THE WESTPAC & BAYLEYS
MARLBOROUGH
SHEEP & BEEF
FARMER OF THE YEAR
2019

Westpac and Bayleys Marlborough Sheep and Beef Farmer of the Year 2019

WELCOME TO THE PUBLIC FIELD DAY
16th October 2020

CONGRATULATIONS TO THE WINNERS
Fraser & Shelley Avery and Doug & Wendy Avery
Bonavaree Farm Ltd

Promoting profitable, sustainable & innovative, sheep and beef farming businesses

Contents

WELCOME

On behalf of Fraser & Shelley and Doug & Wendy Avery and the Marlborough Sheep & Beef Farmer of the Year Charitable Trust, we welcome you to the Public Field Day.

The objective of this field day is to highlight the business success factors of the competition winner. Through sharing the philosophies, operating systems and management programme employed by Bonavaree Farm, it is our vision that the wider farming community will benefit from these insights.

Marlborough Sheep & Beef Farmer of the Year Charitable Trust Committee:

- Simon Harvey, Farmer, Chairman
- Chris Dawkins, Farmer
- Richard Gorman, Farmer
- Richard Borrell, Westpac Bank, Naming Rights Sponsor Representative
- Peter Anderson, Stock Care Consultant
- Lachie Grant, LandVision, Land Management Consultant
- Greg Sheppard, Sheppard Agriculture, Farm Management Consultant
- Ellie Cranswick, Sheppard Agriculture Consultant, Trust Administrator

Field Day Facilitator

- Greg Sheppard, Farm Management Consultant, Sheppard Agriculture Ltd

HEALTH & SAFETY at WORK ACT, (2015)

The Avery's wish to point out to all visitors to the property to take extreme care when travelling over the property in vehicles, moving around yards, all facilities and in handling stock.

The farm tour will be conducted using 4wheel drive vehicles only. Passengers must not travel on the back of vehicles.

All practicable steps have been taken to ensure your visit to the property is a safe and enjoyable one. It is expected that you will take responsibility to look after yourself and others during the tour.

PROGRAMME

Time	TOPIC	Speaker
9:30am	Arrive at Hall Welcome on behalf of Committee Chair Opening comments from Naming Rights Sponsors Bayley's & Westpac Welcome from Competition Winners (introduce team) Sponsor Acknowledgements Judges Feedback	Morning Tea provided by Ward School Greg Sheppard (Facilitator) Simon Harvey (Trust Chairman) Richard Borrell (Westpac) Glenn Dick (Bayleys) Fraser
10:30am	Business Governance	Barry Brook
11:30am	Lucerne & Farm Systems	Derrick Moot
12:00pm	Lunch Load up into Utes for Farm Tour	Kindly provided by Ward School
1:00pm	Farm Tour MAIN Stop	
2:45pm	Back to Yealands Awatere Memorial Hall, Seddon	
3.15pm	Economic Outlook	Nathan Penny – Westpac Senior Agri Economist
3.35pm	General Discussion	Fraser Avery Q&A Financial Analysis
4:30pm	Presentation of Prizes Closing Observations	Naming Rights Sponsors Westpac & Bayleys Ian Knowles
5:00pm	**HAPPY HOUR & BBQ**	

JUDGES' COMMENTS

- Stock performance on Bonavaree is excellent
- This business has very good financial performance and strong financial management systems in place.
- A sound governance structure, meeting best practise. The governance in this business is as good as I have ever seen.
- Matching land use to land type was a standout feature and you would have to go a long way to find better examples in Marlborough.
- Fraser takes great pride in, and has respect for all staff.
- Bonavaree appears to be a desirable place to work, that attracts people of the right calibre and attitude.
- Communication is a key strength in this business at all levels
- Community involvement off farm was extremely commendable
- Fraser has a very clear understanding of the significance and importance of environmentally sensitive areas.
- Fraser and his team are very proactive in identifying and protecting those places.

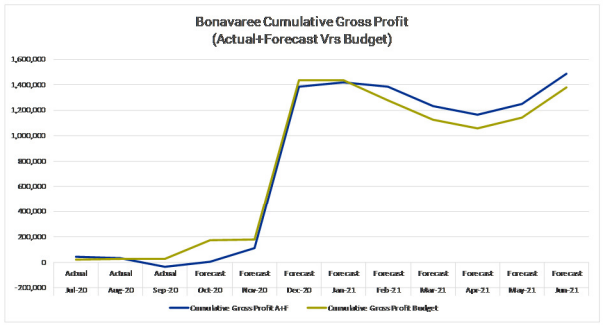
Financial Summary:

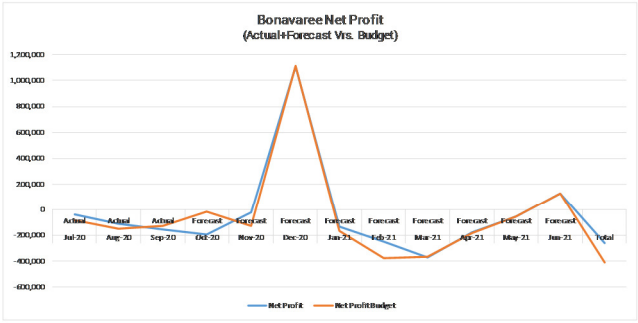
KPI	3 Year Weighted Average	2019
Gross Farm Income $/ha	$1,019.40	$1,145.00
GFI $/su	$170.04	$183.53
Farm Working Expenses $/ha	$608.27	$651.36
FWE $/su	$102.11	$104.38
FWE/GFI %	62%	57%
EBITR $/ha	$411.20	$493.86
EBITR $/su	$67.93	$79.16
Economic Farm Surplus $/ha	$390.80	$464.00
EFS $/su	$64.46	$74.30
EFS/GFI %	36%	40%
Times Interest Covered	2.36	2.92
Return On Capital	5.8%	6.9%

Farm Insite Dashboard – BONAVAREE FARM – Report for 30 September 2020

Farm Insite is a management tool designed to provide situational awareness for the land owner/manager to make better more informed and timely operational decisions for the business.

Financial	YTD	Budget Variation
Net Income	-$ 32,960	-$ 69,154
Farm Working Exp.	$ 193,583	-$ 42,972
EBITR	-$ 226,543	-$ 26,182
Non Op. Exp.	$ 77,089	-$ 85,411
Profit	-$ 303,632	$ 59,229
Change in L/stock Value	$ 808,908	
Equity	53%	



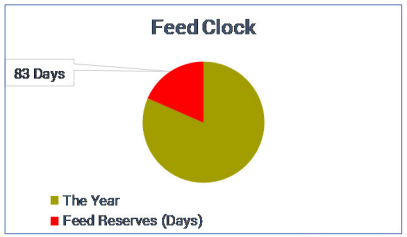


Livestock on Farm	
Total Stock Units	12,318
Stocking Rate su/ha	4.9
Tradeable su	4,704
Value of tradeable su	$ 1,042,845

livestock Production	YTD
Net Production kgM&F	- 6,602
Net Livestock Sales	-$ 65,002
Meat & Fibre kg/ha	-3
Ave. Price $/kgM&F	$ 9.85

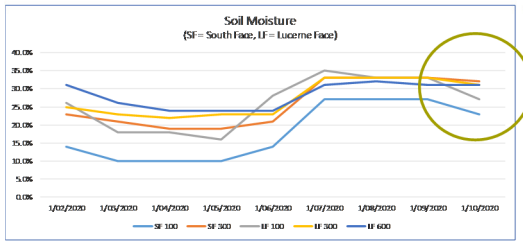
Your Goals	Target	YTD
GFI $/ha	$1,000	-$ 13
FWE/GFI	56.5%	-587%
EBITR $/ha	$435	-$ 90.62
Meat & Fibre/ha	175	-2.6
Cattle kg/ha	75	-8.2
Sheep kg/ha	100	5.5

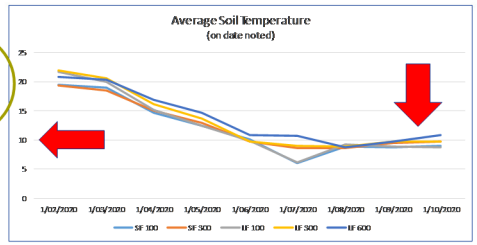
Feed		
Pasture Cover	2330	kgDM/ha
Feed Demand	11.7	kgDM/ha/d
Pasture Growth Rate	14.5	kgDM/ha/d
Feed Reserve	83	Days



Climate	South Face	Lucerne Flat	Trend
Rainfall (mm)	65.2	82.4	
Rainfall YTD (mm)	324.8	337.8	Low
Moisture 100 mm	23%	27%	Dry
Temperature 100 mm	9	8.8	Cool
Moisture 300 mm	32%	31%	Dry
Temperature 300 mm	9.7	9.8	Warming
Moisture 600 mm	NA	31%	Dry
Temperature 600 mm	NA	10.9	Warming

Sheep Performance	Ewes	Hogget's
Tailing %	148%	
Breeding Efficiency		
% Lambs Prime Wning.		
Ave. Lamb Cwt & $/hd		





Year to Date Comparison	2020	2019	Variation
Operating Surplus	-$252,412	$280,485	-$532,897
Stock Units	12318	16123	-3805
Value of Stock on Hand	$2,647,105	$3,568,225	-$921,120
Stocking Rate	4.9	6.4	-1.5
Pasture Cover	2330	1828	502

Key Points to Note:

Although early in the financial year, the financial performance is approximately $70,000 behind budget. This may be due to the purchase of livestock not budgeted in response to favourable growing conditions

Days of Feed avaialble at current feed demand assuming no further growth 83

Trading stock units account for 38% of all stock on the farm

YTD production is somewhat irrelevant at the present time of the farming cycle

Soil temperature appears to have remained static over the past month. Ground not warming with spring.

BUSINESS INFORMATION

The Why	Business Vision
Leading the farming industry through demonstrating and perfecting the vision defined for our property.	Efficient conversion of sunlight and water into products that consumers value highly. With lower carbon, higher biodiversity, happy animals and with passionate people.

Business History

- E.W Avery purchased Bonavaree (206ha) on 30th October 1918
- Sold to GA & JM Avery late in 1945
- Doug Avery began permanent work on farm from December 1971
- Purchased Glen Erin (435ha) 1 February 1973
- Sold to DG & CW Avery 1st April 1979
- Leased Jefferies (315ha) 1991 then purchased October 1993
- Fraser Avery began permanent work on farm from 2002
- Purchased Te Wai (146ha) February 2002
- Leased McLennan (150ha) November 2010
- Purchased Kaka Ridges (419ha) 1 April 2011
- Purchased Glenfield (514ha) 4th March 2016
- Leased Rio Downs (120ha) 4th March 2016
- Purchased Baillie Property (279ha) 1 March 2019
- Sold Kaka Flats (82ha) on 1 Jan 2020 to Ally and Locky

Business and Property Description

The farm business is comprised of an effective pastoral area of 2,408ha (2,555ha total) which is in 2 blocks Bonavaree and Glenfield.

Land management units are noted as being:

- Lucerne
- Tractor/Cultivatable Country
- Northerly Hill
- Southerly Hill

Rainfall averages 575mm/year with a summer dry and favourable winter climate. Evapotranspiration is 1,500mm/year. The topography ranges from flat to medium, to steep hill country.

The farming system is described by Fraser as "breeding and finishing", with a focus on providing every animal with the opportunity to reach its genetic potential through excellent nutrition and management.

