterways, prevent erosion, restore wetlands, increase bio diversity, continue Ngā Whenua Rāhui covenants and manage pest flora and fauna.

The opportunity for co-ordinated bird corridors across multiple farms has been identified and conceptual conversations have been initiated.

### Key performance indicators

- Achieving recommended activities and work programmes from the Horizons Whole Farm Plan.
- The successful restoration of wetland areas.
- The signing of an updated kawenata with Ngā Whenua Rāhui which includes additional areas of native bush.
- A co-ordinated approach to bird corridors.

### PRACTICES

- Positive, consistent financial performance,
- Monitoring outcomes of the Whole Farm Plan and Strategic Plan.
- Maintaining good relationships with Horizons Regional Council, Ngā Whenua Rāhui and our neighbours.
- The protection of environmental resources.

### Key strategies currently being implemented

- The protection of wetland areas.
- The protection of native bush areas under Ngā Whenua Rāhui covenant.
- Conceptual conversations around a co-ordinated approach to a bird corridor.





## »» Pukepoto Farm Trust

### FARM INFRASTRUCTURE

Pukepoto has two houses both occupied by staff. These houses have had significant work done to them over the past five years with a new kitchen, wood burner and heat pumps installed in the manager's house and the bathroom and kitchen renovated in the shepherd's house.

There are three woolsheds all with covered yards, three sheep yards with approximately fifteen small docking yards strategically placed around the farm. There are two sets of cattle yards with one being currently upgraded. There is a fertiliser bin which was upgraded in 2016 to have the walls re-aligned and a sliding roof attached.

Tracks are to a reasonable standard however in wet weather some areas are only accessible by horseback. An annual maintenance budget is available for tracks and roading.

Approximately 50% of the paddocks are reticulated with the balance being supplied by dams. There is a strong focus to increase reticulation as budget allows.

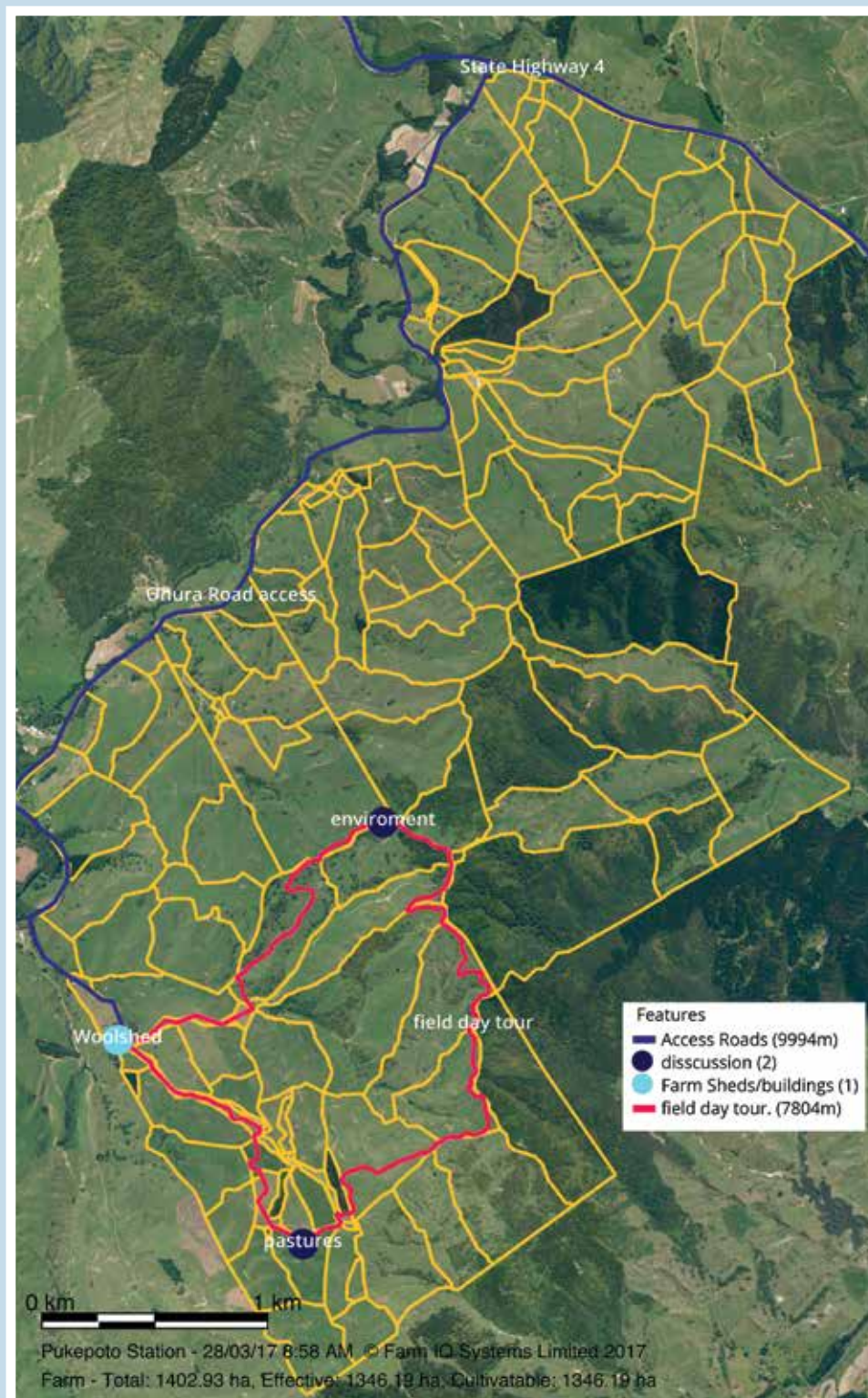
The farms fencing is predominantly 8-9 wire with approximately 30% being five wire electrics. An annual budget is available for new and maintenance fencing with a post rammer being purchased.

