

# JOHN MONAGHAN

## Chairman

It starts here...

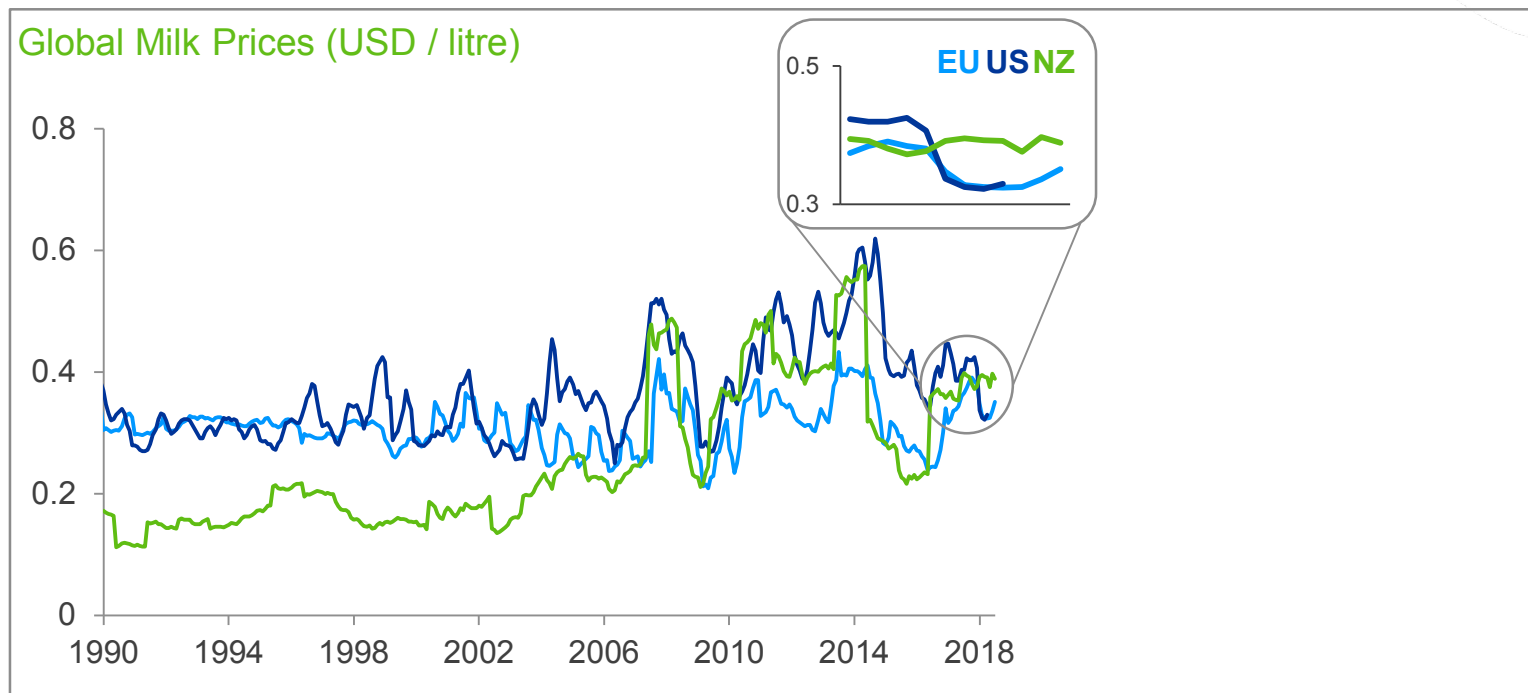
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Dairy for life



# Globally competitive cash pay-out



Source: DairyNZ (NZ to May 2014); Fonterra announced payout (milk price and dividend) (NZ from June 2014); USDA; European Milk Market Observatory (Netherlands milk price). Prices are adjusted to a milk composition of 3.5% protein and 4.2% fat and for spot exchange rates.





# 98.4%

## Fencing statistics

98.4 per cent of waterways on supplying farms in New Zealand are fenced to keep cows out of waterways.



## On-farm emissions

19.9 million tonnes CO<sub>2</sub>e emitted from supplying farms around the world.

## Emissions intensity per kilogram<sup>1</sup>

|             |      |
|-------------|------|
| New Zealand | 0.85 |
| Australia   | 0.92 |
| China       | 1.62 |

# 22%

22 per cent reduction in New Zealand somatic cell count since 2009, a key indicator of animal health.



## Farmer training

More than 2,600 farmers in Sri Lanka received training.

# 50

New ambition for 50 water catchments in New Zealand.



# 4%

## Riparian management plans

4 per cent of supplying farms in New Zealand have documented riparian management plans.

# 95%

95 per cent of supplying farms in New Zealand are participating in nutrient management reporting and benchmarking.







## Legend

Farming entities that achieved grade free for at least the last ten seasons.