Business Targets

The objectives of Bonavaree for animal production and farm management are to:

- Earnings Before Interest, Tax and Rent per kilogram of Meat & Fibre - $2.50 ($435/ha)
- Meat and Fibre per hectare - 175kg
- Ewe Breeding Efficiency Percentage - 83%
- Lambs from ewes Weaning Weight - 41kg
- Lambs from hogget's Weaning Weight - 35kg
- Average daily weight gain per year for bull operation - 1kg

SWOT ANALYSIS

Strength's	Weaknesses
• Farming systems (integrating all factors) especially Lucerne/legumes • People (D&W, F&S) passion and leadership • Story telling • Relationships with suppliers and customers • High sunshine hours/wind – climate with soft winters • Resilience • Location on SH1 • Knowledge (IP) of how to farm successfully in this environment • Financially sound – very good relationship with bankers • Land and balance of land classes (tractor country) • People management (Fraser) • Family (strong bonds) • Brand Avery • Governance • Ability to change quickly – nimble • Networks • Quality of infrastructure • Irrigation potential • Converting water to economic value • Vibrant region and community	• Climate extremes/volatility • North facing hills • Key person risk • All land in one climate zone/money in one business (lacks diversification) • Access to high calibre labour • Lack of demand for dry hill country – lower capital gain
Opportunities	Threats
• How do we get other people to partner on our land – make a list of potential partners • People who Fraser can delegate to – realising Fraser's potential • Biodiversity – story/brand leverage – integrated biological systems • Partnerships – equity participation – joint ventures • Leadership step up for Fraser • Lead in supply contracts • Acquire more tractor country • More trees for shade • Climate change/greenhouse gas mitigation • Lease land - take up 10-year lease • Leverage off brand and IP • Get external endorsement via value chain • Training academy • Carbon sequestration (carbon trading)	• Succession if goodwill disappears • Lose Fraser – needs to delegate/train/trust. (Need a plan) • Complacency • Damage to brand (can't hide) • Earthquake risk • Serious climate pressure • Disease • World economics • Land use change • Legislation and consumer trends

FRASER'S GOLDEN NUGGETS!

- Change is hard, messy in the middle, beautiful in the end!
- Spend your time doing what you are passionate about and with people who are passionate about what they do!
- Don't accept poor standards and values as the new norm. Engage with those who share your values!
- Celebrate your wins, no matter how small they are!
- Communication, Communication, Communication
- Relationships – built with great communication
- Surround yourself with people. Create ways to engage with great people
- Employ people you think will be better than you
- We WIN or we LEARN, we never lose
- Where are we now? Where do we want to be?
- SWOT – build systems around this
- Have a plan
- Be proactive, not reactive
- Appreciation – voice it, live it, love it!
- Every decision/action has an impact/consequence. Position yourself to make good decisions but most importantly make decisions!
- Create options and flexibility, decisions will be made easier!
- Don't farm every paddock every day!
- Provide your animals the opportunity to express their genetic potential
- Look after the land and it will look after us!
- Attention to detail, the little things add up!
- Do the basics really well!
- Don't be scared to make mistakes. When we do, own them, learn and grow from them and move forward.
- Shit happens, what defines us is how we deal with it!
- Me Time – the easiest time to cancel but the most important time in all our lives!
- Farming it for what it is, ensuring the environment is considered.
- The strength in a team is when all members are contributing their ideas.
- The three parts to every year
    - **RISK** (Summer/Early Autumn)
    - **RECOVERY** (Autumn/Winter)
    - **REVENUE** (Spring/Early Summer)

LAND RESOURCES

- The total area of the property is 2,555.4 ha of which approximately 19% is flat to undulating, 18% is rolling to strongly rolling, 58% is moderately steep hill and the remaining 5% is steep hill country.
- There are 332 individual paddocks greater than 1 ha and about 243 km of fencing including 57km of boundary fencing.
- The vegetative cover currently comprises of approximately 2,408.2 ha, or 94% of the property is effective, productive area. Approximately 42.7 ha are in pine forestry, 69.6 ha are indigenous bush and mixed scrub species, 1.1 ha are exotic woodlot species and 19.6 ha are wetland riparian species and rushes. A further 2.9 ha are in dams and ponds and the remaining 11.3 ha are non-productive utility areas including laneways, buildings and yards.
- A paddock scale Land Use Capability (LUC) and Land Resource Inventory (LRI) survey was undertaken on the property. Twenty LUC's and 12 dominant soil types were identified. The property is predominantly LUC class III to VIII land and the parent rock material consists primarily of loess, or patchy loess mantled over massive mudstone and greywacke. The low terraces adjacent to the waterways consist of alluvium and colluvium. Around 27% of the grazeable land on Bonavaree has a warm dry northerly-northwest aspect while 53% has a cool moist southerly-southeast aspect. The remaining 20% is flat to gently rolling and has no effect from aspect.
- The risk of phosphate runoff is considered 'low' with the average P loss being less than 0.2 kg P/ha/year as calculated by OverseerFM. The nitrogen loss is also considered low with an average whole farm loss of 9 kg N/ha for the 2019-2020 year.
- Tunnel gully erosion on the loess country is the biggest environmental issue. Other issues include pugging on the loess and mudstone soils, sheet erosion during droughts, stock access to some waterways, the lack of shade in some paddocks and the potential for wind erosion during cultivation.
- A number of Good Management Practises are being undertaken on Bonavaree including use of appropriate and flexible stock policy with the objective of preventing over grazing on the erosion prone hill country and undertaking an intensive pasture renewal and fodder crop program that provides significant flexibility in grazing management and ensures dry matter production at key times throughout the year.
- The property contains about 60.4 km of waterways mostly considered ephemeral. Biodiversity on Bonavaree is moderate in the waterways and gully systems but minimal on the effective pastoral areas. Approximately 11.9 ha of mixed wetland and riparian species exist in the gully systems and occur on LUC class IVw3, VIw2 and VIIw1. A further 7.8 ha are considered open riverbed including the watercourses which also encompass freshwater micro invertebrates.
- A further 69.6 ha of consolidated stands of indigenous bush exist in the steeper hill country and gully systems and occurs predominantly on LUC class VIe16 and VIIe17. This includes mixed broadleaf species, Kanuka, Manuka and scrub species. There is also around 4.1 km of farm boundary that sit adjacent to the coastal lagoons and Dominion Salt Works. While there are no significant areas of woody or vegetative coastal plant species along this margin, the surrounding environment provides habitat to a range of coastal fauna, and a QE11 covenant with another one being established at present.

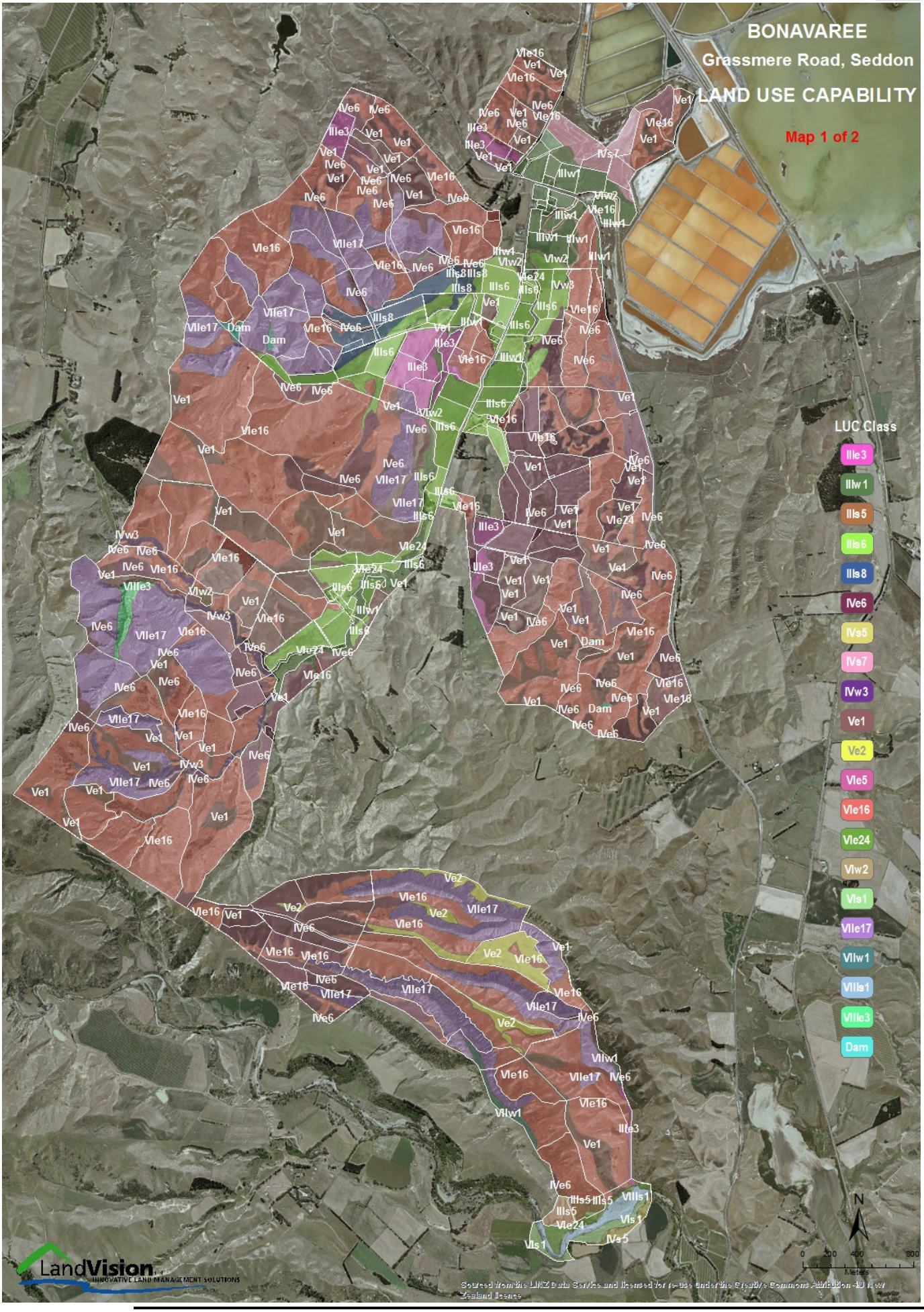
LUC Unit	Description	Area (ha)
	**IIIe3** Undulating to rolling loess mantled terraces and downlands in low rainfall areas with a marked summer moisture deficit. Silt loam textured yellow grey earth soils are susceptible to sheet and rill erosion when cultivated.	Effective pasture 110.6 ha Non-effective pasture 1.7 ha Forestry 0.2ha
	**IIIs5** Flat to undulating low terraces with a marked summer moisture deficit and moderately shallow (30-45 cm) and/or stony, silt loam or sandy loam textured recent soils with limited water storage capacity.	Effective Pasture 6.2 ha
	**IIIs6** Flat to undulating terraces in low rainfall areas with a marked summer moisture deficit and moderately shallow (30-45cm) and/or stony, silt loam textured yellow brown earth soils.	Effective pasture 119.9 ha Ineffective pasture 6.3 ha Forestry 0.1 ha
	**IIIs8** Undulating to rolling loess-mantled terraces and downlands, with a marked summer moisture deficit and silt loam textured soils with impeded drainage due to a strongly developed fragipan.	Effective pasture 23.3 ha Forestry 0.7 ha
	**IIIw1** Flat to undulating floodplains and low terraces with moderately deep sandy loam to clay loam textured soils where the depth to low chroma colours, gleying or mottling is greater than 45cm, and/or a moderately high water table at or within 45cm of the surface for up to half the year, in low rainfall areas.	Effective pasture 57.6 ha Ineffective pasture 2.4 ha
	**IVe6** Rolling to strongly rolling loess mantled downlands in low rainfall areas with a marked summer moisture deficit. Silt loam textured predominantly yellow grey earth soils are susceptible to tunnel gully erosion, and sheet and rill erosion when cultivated.	Effective pasture 357.5 ha Ineffective pasture 0.3 ha Forestry 3.2 ha
	**IVs5** Flat to undulating floodplains with shallow (15-30cm) and stony silt loam textured recent soils.	Effective pasture 8.8 ha

LUC Unit	Description	Area (ha)
	**IVs7** Flat to gently sloping coastal lake and lagoon margins, weak to moderately saline sandy loam to clay loam textured soils in low rainfall, summer moisture deficient areas.	Effective pasture 21.1 ha
	**IVw3** Flat to undulating floodplains and low terraces with predominantly sandy loam to clay loam textured recent soils where the depth to low chroma colours, gleying or mottling is less than 45cm. Moderately high to high, or seasonally high water table at, or within less than, 45cm in low to moderate rainfall areas.	Effective pasture 7.8 ha Riparian and wetland species 4.5 ha
	**Ve1** Strongly rolling to moderately steep loess mantled downlands in low to moderate rainfall areas with a marked summer deficit. Silt loam textured yellow grey earth soils.	Effective pasture 266.8 ha Ineffective pasture 0.1 ha Forestry 3.1 ha
	**Ve2** Strongly rolling to moderately steep loess mantled downlands, on strongly indurated rocks, in low to moderate rainfall areas. Silt loam textured yellow-grey to yellow-brown earth intergrade soils.	Effective pasture 79.4 ha
	**Vle5** Strongly rolling to moderately steep hill country developed on strongly indurated sedimentary rocks in moderate rainfall areas, with yellow grey to yellow brown intergrade soils.	Effective pasture 109.7 ha
	**Vle16** Strongly rolling to moderately steep loessial hill country developed on weakly indurated rocks in low rainfall areas with a marked summer moisture deficit.	Effective pasture 931.5 ha Ineffective pasture and dam 0.8 ha Consolidated bush and scrub 15.2 ha Forestry 32.8 ha
	**Vle24** Strongly rolling to steep banks on elevated river terraces, found adjacent to rivers.	Effective pasture 66.2 ha Ineffective pasture, rushes and riparian species 1.9 ha Forestry 1.5 ha