The farm infrastructure is renewed and maintained through annual budgetary provision.



## »» Pukepoto Farm Trust

### FARM MAP



## »» 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 sheep and beef 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 sheep and beef farming.
- Exposure to practices and approaches of other Māori sheep and beef 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 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                          | 20                  | <ul style="list-style-type: none"> <li>• Strong leadership</li> <li>• Good strategy</li> <li>• Monitoring of strategy</li> <li>• Implementation of strategy</li> </ul>                                                                                                                                                                                             |
| Social/Community/ Ngā Tikanga Māori              | 15                  | <ul style="list-style-type: none"> <li>• Contribution to, and participation in, communities of interest to the organisation; support for local hapū, marae, and wider local community</li> <li>• Governance or management team's ability to include tikanga Māori in aspects of the business</li> <li>• Identification and protection of cultural sites</li> </ul> |
| MANAGEMENT AND PERFORMANCE                       |                     |                                                                                                                                                                                                                                                                                                                                                                    |
| Financial and Benchmarking                       | 20                  | <ul style="list-style-type: none"> <li>• Economic Farm Surplus (EFS)</li> <li>• GFR/HA</li> <li>• FWE as a % of GFR</li> <li>• Consistency over time</li> <li>• Wealth creation – Leveraging Asset Base, Internal Capital Investment/Development ROC</li> <li>• Understanding the Financials – Budgeting, Variance Reports, KPIs</li> </ul>                        |
| Feed Production                                  | 10                  | <ul style="list-style-type: none"> <li>• Development and sustainability of soil fertility</li> <li>• Quality of permanent pastures (composition and nutritive value)</li> <li>• Forage crop yields and integrated use</li> <li>• Use of least cost supplements and tactical use of nitrogen</li> <li>• Feed budgeting and grazing plans</li> </ul>                 |
| Animal Performance                               | 10                  | <ul style="list-style-type: none"> <li>• Stock health and welfare</li> <li>• Genetic improvement</li> <li>• Reproductive and growth performance</li> <li>• Supply of products to market specifications</li> <li>• Purchasing and marketing skills</li> </ul>                                                                                                       |
| Human Resource                                   | 10                  | <ul style="list-style-type: none"> <li>• Employment agreements and job specifications</li> <li>• Performance review approach</li> <li>• Training support and career development</li> <li>• Team culture and attitude</li> <li>• Health and safety plans and implementation</li> </ul>                                                                              |
| Environment/ Sustainability Goals and Strategies | 15                  | <ul style="list-style-type: none"> <li>• Environmental plans in place</li> <li>• Environmental plans are being implemented</li> <li>• Environmental performance is being monitored and promoted</li> <li>• Biodiversity is being enhanced</li> </ul>                                                                                                               |
| TOTAL                                            | 100                 |                                                                                                                                                                                                                                                                                                                                                                    |



## »» 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 then 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

#### *Dana Blackburn – Chief Judge*

Dana Blackburn (Ngāti Rangi, Atihaunui a Pāpārangi, Ngāti Tūwharetoa) farms an 800ha semi intensive sheep and beef unit at Karioi, Ohakune, a property initially developed on family and ancestral land. He is the immediate past Chair of the Atihau Whanganui Incorporation, which won the Ahuwhenua Trophy in 2007. During his involvement with Atihau he assisted in the acquisition and development of some 25,000ha of land converting them into extensive and intensive sheep and beef units.