LUC Unit	Description	Area (ha)
	**VIw2** Flat to undulating floodplains and low terraces with predominantly sandy loam to clay loam textured recent soils with a moderately high, or seasonably high water table at or within less than 30cm of the surface, in low to moderate rainfall areas, and often close to sea level.	Effective pasture 7.8 ha Wetland and riparian species 6.1 ha
	**VIs1** Flat to undulating floodplains, low terraces and fans with very shallow (,15cm) and stony silt loam textured, recent soils in low to moderate rainfall areas, with a marked summer moisture deficit.	Effective pasture 5.9 ha
	**VIIe17** Steep to very steep loessial hill slopes with yellow grey earth soils susceptible to tunnel gully erosion developed on weakly indurated rocks, in low rainfall areas, with a marked summer moisture deficit.	Effective pasture (219.1 ha Native bush and scrub 54.4 ha Forestry 1.1 ha
	**VIIw1** Drainage impeded floodplains and wetlands, with sandy loam to clay loam textured soils and significant standing water in lowland areas.	Effective pasture and wetland species 4.6 ha
	**VIIIe3** Very steep slopes, gullies and cliffs formed on weakly indurated rocks, mainly in mild lowland and coastal areas with low to moderate rainfall and a marked summer deficit.	Pasture and bare rock 5.1 ha
	**VIIIs1** Flat to undulating floodplains and low angle fans with very shallow and stony, weakly developed soils prone to extensive deposition and inundation by flood waters, in low to moderate rainfall areas with a marked or moderate summer moisture deficit.	Wetland species and rushes 7.8 ha Dam 2.3 ha

QE11 and Significant Natural Areas

- Bonavaree has 3 areas totalling 30ha fenced off as Significant Natural Areas.
- There is a QE11 covenant with another 1 being established at present. These 2 areas total 4.5ha.


BONAVAREE
Grassmere Road, Seddon
LAND USE CAPABILITY
Map 1 of 2
LUC Class
IIIe3
IIIw1
IIIs5
IIIs6
IIIs8
IVe6
IVs5
IVs7
IVw3
Ve1
Ve2
VIe5
VIe16
VIe24
VIw2
VIs1
VIIe17
VIIw1
VIIs1
VIIe3
Dam
N
0 200 400 800
Meters
LandVision
INNOVATIVE LAND MANAGEMENT SOLUTIONS
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SOIL TEST INFORMATION

The following table shows the most recent soil test results recorded on Bonavaree.

30/09/19	pH	Calcium	Phosphate	Sulphur	Potassium	Org. Sulphur
Cutting 2	6.2	12	47	14	13	10
East Pakistan	5.9	10	23	24	10	8
Bottom Airstrip	6.3	13	28	7	12	5
F	6.3	12	33	4	22	6
Old Silage	6.0	12	22	13	17	11
Torndale Creek	6.5	13	25	23	14	8
West Bank	5.9	15	18	5	10	6

Fertiliser Applications

2020

- 60 T Sulphur Super 15 @400kg/ha
- 210 T Sulphur Super 20 @300kg/ha
- 57 T Superphosphate @500kg/ha
- 44 T Crop 20
- 15 T DAP
- 350 T Lime @1T/ha

2019

- 203 T Superphosphate @500kg/ha
- 19.2 T DAP
- 33.6 T Crop 20
- 14 T Ammo 31
- 16 T Ammo 36 + Se
- 220 T Lime @1T/ha

Fertiliser Inputs	2017	2018	2019	2020
Nitrogen kg/ha	9.85	9.1	7.29	4.51
Phosphate kg/ha	4.64	11.1	15.81	14.19
Potassium kg/ha	0	0	0	0
Sulphur kg/ha	5.8	15.2	19.74	21.53
kg Phosphate/su	0.87	1.89	2.5	2.4

Note: Fertiliser inputs per hectare in 2017 do not fully reflect application rates as Glenfield and Rio Downs had only recently been acquired.

FORAGE CROPPING

Forage Cropping Management:

- Sprayed out in the spring and left to summer fallow. Any pastures that are performing under 90% (not performing at their best) are re-cropped. The summer fallow allows 80% of moisture to be retained in the soil.
- Paddocks are sprayed out in October and drilled in mid-February.
- Always 2 years in crop and then into permanent pasture, which is either Lucerne or grass/clover mixes.
- If weeds are a significant issue in any crop paddock, then Fraser considers a third year of summer fallow.
- Direct drill as much as possible. Only cultivate if pugging, or virgin land with holes.

Crop	Area (ha)	Management Information
Omaka Barley (forage barley)	104ha	- Sown Mid Feb @ 125kg/ha, 6tonne/ha average. - The barley has a large seed which can be sown at a deep depth in the soil into the fallowed ground meaning that the seed can utilise the retained moisture to germinate. - The Barely provides Autumn cattle feed and winter lambing feed. - Utilised as a multiple graze forage crop, and is paddock grazed not strip grazed. - In September the crop has finished production, and all paddocks then sprayed in Sept, and sown in Lucerne in October.
Winter Rape	42.5ha	- Sown at 4kg/ha averaging 6 tonne/ha. - Sown in mid-February into summer fallow soils. - The small seed needs to be sown shallow, and needs rain to germinate. - Use for winter feed for cattle, trading or dairy grazers – all strip grazed. - This then goes into Lucerne in Mid-October. - Two varieties of rape used Greenland and Spitfire; both have similar performance. Greenland is later flowering.
Tama – Annual Ryegrass	121ha	- Sown in the first week of April. Purpose is for lambing feed and spring feed for trade cattle. Average 7 tonne/ha, at 25kg/ha sowing rate. Sprayed out as early as possible, but often November as still grows well in Spring. T - he later it is sprayed the more moisture forgoing in the soil for next season. The paddock is then summer fallowed. Following on into Barley or Rape. - The Tama is also used to be sown into "run out", lower plant density Lucerne stands, often in their final year this will be oversown with Tama to increase plant density and pasture availability.
Tupping Kale at Glenfield	11ha	- Average 5 tonne/ha, sown at 4kg/ha. Grown to mate all ewes at Glenfield on, due to higher rainfall at this block. Kale will be sown in November, by direct drilling. The Kale will be used in any underperforming paddocks, and will be sown after one month's fallow. Kale is used due to being able to grow a more reliable crop and as there is not as much area in Lucerne. The ewes will go on the day before ram goes out and are ideally on for the whole of mating.

LIVESTOCK POLICIES

The sheep to cattle ratio is generally maintained at 50:50 over the winter. Bonavaree aims to keep a 50:50 ratio of capital stock to opportunity (trading) stock. The decisions on buying and selling opportunity stock are driven by all aspects of the business, not just financial.

Sheep

Mating

- 1st March - MA Ewes Mating
- 8th March - 2th ewes
- 18th March - Glenfield ewes
- 1st April Hogget's mated (6th April 2020)

Tailing

- Put an EID tag in all potential replacement ewe lambs, all the rest are ear marked and tailed. No vaccine, no drench. Used to weigh all lamb at tailing, not currently. Wet dries culled at weaning.
- Normally sample weigh in mid-October, providing a fairly accurately forecast for weaning. Book space with meat company at this time.

Weaning

Fraser looks at the weaning date as an opportunity to make the most of the current season. He doesn't have a fixed date, and weans when he sees the opportunity arises.

Key drivers for the weaning date decision:

- Pasture cover is really important, markets, and weaning weight
- Aim is to put as much feed as possible into the ewes and lambs to get the highest percentage off mum as they can. This in turn puts them at an advantage of the increased dressing out percentage whilst coming off mum.
- Ewe condition is not a factor – ewes wean heavy, (there are no light ewes at weaning time).
- Target 90% lambs off mum, at 20kgcw or better.
- Weaning in unit load lots, target one-unit load per day of weaning.
- Total of 9 days of weaning in 2019.

Stock Policy

- 4,650 ewes
- The ewes are the Longdown breed and the rams are sourced from Chris and Jane Earl from Scargill.
- 100% of hogget's are mated. All scanned dry hogget's are sold.
- Target ewe mating weight is 75kg. Target ewe hogget mating weight is 51kg.
- Ewes receive a triple combination oral drench pre lamb, Lamb Surivival Drench (LSD) and Covexin 10 in 1. Ovine multi drench pre tup. LSD at scanning.
- Mob size is important, individuals can get lost in the bigger mobs. The multiple bearing ewes are tailed in mobs of 100 and then rotated in mobs of 200 max during the spring rotation. Very rarely more than 850 sheep in a mob during the rest of year.

Reproductive Performance Summary:

	2017	2018	2019	2020
MA Ewe Scanning %	175.1	179.6	183.8	173.7
MA Ewe Lambing %	140.6	139	148	156 (interim)

Ewe Hogget Selection Criteria Program & Production Graph

- At tailing time hogget's are selected, and any maternal ewe lambs get an EID tag. Generally, no black spots, bad dags, or "poor dooer". Selection is made from all ewe lambs not necessarily a twin lamb.
- At weaning all lambs are weighed, any ewe lambs under 34kg are not kept, and are finished. A further visual cull is carried out in the pen to remove any that are not fit for replacements.
- 1,350 ewe lamb replacements are kept, then a further 50 are removed from the replacement mob in early February, when toxo vax, and campy vax, Covexin 10in 1 are given.
- The benchmark weight target is 51kg at early February, and the aim is to hold this weight for mating. All hogget's at this weight are then kept on maintenance on the hill. Any lambs that are tailing off are taken out.
- Minimal drenching occurs. Triple drench is used at weaning, and 28 days later.
- 1,300 ewe lambs are put to the ram.
- At pregnancy scanning anything not in lamb is sent to the processor.
- After weaning all ewe lambs are grazed on Lucerne until early February. The heaviest two thirds are on the hill country, and the lightest third on Lucerne. Ten days out from the start of mating all ewe lambs are grazed on Lucerne. They then follow the ewes on the mating rotation.
- The ewe hogget's are then kept on the hill country through winter. (not break fenced).
- Multiples are lambed on Tama and Lucerne grass mixes, singles are lambed out on hill country. No lambing beat is done.

	2018	2019	2020
Hogget Scanning %	134	129	131
Dry %	13.9	13.4	13.3
Hogget Lambing %	90	82	89

Shearing

Ewes are shorn in May on a 12month basis. Ewe lambs and any remaining works lambs are shorn following weaning. Ewe Hogget's are shorn in July.

Cattle

- Cattle make up approximately 50% of the livestock on the farm.
- Breeding cows and carry over dairy cows are used to manage pasture quality for sheep and trading cattle.
- All surplus progeny are sold prime.
- Any class of cattle is considered as a trading opportunity. Friesian bulls are the most popular for the system. 200 Friesian bull calves are contracted to be purchased at 100kg in November every year and the rest are purchased if and when there is an opportunity throughout the year.
- In calf dairy cows are wintered, and replacement heifer calves are farmed for 12months.

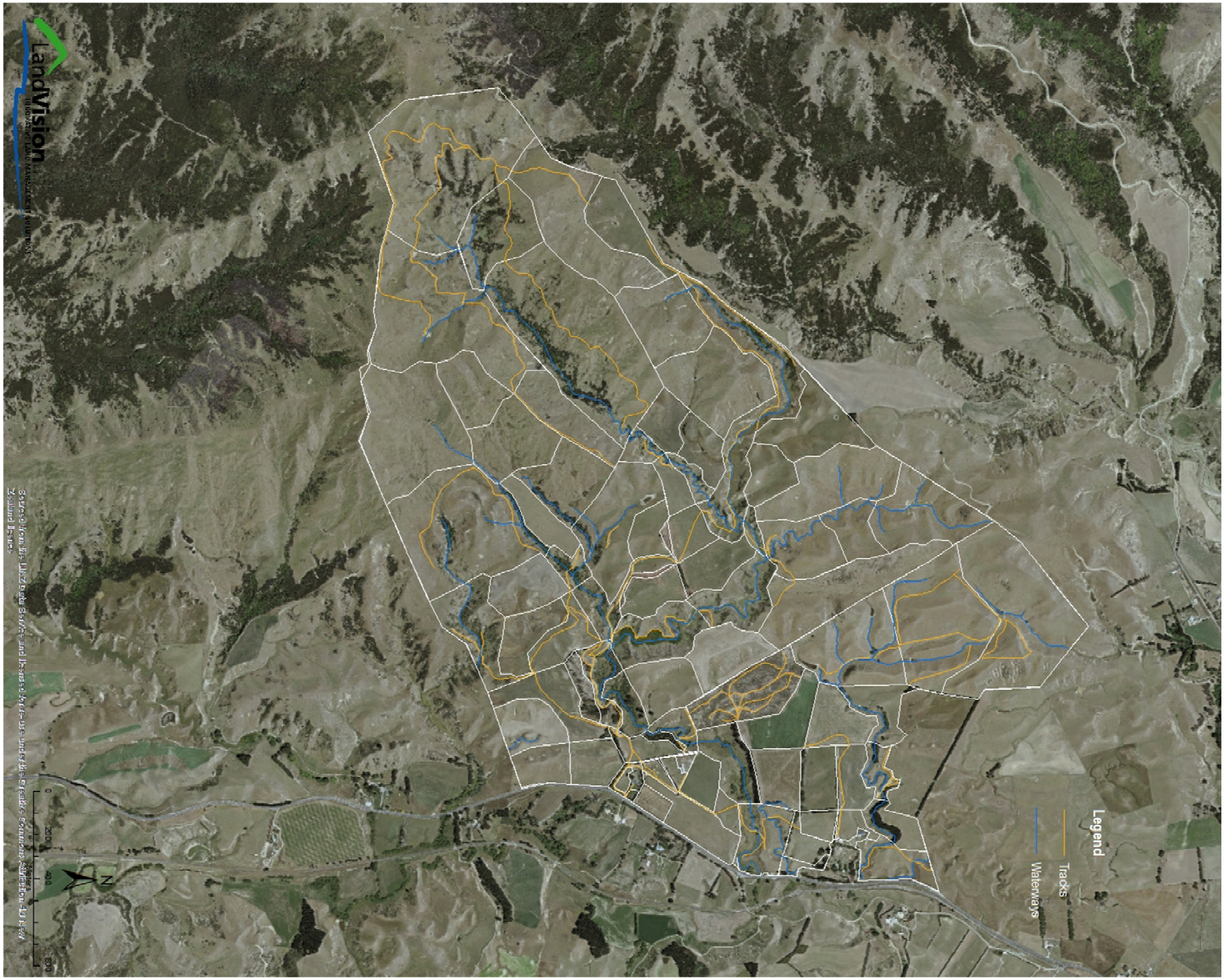
Livestock Reconciliation

Stock Class	June 2017	June 2018	June 2019	June 2020
MA Ewes	3989	4718	4730	4521
Ewe Hoggets	1142	1240	1321	1249
Rams	49	56	56	61
Wether Hoggets	2357	2337	1625	0
Sheep Stock Units	**6713**	**7500**	**6700**	**5444**
MA Cows	365	402	509	307
R2yr Heifers	0	4	69	41
R1yr Heifers	149	119	99	152
R2yr Steers	94	31	132	86
R2yr Bulls	349	448	317	216
R1yr Bulls	198	159	291	206
R1yr Steers	148	121	135	6
Breeding Bulls	4	2	3	6
Cattle Stock Units	**6582**	**6579**	**8044**	**5153**
Total Stock Units	**13295**	**14079**	**14744**	**10597**
Stocking rate su/ha	**5.32**	**5.63**	**5.9**	**4.24**
Sheep:Cattle	**50:50**	**53:47**	**45:55**	**51:49**

MAP OF FARM - DOUBLE PAGE CENTRE SPREAD

Attached to e mail as PDF

GLENFIELD PROPERTY MAP



LUCERNE MANAGEMENT

SOWING & ESTABLISHMENT

- Lucerne seed is sown in Mid-October – sown 9kg/ha pure stand (inoculated bare seed). This has been increased to 12kg/ha this is to increase plant density. This can cause a negative effect in the dry season, because of more plants competing for moisture.
- Direct drill as much as possible.
- Establishment is really critical. Keep a close eye on plants for pests, checking every 2/3days. If weeds are present, spray straight away. No preventative spray occurs. They now only spray to treat pests that are present.
- Nysius, Spring Tails, and Greasy Cut Worm are the main pests to be looked for.
- Sprayed with a herbicide like Glyphosate in September, and then sprayed one month later just before drilling.
- When sowing Lucerne, from germination to first flower on average the root has been measured to grow 13mm/day. Whilst it looks like it's not growing above the ground it is doing a lot below, and setting itself up for future production.
- The earlier sowing in the season the more established the plant will be going into the next season. This is why sowing in spring is much more beneficial than Autumn sowing, giving the plant more time to establish its roots.
- Varieties – Management mistakes will impact performance more greatly than differences in variety. Currently the Averys' grow Torlesse, Takahe, Force4, Force7, Wairau Varieties.
- The main reason these different varieties are grown, is due to the large area spreading the risk of pest and disease impact. There are different winter activities in the different varieties. Some are more winter active, but this is only observed in their first autumn which helps when building grazing systems.
- First grazing occurs when Lucerne gets to 50% of the crop flowering. If it is a better growing season (early summer rain), 1st graze will be at 30cm high and then left to flower before 2nd grazing. This allows the plant to be established before grazed. When the plant is actively growing (during summer)/flowering it is building its root reserves for the next season, which is why it is left until 50% flowering.
- Average stand life is 6 years. Previously thought 12 years, from a stand. There are more bugs, weeds and higher expectation from performance of the stand. When is a stand is finished? Fraser is looking for plant density (how much soil showing), or weed burden. Not the quality of the plant, this can continue indefinitely. It is lack of plant numbers or weeds that ends the stands life. Usually happens between years 4 and 8.

Lucerne Grazing Management

- All ewes at Bonavaree are mated on Lucerne, primarily on the first year Lucerne stands, and any older Lucerne needed after that. Ewes go on 2 days before ram goes out. They start on dry wilted Lucerne, then they are slowly transitioned, (normally a week) onto lusher Lucerne.
- In a wetter season, ewes would start on lucerne 5 days out from mating, target grass mixed stands to help transition onto pure stands. When Lucerne is lush, transition is more important. In wet autumn periods there is a risk of oestrogens on lucerne with leaf diseases – this is managed on a year by year basis.
- Ewe lambs mated one month later on same paddocks, (follow the ewe rotation). Once the autumn rains come. Lambs (brought in) are traded on the Lucerne, rotate around.
- Post scanning (end May), ewes then follow the trade lambs, grazing the Lucerne as hard as possible ready for winter spraying. The first paddocks grazed in winter rotation, are the first paddocks that are needed in the spring. A significatn amount of planning goes into the winter rotation. Once totally grazed and sprayed, the paddock is left until Spring.
- Some paddocks are set stocked onto for lambing for approx 20 days. This can be done because of scanning into lambing mobs early, mids and lates. At tailing time, ewes and lambs mobbed up and start rotation on Lucerne, (late August, early September). The ewes are in mobs of 200 multiple bearing ewes, and ideally are on paddocks for 4/5 days. When the rotation is started, the first paddocks are 15/20cm high, aiming for rotation 28/35days. By time get back to first paddock 30cm in height, if it isn't this length, still go into the paddock anyway. Faster growing season, the rotation is shortened, no advantage in Lucerne being more than 30cm. Judged on height throughout spring. If Lucerne isn't at 30cm, would add a grass paddock into the rotation.

Weeds

On establishment Lucerene is sprayed with Preside, before first grazing to get rid of any weeds at this point. This is when the Lucerne gets to 5 cm high. All pure stands are winter sprayed every year, with Gramoxone and Atrazine. This is done every year regardless of weed content. This is to ensure no moisture is wasted on weeds. The Gramoxone is a contact killer of e.g. barley grass, while the Atrazine is taken up through the roots and provides weed control for weeds that germinate in spring.

The main weeds are Shepherd's purse, annual grasses.

Horehound and Thistles are manually removed with a grubber or knapsack sprayer.

Hawkes beard & Dandelion – in a wet season, this becomes more of an issue. The chemicals that can be used are expensive and can be ineffective. Fraser prefer to take the Lucerne out and fallow the paddock again for two seasons. This tends to appear in a wet season, mid-way through the Lucerne term when the canopy is starting to open up. 60ha+ of new Lucerne sown each year. To ensure that mating feed is available, because the root is continuing to grow into the untapped moisture that the shallower rooted crops haven't utilised over the previous 2 years. So, this ensures that even in a dry summer we have green young lucerne at mating.

○Grass & Clover Mix Management

If a paddock is seen as potentially too wet for Lucerne in an average year it is sown into a grass and clover permanent pasture. The current mix per ha is:

○15kg Finesse Q Fescue, 1kg Greenly 11 Cocksfoot, 6kg Antas Sub Clover, 6kg Woogenellup Sub Clover, 4kg Rossi Red Clover, 0.8kg Tuatara Plantain

In the past grass rates have been as low as 10kg and sub clover as high as 16kg.

The idea of these pastures is to provide feed from late autumn until late November. Anything outside of this window is a bonus, which they seem to constantly deliver.

These are autumn sown and in the 1st year the target is for setting sub clover seed to turn that 12 kg of sub into >1000 kg/ha of seed. To do this they have a light grazing in late May then are lambed on and lightly rotationally grazed until being shut up for seeding approx. early - mid October. At this time there are many small self-pollinated flowers and keeping sheep off these is important because they love to eat the seeds. Once fully seeded (early January) the paddocks are grazed down hard to let the sunlight in for sub clover to germinate once autumn rains arrive. The seed set does not need to happen every year if we have a good seed set in that first year.

Lucerne Grass Mix

Lucerne grass mixes are an important part of our grazing operation. The current mix is:

○10kg Lucerne, 15kg Prairie Grass, 1kg Cocksfoot,0.8kg Plantain

All Lucerne grass mixes are spring sown at Bonavaree. Often the 1st grazing is at mating time in early March.

<u>Advantages of this mix:</u>

Great transition paddocks for animals going on or off Lucerne, Highly productive pastures for lambing on and grow earlier than pure lucerne

Less animal health problems in wetter seasons compared with pure Lucerne,

Less soil erosion than pure Lucerne, this is why most paddocks with slope we plant mix

Less attack from white fringed weevil – it doesn't like the grass

<u>Disadvantages of this mix:</u>

In a dry season doesn't grow as much DM as pure Lucerne. Lincoln research shows lower animal production from mixtures.

Difficult to spray weeds, Difficult to keep the lucerne in them without grass taking over.Longevity?

Animal Health on Lucerne

- Use Covexin 10 for all of Breeding sheep.
- Multi mineral salt blocks are available for all animals when grazing lucerne. Lucerne stores sodium in the roots so the foliage is deficient.
- When the lucerne is lush we wilt part of the paddock with a mower or feed hay/straw.