#### *Dr Gavin Sheath*

Dr Gavin Sheath is an agricultural systems consultant with extensive international and domestic experience as a scientist and businessman. Dr Sheath has spent over 40 years with AgResearch in various senior management roles. Most recently he has provided strategic planning services to Māori agribusinesses, Deer Industry NZ, and DairyNZ. He has participated in technical reviews for the Ministry for Primary Industries and the Waikato River Authority and has worked in both the private and public sectors, in Japan, Mongolia and South America.

#### *Sam Johnson*

Sam Johnson joined BNZ as an Agribusiness Manager in 1996. As one of BNZ's Senior Partners, Sam leads the Northland team of agribusiness, commercial and private banking partners. Along with his wife, he manages 40 heifers on their 15ha block at Kamo, outside of Whangarei and has an interest in farming and businesses associated with the primary sector. He enjoys working with Māori businesses across Te Taitokerau and has enjoyed being part of recent successful ventures that haven't always fitted within the typical banking boxes.

#### *Chris Garland*

Chris Garland is an Agribusiness Consultant with BakerAg, based in Masterton. Chris was a founding partner of the company. He specialises farm management consultancy in sheep, beef and deer systems and has a particular interest in the governance of large scale farming operations and sits on the boards of a number of businesses running over 100,000 SU.

Chris is also the editor and publisher of the AgLetter, a weekly farm management newsletter with nation-wide following. Chris is a Fellow of the NZIPIM and was awarded the Landcorp Agricultural Communicator of the Year in 2015, along with the NZ Grasslands Consultant of the Year.

#### *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.



## FIRST ROUND JUDGES

### *Duncan Matthews – Lead Judge*

Duncan Matthews works as a Partner of Corporate Agribusiness for BNZ. Based in Taupo for the past 14 years, Duncan has a diverse portfolio with the majority of his clients operating throughout the Central Plateau and South Waikato area. This includes a number of Māori agribusiness entities, many of whom have strong links to the Ahuwhenua Trophy competition.

Duncan was brought up on a hill country sheep and beef cattle property east of Hawera, Taranaki, and went on to complete a Bachelor of Agricultural Science degree and a Rural Valuation diploma at Massey University, before working in the fertiliser industry and travelling overseas. He is appreciative of the opportunity to judge in the Ahuwhenua Trophy competition for 2017 having judged in both the Dairy and the Sheep and Beef competitions in previous years.

### *Jenny McGimpsey*

Jenny McGimpsey has worked with Beef + Lamb New Zealand and its predecessor for ten years. She is B+LNZ's Economic Service Manager for the Southern South Island, which involves data collection and analysis and forecasting for the Sheep and Beef Farm Survey. In a former role she managed the implementation of an extension programme to sheep and beef farmers in Southland. Graduating with B Hort Sc (Hons) from Canterbury University (Lincoln College), Jenny has a science background and worked on the agronomy of new and novel crops for ten years. Together with her husband and other business partners, she has an interest in a sheep and beef property on 550ha of developed hill country in West Otago. She has extensive practical farming experience, latterly in a governance role.

### *Peter Ettema*

Peter Ettema has worked for, and was contracted by, Ministry for Primary Industries (MPI) and its predecessors since 2005. He has worked in the agricultural sector both in New Zealand and overseas and is currently the manager for the International Environment team within the International Policy Directorate at MPI. Peter has a Bachelor of Agricultural Science and a Masters of Environmental Management. Key areas of his work include climate change, resource and environmental management and extension capability across the primary sector.

### *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.



# BNZ MĀORI EXCELLENCE IN FARMING AWARD 2017 SHEEP AND BEEF

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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.



## AHUWHENUA TROPHY

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**Te Puni Kōkiri**  
REALISING MĀORI POTENTIAL

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.



Te Tumu Paeroa is an independent, professional trustee organisation which protects and grows the land and assets for over 85,000 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.



Beef + Lamb New Zealand is proud to support this prestigious award that celebrates excellence and innovation in Māori farming. These are values we promote through our work on behalf of all New Zealand sheep and beef farmers, and we welcome this opportunity to highlight the successful Māori-owned agribusinesses that help raise the bar across our industry.

**Ministry for Primary Industries**  
Manatū Ahu Matua



The Ministry for Primary Industries is a proud supporter of the Ahuwhenua Trophy, which showcases and celebrates Māori excellence in farming. Māori agribusiness is a growing contributor to New Zealand's economy, and we are committed to partnering with Māori to unlock the potential in New Zealand's regions. We congratulate all entrants for their continued and relentless commitment towards achieving the aspirations of their people and shareholders, and their outstanding accomplishments in farming.

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