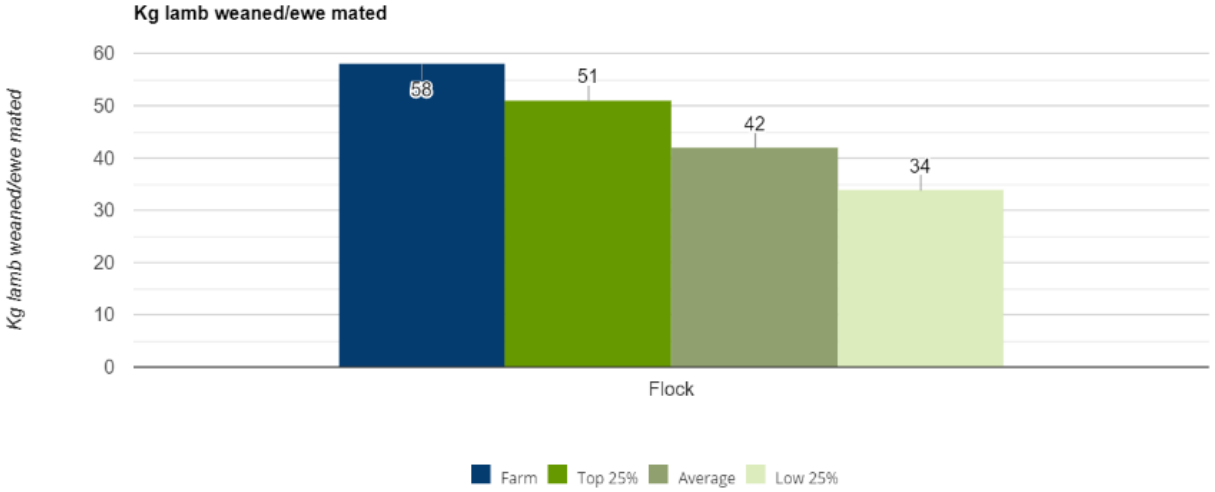
KEY TIP

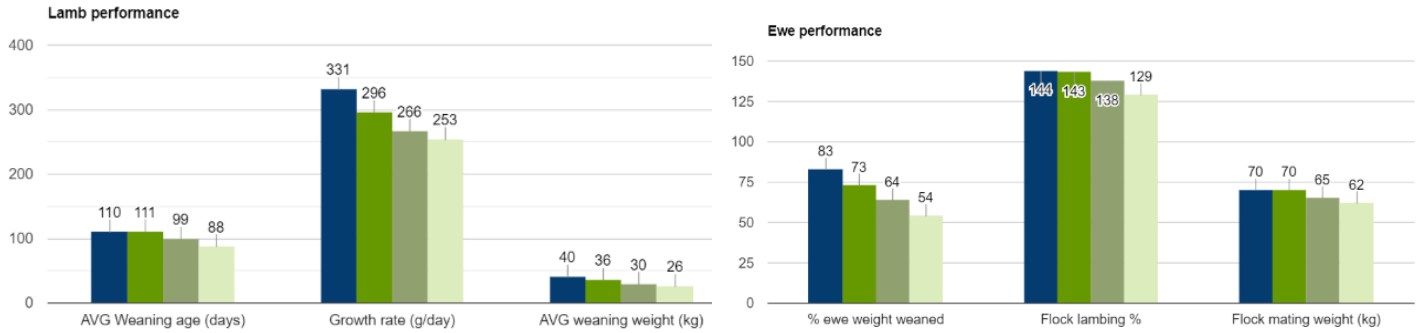
When grazing the Lucerne plant, it grows new growth from the basal buds. These appear from the crown of the plant following grazing. The first 14 days following grazing these are preparing the next crop. Then beyond this stage is when the majority of the DM is grown. Grazing early at this stage has a big effect on reducing the amount of DM grown.

Animal Performance

Ewe Flock Performance

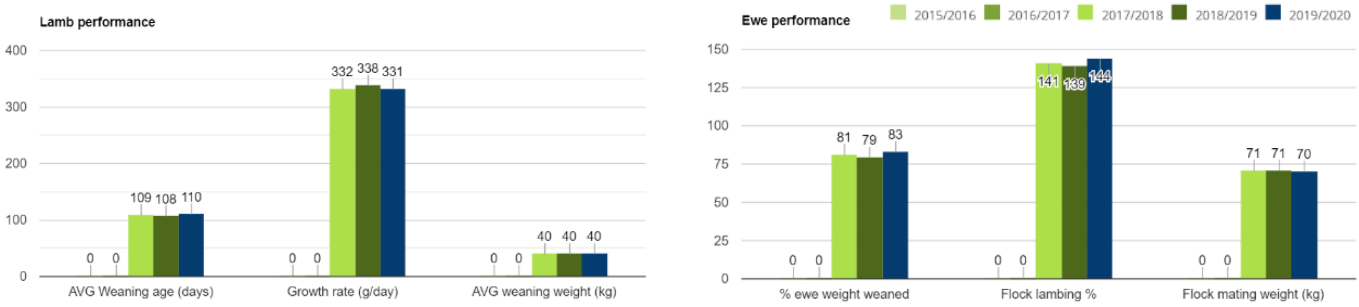
Ewe Flock Performance (includes results from Bonavaree and Glenfield) benchmarked against all StockCare properties is outstanding with the ewes weaning on average 58kg lamb per ewe mated. The result of a very high lamb growth rate (birth to weaning) and a high lambing %.

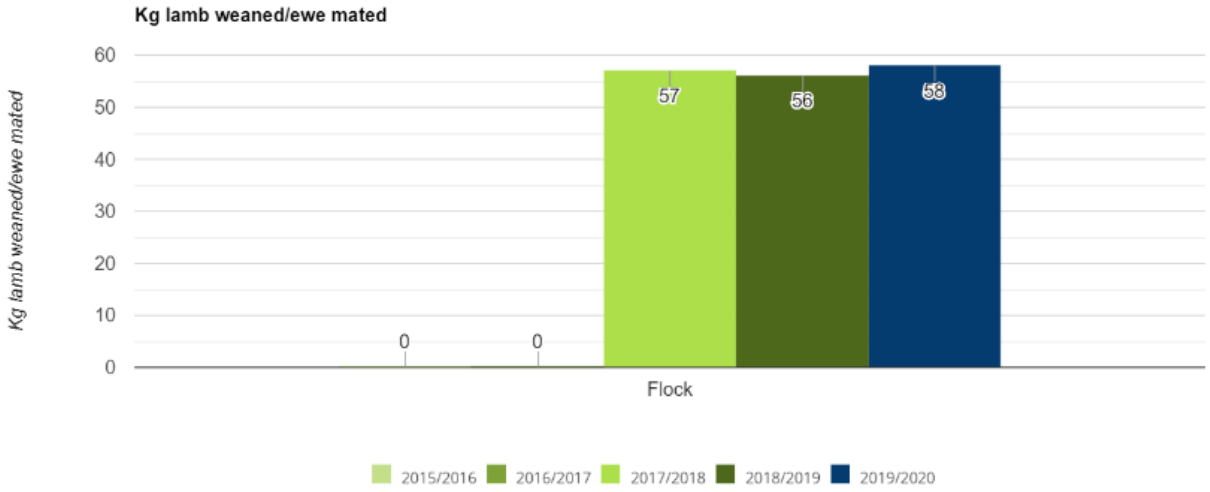




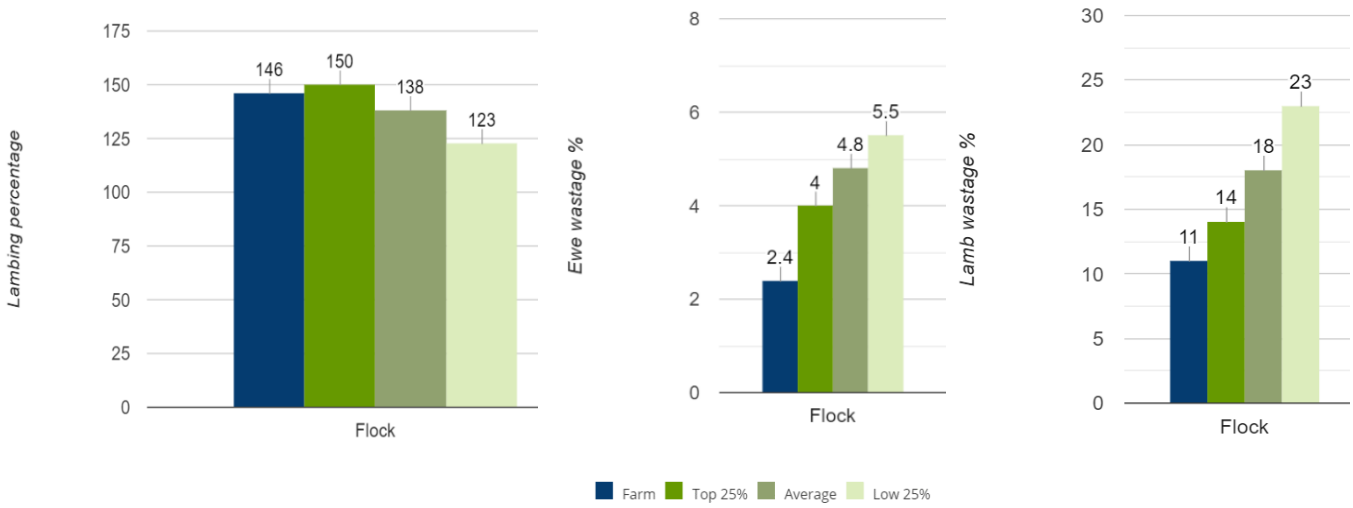
While the lamb growth rates on both properties are similar, the Bonavaree lambing % is higher (146% v 138%). Ewes at Bonavaree at 72kg are 5 kg heavier than Glenfield ewes at mating. As a result, the ewes at Bonavaree actually wean 60kg lamb/ewe mated.

Consistency of performance is a really good indicator of excellent ewe flock management. We see this here where despite three very different years ewe flock performance has remained impressively constant.





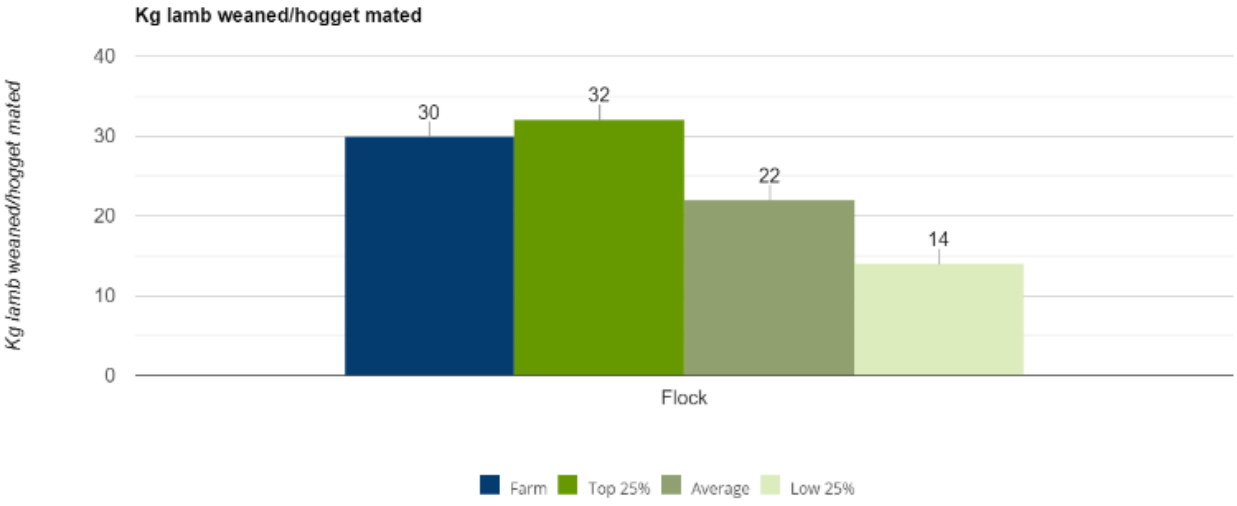
Lambing Performance of Bonavaree v Average Performances of StockCare Properties

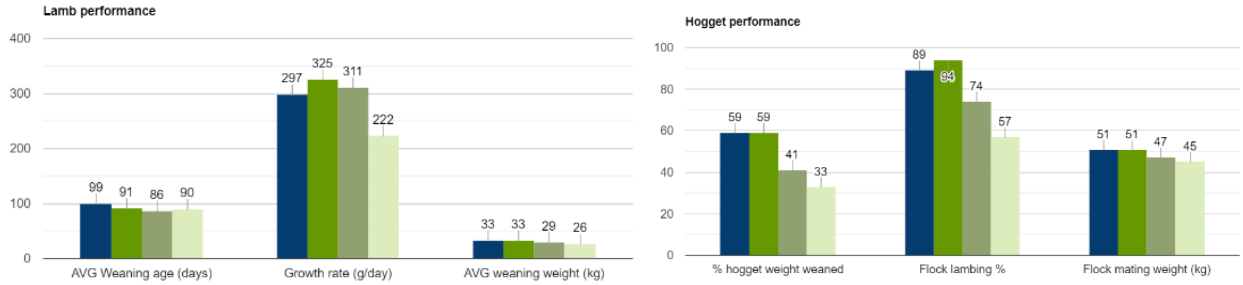


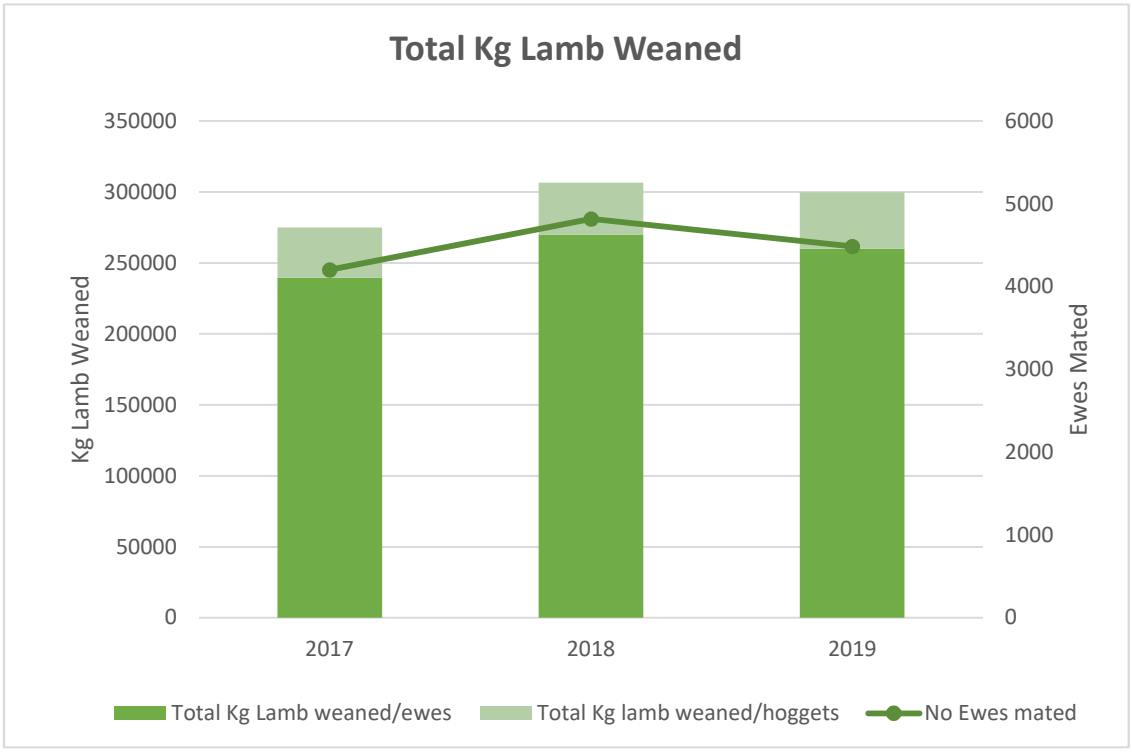
At Bonavaree where lucerne is the main diet excellent lamb and ewe survival are significant drivers of the very good ewe flock performance. At Glenfield over the last 3 years lamb loss has been a little higher at 18% with a 4% ewe loss.

Hogget Performance

While the hogget lambing performance is good there is still an opportunity to lift both lambing % and lamb growth rates.



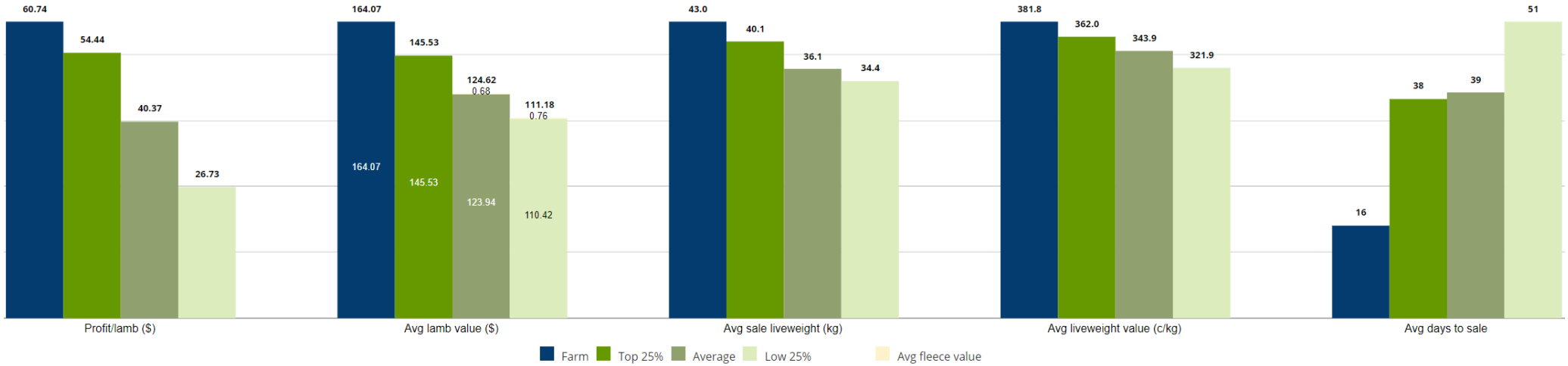




Sale Lamb Performance

Every year around 74% of all sale lambs born on both properties including hogget lambs are sold prime at weaning at high weights prior to Christmas when the schedule is still high meaning this is a highly efficient and profitable lamb business. In 2019/20 80% of Bonavaree lambs from the ewe flock were sold prime at weaning averaging 20Kg Carcase Wt.

All Lambs sold (Profit per lamb and key drivers)



StockCare
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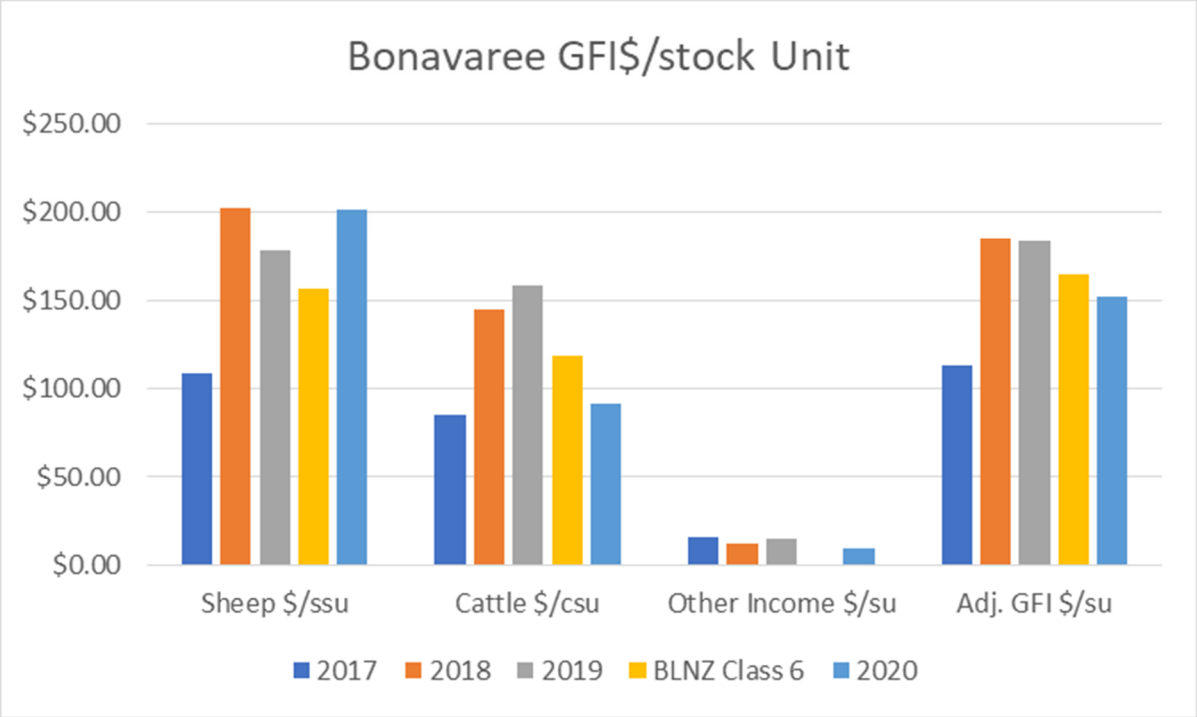
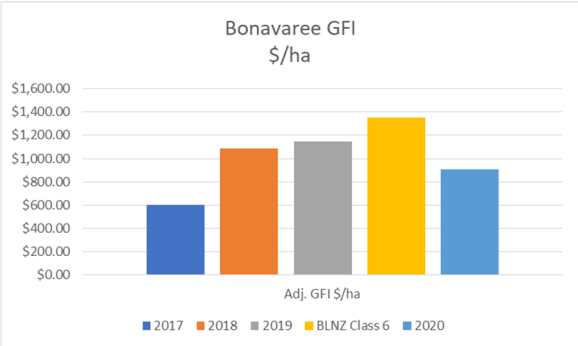
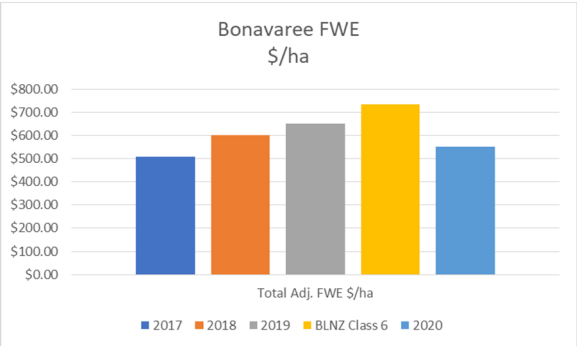
FINANCIAL PERFORMANCE

The following tables summarise the financial performance realised by the farm business from 2017 to 2019 as the period used in the judging process. In addition, we included the comparative information from BLNZ Economic Service for 2019 and the actual farm results for the year ending 2020. You are encouraged to review your annual financial statements and compare your statistics with the tables as a means of benchmarking your performance.

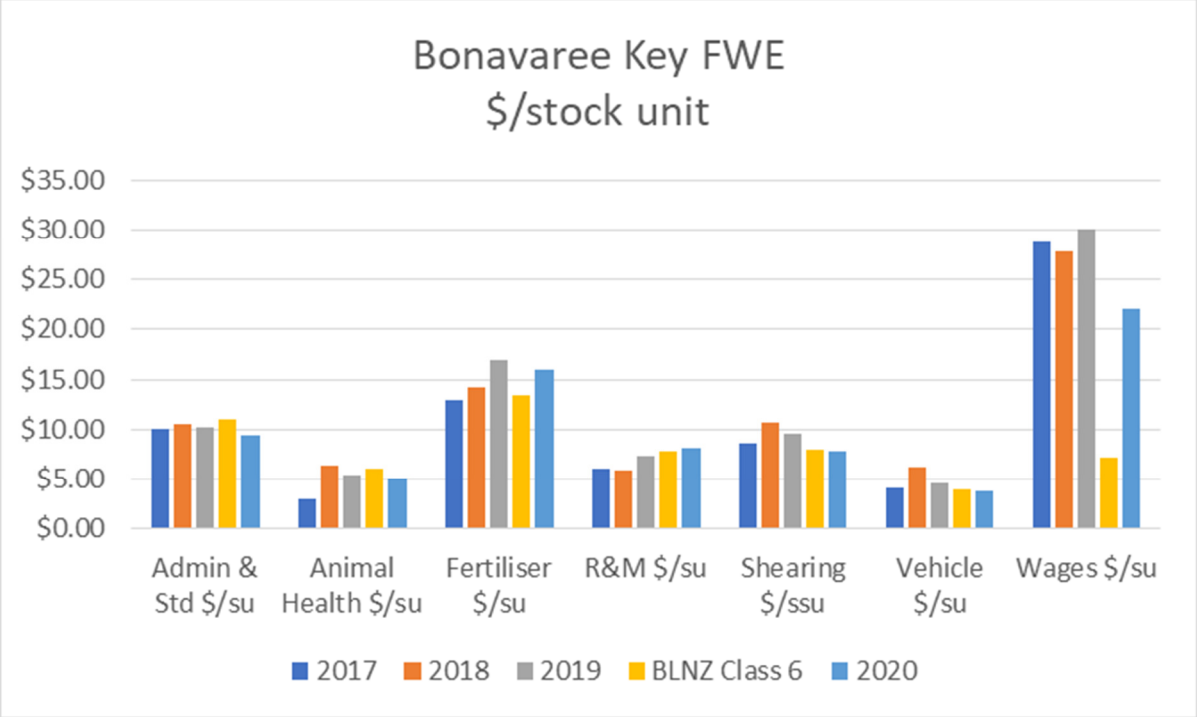
Gross Farm Income	2017	2018	2019	BLNZ Class 6	2020	2021 (B)
Sheep $/ssu	$108.24	$202.64	$178.17	$156.75	$201.67	$182.71
Cattle $/csu	$85.16	$144.93	$158.19	$118.81	$91.94	$73.80
Other Income $/su	$15.76	$12.04	$14.92		$9.72	$5.55
Adj. GFI $/su	$113.02	$185.57	$183.53	$164.32	$152.03	135.92
Adj. GFI $/ha	$604.00	$1,087.00	$1,145.00	$1,351.10	$906.00	568.43

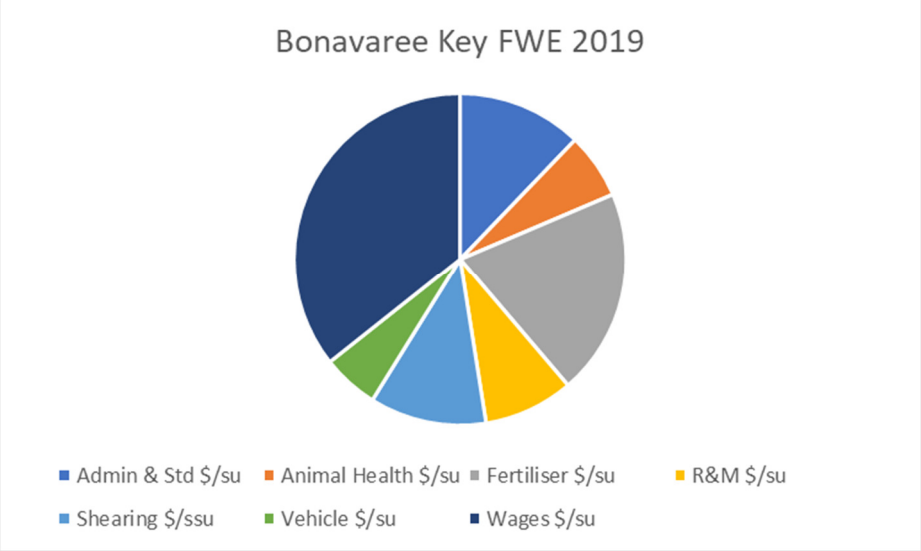




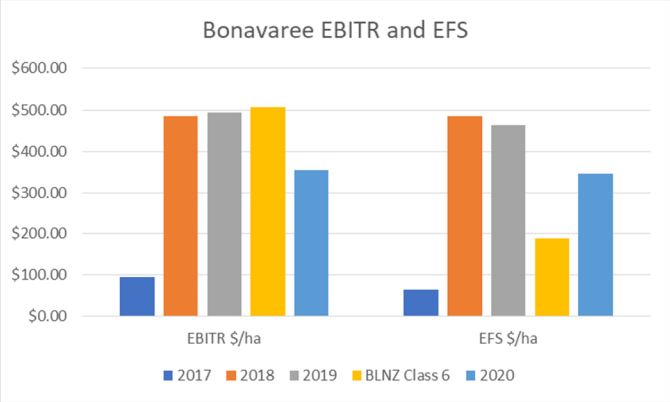


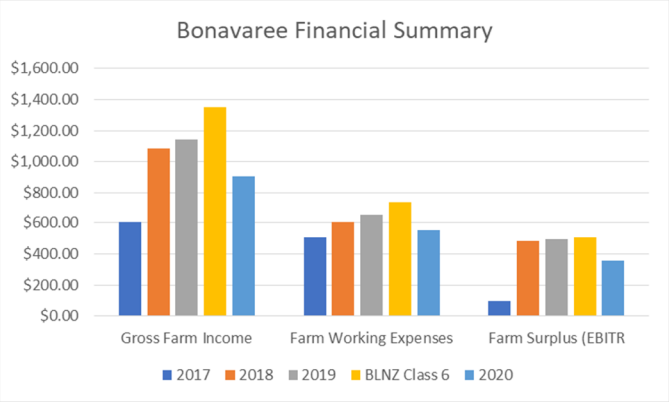
Key Farm Working Expenditure	2017	2018	2019	BLNZ Class 6	2020	2021 (B)
Admin & Std $/su	$9.99	$10.45	$10.26	$11.08	$9.32	$14.00
Animal Health $/su	$3.05	$6.33	$5.40	$6.09	$5.09	$4.55
Fertiliser $/su	$12.90	$14.23	$16.99	$13.42	$15.94	$8.13
R&M $/su	$6.00	$5.80	$7.37	$7.84	$8.12	$3.10
Shearing $/ssu	$8.61	$10.71	$9.58	$7.89	$7.86	$12.12
Vehicle $/su	$4.15	$6.24	$4.63	$4.00	$3.85	$5.97
Wages $/su	$28.75	$27.76	$30.03	$7.12	$22.07	$43.04
Total Adj. FWE $/su	$95.28	$102.87	$104.38	$89.22	$92.53	$105.44
Total Adj. FWE $/ha	$509.28	$602.45	$651.36	$733.58	$551.38	$440.97
FWE/GFI %	84%	55%	57%	54%	61%	78%





Economic Farm Surplus	2017	2018	2019	BLNZ Class 6	2020	2021 (B)
EBITR $/ha	$94.86	$484.31	$493.86	$505.97	$354.51	$127.46
EBITR/GFI %	15.7%	44.6%	43.1%	37%	39.1%	22.4%
EFS $/su	$12.13	$82.96	$74.30	$22.76	$58.15	
EFS $/ha	$65.00	$486.00	$464.00	$187.13	$346.00	
EFS/GFI %	10.7%	44.7%	40.5%	13.9%	38.2%	
Return on Capital	1.0%	7.3%	6.9%	1.0%	5.8%	2%





Key Financial Performance Indices

Notes:

GFI Gross Farm Income
FWE Farm Working Expenses
EFS Economic Farm Surplus (GFI-FWE)
EBITR Earnings Before Interest, Tax & Rent

General comments regarding the Financial Performance of Bonavaree:

- The business has consistently produced a Return on total Capital employed of over 5% during the past 3 years. An anomaly of just 1% occurred in the financial year ending 30th June, 2017 as a consequence of the acquisition of Glenfield and Rio Downs in 2016
- The EFS per stock unit achieved in 2019 was 326% higher than the B+LNZ Economic Service Class 6 model performance (compare $74.30 to $22.76/su)
- Generally, the winter stocking rate on Bonavaree is lower than the B+LNZ Class 6 average level. As such income and expenditure levels are per lower than average. However, when considered on a stock unit basis, GFI is 12% higher whilst FWE is 12% lower.
- Expenditure on fertiliser is higher than the industry average. On analysing fertiliser inputs, it is noted that above maintenance levels of phosphate is being applied.
- Wages represents a significant area of expenditure and at $30.03 in 2019 was nearly $23/su greater than the B+LNZ farm class average. Bonavaree operates a labour to stock unit ratio focussed on being able to get work completed timely, effectively and to a high standard.

SHEPPARD AGRICULTURE
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THE WESTPAC & BAYLEYS MARLBOROUGH SHEEP & BEEF FARMER OF THE YEAR 2019

Bonavaree Farm Ltd

Reproductive Performance

Ewe Flock Productivity	2018	2019	2020	2021
MA ewes (wintered - 30 June)	3989	4718	4282	4502
Ewe Hoggets (wintered - 30 June)	1142	1240	1319	1231
Total Females wintered	**5131**	**5958**	**5601**	**5733**
No. Lambs docked/tailed	**6936**	**7703**	**7597**	**4338**
Lambing % (all females)	**135.2%**	**129.3%**	**135.6%**	

Breeding Efficiency - MA Ewes	2018	2019	2020	2021
Mean Start of Lambing Date	5-Aug	5-Aug	5-Aug	5-Aug
Ewe Mating liveweight	70.1	70.5	71	72.5
Lamb weaning liveweight (ewes)	40	39.9	40.5	
Ewe Breeding Efficiency	**0.85**	**0.80**	**0.86**	**0.00**

Breeding Efficiency - Ewe Hoggets	2018	2019	2020	2021
Mean Start of Lambing Date	25-Aug	25-Aug	25-Aug	25-Aug
Hogget Mating liveweight	51	51	50.5	49
Lamb weaning liveweight (hogget's)	32	33	35	
Hogget Breeding Efficiency	**0.56**	**0.52**	**0.62**	**0.00**

Ewe flock Wastage Rate	2018	2019	2020	2021
No. Mated	4203	4822	4331	4704
No.Scnned in lamb	4027	4635	4285	4502
No. Lambed	3821	4400	4152	
No. Docked/Tailed (with Lamb)	3750	4300	4052	2781
Wastage (sold, death, missing)	**453**	**522**	**279**	**1923**
Percentage	**10.8%**	**10.8%**	**6.4%**	**40.9%**

Ewe Hogget flock Wastage Rate	2018	2019	2020	2021
No. Mated	1145	1223	1322	1239
No.Scnned in lamb	983	1056	1145	1049
No. Lambed	939	908	1093	
No. Docked/Tailed (with Lamb)	700	750	850	
Wastage (sold, death, missing, Dry)	**445**	**473**	**472**	**1239**
Percentage	**38.9%**	**38.7%**	**35.7%**	**100.0%**

Combined Flock Wastage	2018	2019	2020	2021
No. Mated	5348	6045	5653	5943
No.Scnned in lamb	5010	5691	5430	5551
No. Lambed	4760	5308	5245	0
No. Docked/Tailed	4450	5050	4902	2781
Wastage	**898**	**995**	**751**	**3162**
Percentage	**16.8%**	**16.5%**	**13.3%**	**53.2%**

Lambing Performance

MA Ewes	2018	Percentage	2019	Percentage	2020	Percentage	2021	Percentage
No. Mated	4203		4822		4282		4704	
Scanning Potential	7358	175.1%	8658	179.6%	7962	183.8%	8171	173.7%
Lambs Docked	5909	**140.6%**	6704	**139.0%**	6421	**148%**	4338	148%
Losses	**1449**	**19.7%**	**1954**	**22.6%**	**1541**	**19.4%**		

Ewe Hoggets	2018	Percentage	2019	Percentage	2020	Percentage	2021	Percentage
No. Mated	1145		1223		1322		1239	
Scanning Potential	1530	133.6%	1572	128.5%	1730	131%	1551	125.2%
Lambs Docked	1027	**89.7%**	999	**81.7%**	1176	**89%**		
Losses	**503**	**32.9%**	**573**	**36.5%**	**554**	**32.0%**		

Combined Flock	2018	Percentage	2019	Percentage	2020	Percentage	2021	Percentage
No. Mated	5348		6045		5604		5943	
Scanning Potential	8888	166.2%	10230	169.2%	9692	171.4%	9722	163.6%
Lambs Docked	6936	**129.7%**	7703	**127.4%**	7597	**134.4%**		
Losses	**1952**	**22.0%**	**2527**	**24.7%**	**2095**	**21.6%**		

Lambs Weaned	2018	2019	2020	2021
Lambs from Ewes	5909	6704	6421	
Lambs from Hoggets	1027	999	1176	
Total Lambs Weaned	**6936**	**7703**	**7597**	
Lambs weaned/ha	**2.8**	**3.1**	**3.0**	

Lamb Growth Rate Performance - Ewes	2018	2019	2020	2021
Mean Weaning Date	2/12/2017	2/12/2018	9/12/2019	
Mean Lambing Date (10 days after start Lambing)	15-Aug	15-Aug	15-Aug	
Average Lamb Weaning weight	40	39.9	40.5	
Lactational growth Rate (g/day)	**330**	**329**	**315**	
No. Lambs sold Prime Weaning	4258	4613	4616	
(Percentage of lambs net of replacements kept)	74.8%	72.3%	73.5%	
Mean Weaning Date	12/12/2017	12/12/2018	19/12/2019	
Mean Lambing Date (10 days after start Lambing)	4-Sep	4-Sep	4-Sep	
Average Lamb Weaning weight	32	33	35	
Lactational growth Rate (g/day)	**261**	**271**	**272**	
Ewe Hogget mating Lwt	51	51	50.5	50.5
Ewe Hogget Growth to Mating (g/day)		**91.7**	**88.3**	**87.7**

Kg Lamb Weaned per Hectare	**107.7**	**120.2**	**120.5**
Percentage Improvement (2018 as base)		11.6%	11.9%
(price $/kg Lwt at weaning)	$ 3.00	$ 3.50	$ 4.00
Value of Salable Lamb Crop weaned/ha	$ 265.31	$ 348.61	$ 398.26
Percent change in value of lamb crop/ha		31.4%	50.1%

NORTH FACING HILL COUNTRY

The north facing hill country makes up approximately one third of the property. There is a big environmental focus with this land class. In late spring/ early summer this area has the stock removed from it.

The idea is to let plants seed to help build plant density on erosion prone faces. Once seeding has occurred, cattle only are grazed on this area until autumn when grass starts to grow. This area doesn't get fertilised. The focus is on subdivision, weed and grazing management.

TECHNOLOGY

Technology plays an important part for Bonavaree in daily operation, compliance, monitoring and understanding the opportunities.

Technology used at present:

- FarmIQ - live on-farm diary for management and Farm Assurance
- Farmax - scenario planning and tool for assessing opportunities
- Allflex – all sheep EID tagged
- Tru-test – XR5000 and stick and panel readers. 8 Mains powered electric fence units and many solar units.
- Sheppard Agriculture – Farm Insight
- Financial Software – Xero/Figured
- Harvest - remote controlled and monitored water pump. Monitored water tanks. Monitors on electric fence lines. Climate stations on different land management units measuring wind direction and speed, rainfall, air temp, soil moisture and temp at 10, 30 and 60cm depth.
- 2 Racewell auto draft sheep handlers, one 6-way and one 3-way draft.

ANZCO FOODS

PEOPLE, PASSION AND MINDSET

There is a real focus around people at Bonavaree and the way in which they support others and equally be supported by people.

Relationships are vital in the success of Bonavaree. These are created and built from good communication. They see this as a constant to work on, which therefore improves all aspects of the business.

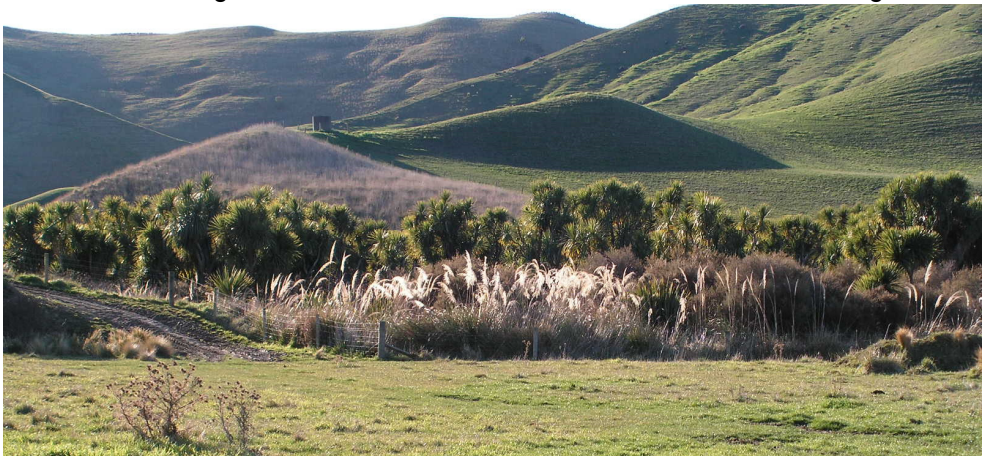
"The better we communicate the better we perform"

It has become a preference to build relationships with individuals and businesses that are passionate about what they do. Fraser said "we really appreciate the many individuals and businesses that have played a part in our journey to date and continue to support us with our vision moving forward".

Bonavaree is committed to helping build communities. Those who are involved with the business are strongly encouraged and supported to be engaged with off farm interests. They are involved with many individuals, teams, groups and organisations locally, nationally and internationally. The Avery's believe voluntary work is the most rewarding work. In the last 13yrs Bonavaree would have hosted more unpaid visitors than any other sheep and beef farm in NZ. This is seen as an opportunity to share what they have learnt and also learn more from others.

The operational values of the business are to create an environment and culture where the team have well balanced lives. There is an expectation of high standards and performance. To achieve these, they are continuing to develop systems around planning, communicating the plan and systems within it. Developing and growing as individuals and a team. Learning has always been a priority for them. It is always their first entry into the weekly plan. Earlier this year they introduced a discipline to have learning and growth sessions every fortnight. To date only 1 has been missed. This is all part of their thinking behind building a healthy and safe working environment.

We all make mistakes, what is important is that we own our mistakes, learn from them and move forward. The strength in a team is when all members are contributing their ideas.



JUDGES FEEDBACK

FINANCIAL PERFORMANCE – Greg Sheppard (Sheppard Agriculture Ltd)

- Invest in Lean Management to better document systems/processes to identify how to make the business even more efficient.
- Benchmark and monitor financial KPI's. Work out which ones are important. Monthly, quarterly, annually. ID where gains can be made and how
- Investigate key person insurance (this is very different to Income protection insurance). Key Person Insurance protects the business's profitability should something happen to Fraser.
- The "Low Hanging Fruit" are getting higher and higher. How often is this assessed?
- Is it time to look at marginal gains and opportunities (traditional and novel outside the current operation) to change your performance on the Relative Yield curve.

ANIMAL PERFORMANCE – Pete Anderson (StockCare)

- While we have no doubt that stock performance on Bonavaree is excellent this was not substantiated by seeing any objective stock performance data.
- It would have been to Bonavaree's advantage to have had the important stock performance KPIs displayed and explained on the day. Having at least the last 2 year's data, better still 3-4 year's of information, looking at an improving or consistency of performance would have been useful.
- If a property is measuring their stock performance properly then that information should be readily available. If we do not receive any we are going to assume they do not really have a good idea how their ewe flock, beef herd and finishing stock are performing. Those results reflect and are the true measure of their animal health and feeding management and is a really important part of what their farming business is judged on.

GOVERNANCE – Richard Borrell (Westpac Bank)

- This business has very strong financial management
- A sound governance structure, meeting all best practise. The governance in this business is as good as I have ever seen.
- From a governance perspective there are no obvious areas for improvement

LAND RESOURCE MANAGEMENT Lachie Grant (LandVision)

- In total there were 27 different categories all with different weightings. For Bonavaree some of those categories either not applicable to the property or were not seen and could not be judged. Where this occurred the overall possible score for the property was scaled down and the overall score for the property was out of this new tally to give a percentage.
- Overall, the property scored well in nearly all the different categories. Matching land use to land type was a standout feature and you would have to go a long way to find better examples in Marlborough.
- Although the property does not have a land and environment plan, the typical content is clearly in Frasers head. He knows the areas that are prone to pugging and how to manage these areas to minimise the effects of it.

- On the areas of the farm that the judges were taken erosion was insignificant but where it had the potential Bonavaree had generally reduced the risk. An updated nutrient budget for the one LandVision did 3 years ago is due however from memory the inputs/outputs is generally well balanced. Nitrogen losses are minimal which reflected the rainfall at Bon Avery.
- Typically, all farms in Marlborough have the opportunity to improve shade and Bonavaree is no exception.

Social Responsibility – Chris Dawkins

Health & Safety Plan.

- Fully compliant and proactive, so judged accordingly.

Staff Training & Retention.

- Fraser takes great pride in, and has respect for all staff.
- That no doubt reflects in the overall productivity of the farms.
- Bonavaree appears to be a desirable place to work, that attracts people of the right calibre and attitude.
- Satisfied staff are a great asset.
- There appears to be a good balance between their social, work, and educational requirements.

Communication.

- A strength of the Business at all levels.

Community Involvement.

- Service off farm was extremely commendable.
- Maximum points were awarded.
- Additional activity in this area could possibly be detrimental to the farming operation.

Sites of Significance.

- Fraser has a very clear understanding of the significance and importance of environmentally sensitive areas.
- He has been very proactive in identifying and protecting those places.
- He is leading by example and as such there is no better way of demonstrating best practice, particularly in an area where such examples are rare.

Some Definitions:

B+LNZ Economic Service Farm Class 6 – Northern South Island Breeding and Finishing Farm

A more extensive type of finishing farm, also encompassing some irrigation units and frequently with some cash cropping. Carrying capacity ranges from six to 11 stock units per hectare on dryland farms and over 12 stock units per hectare on irrigated units. Mainly in Canterbury and Otago. This is the dominant farm class in the South Island.

There are estimated to be 1820 farms in this class throughout the South Island.

Stock Units

A stock unit is a relative measurement of the amount of feed an animal consumes annually. One standard stock unit is deemed to consume 550 kgDM annually and is represented by one (1) 55 breeding ewe producing 100% lambing. Stock units used in all calculations are noted in the following table.

Stock Class	Stock Units	Stock Class	Stock Units
MA Ewe	1.0	MA Cow	6.0
Two Tooth Ewe	1.0	R2yr Hfr (IC)	6.0
Ewe Hogget	0.7	R2yr Hfr (MT)	5.0
Wx/Ram Hogget	0.8	R1yr Hfr	4.0
Two Tooth Wx	0.8	R1yr Str/Bull	4.5
Breeding Ram	0.8	R2yr Str/Bull	5.0
		MA Str	5.0
		Breeding Bull	6.0

We know that Bonavaree's stock (and stock on most other farms) consume much more annually than may be suggested by this table. However a standardised figure must be used for economic analysis to ensure consistency particularly when comparing one farm with another as we do in this competition.

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Thank you to all our sponsors on behalf of the Trust, the 2019 Competition Winners and the Marlborough & Kaikoura Farming Community.

MARLBOROUGH SHEEP AND BEEF FARMERS OF THE YEAR CHARITABLE TRUST COMPETITION

Vision:

Promoting profitable, sustainable & innovative, sheep and beef farming businesses

Aim:

The aim of the competition is to promote and showcase profitable sheep and beef farming by identifying efficient and innovative businesses with sustainability and environment as key focuses within the Marlborough Province.

Entry:

The competition is open to any farmer, (lessee or owner), or farm manager in the Marlborough Province (Marlborough and Kaikoura District Council areas), who has a significant proportion of business income derived from sheep and cattle farming. The final eligibility decision is at the Judge's discretion.

Prize Package (2019):

First Prize Package	Second Prize Package
○ **$15,000 Cash given by Westpac Bank & Bayleys Real Estate** (Marlborough) ○ Hamish Blackwell Contracting voucher- $1,500 ○ Blenheim Toyota voucher - $1,500 ○ Patchett AgAir Ltd voucher - $1,000 ○ White board paddock map given by LandVision - $800 ○ Blackmore Fencing voucher - $1,500 ○ OsGro Seed Services voucher - $1,000 ○ Vet Marlborough voucher - $1,000 ○ Simon Hammond Contracting voucher - $2,000 ○ FMG Travel voucher for family holiday - $1,000	○ **$3,000 Cash given by MSBFOTY Charitable Trust** ○ Consultancy services & Profit Check Accounts Analysis by Sheppard Agriculture Ltd - $2,000 ○ Patchett AgAir voucher - $1,000 ○ Hamish Blackwell Contracting voucher- $1,000 ○ Simon Hammond Contracting voucher - $1,000 ○ Blenheim Toyota voucher - $500 ○ LandVision - white board paddock map provided $800 ○ OsGro Seed Services voucher - $1,000 ○ Vet Marlborough Voucher - $1,000 ○ Blackmore Fencing voucher - $500

THE 2020 COMPETITION – A CHANGE IN STRUCTRE

Farming is a fantastic profession and business. Marlborough farmers are among the best in the country.

Are you truly passionate about our industry? Then what better way is there to help showcase it than by supporting this unique and truly progressive competition by entering your farming business in 2020 competition.

This year, each business category will have its own award and will be judged accordingly. This way if a business is stronger in certain aspects than its competitors, it will be better recognised even if it does not win the overall title.

Specific areas of the business assessed and for which prizes will be awarded:

1. Financial Performance
2. Animal Performance
3. Land Resource Management
4. Governance
5. Social Responsibility

Open to all Sheep and Beef farmers in Marlborough and Kaikoura Counties.

Previous entrants of this competition are eligible. Previous winners of the competition are eligible to re-enter after a stand down period of 6 years (5 competitions). Anyone unsure whether they qualify for entry should ask a member of the organising committee.

Entry forms for the 2020 competition will be available from 16th October 2020

For further information and, please contact:

Westpac Bayley's Marlborough Farmer of the Year Competition
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YOUR NOTES