A M Flanagan  
B L & Estate R J Mohring  
B S & P J Strang  
C & H Mabey  
C J & K L Ladd  
C M & K M O'Donoghue  
C R & A K Spence  
Est of M F Blake & M Blake  
F A & R C M Smits Ltd  
G B & J S Coulter  
Golden Mile Farms Ltd  
Inishbulfin Farm Ltd  
JA & Estate of K Jolly  
K & S MacKenzie Farms  
Limited  
K F Wallace  
Kemira Farm Ltd  
L J & L M Still  
Lakeland Farms Ltd  
M J & L M Van Tiel  
Miroc Limited  
Owango Farms Limited  
P T & V M Youngman  
R & P Woods Farms Ltd  
R J & E F Madsen  
R S & R D Gordon  
Romill Partners  
Rye Downs Ltd  
Schorn Trust  
Serendipity Trust  
Takitimu Trust  
Thomag Ltd  
Willowbank Estate Ltd



## Gold

Farming entities that achieved grade free for at least the last four seasons.

S M Trust  
A & D Milne  
A & G Martelli Family Trust  
A & N Harvey Family Trust  
A & L J Edward Trust  
A H & A C Webster  
A Holten & N Brown  
A J & K L Murdoch  
A J & K M West  
A J Dodds & Sons Ltd  
A K & M E Tyler  
A M Flanagan  
A P & C Knibbs  
A R Mills  
Abacus Dairy Ltd  
Abbey Farm Partnership  
Abbott Brothers  
Abbott Trusts Partnership  
ABH Trust  
AGC Farms Ltd  
Alhpaipa Farms Ltd  
Airlie Lodge (Walton) Ltd  
Allison Family Farms Ltd  
Alton Pastures Ltd  
Amberhay Ltd  
Ararata Holdings Ltd  
Armer Farms (N) Ltd  
Arnold Farming Ltd  
Ashgrove Dairy Farms Ltd  
Avon Downs Ltd  
Awapuketia Farming Company Ltd  
B & D Dodunski  
B & E V Blake  
B & J Kelly P/Ship  
B & C & K A Keller  
B D Mead  
B J & P Brisco  
B J Laing  
B L & D J Haylock  
B M & B C & J H Geddes  
B N & P A Jones  
B P & P N Kennedy  
B R Dinnington Ltd  
Barmac Dairies Ltd  
Barneyco Trust Partnership  
Barriball Farms Ltd  
Beckhamb Dairies Ltd  
Bell Farm 2008 Ltd  
Bellvue Enterprises Ltd  
Bent River Farms  
Bent River Farms  
B J C & F M Henchman  
B Kydz Contracting Ltd  
B M A & S A Anderson  
B Owen & Robyn Ruddell Partnership  
B Ruthe Farms Ltd/LA Ruthe

BM & G I Watson Ltd  
Bogaard Farms NZ Ltd  
Borrowdale Trust  
Boswell Dairy Ltd  
Bothwell Farms Ltd  
Bremna Farms Ltd  
Briley Farm Trust  
Bullock Family Trust  
Burnside Farms Ltd  
Burton Trust  
C & B Jensen Family Trust  
C & D Padruitt Trust  
C & M Tippet  
C & R M Moir  
C B Farms Ltd  
C E & D L Rogers  
C F & M T Muller  
C J & C J McKenzie Ltd  
C J & K M A McLean  
C W & J Redshaw  
C W & M Y Matthews  
Family Trust  
C.D. Farms Ltd  
Camaron Farms Ltd  
Casey Coxhead Ltd  
Caskie Farms  
Chislehurst Farms Ltd  
Claremont Trusts Partnership  
Clinton & Pamela Smeeth  
Clutha Lea Ltd  
CM Farming Ltd  
Collahen Ltd  
Collins Family Trust  
Coltlands Ltd  
Cowley Dairies Ltd  
CPX Ltd  
Cranieff Clifton Ltd  
Crekside Pastures Ltd  
Cross Dairies Ltd  
D & D Alexander Trust  
D & E Cole  
D & I Edward Ltd  
D & S Farms  
D & A M A Mullan  
D C & V F Frew  
D Crofsky  
D E & M E Hines  
D J & P Brisco  
D J Laing  
D L & D J Haylock  
D M & B C & J H Geddes  
D N & P A Jones  
D P & P N Kennedy  
D R Dinnington Ltd  
Darmac Dairies Ltd  
Darneyco Trust Partnership  
Darriball Farms Ltd  
Deekhamb Dairies Ltd  
Bell Farm 2008 Ltd  
Bellvue Enterprises Ltd  
Bent River Farms  
Bent River Farms  
B J C & F M Henchman  
B Kydz Contracting Ltd  
B M A & S A Anderson  
B Owen & Robyn Ruddell Partnership  
B Ruthe Farms Ltd/LA Ruthe

Drumblade Farm Ltd  
Drylands Trust  
Drysdale Holdings Ltd  
Dugald McKenzie Family Trust  
E F & J A Alcock  
E J & S M Smeath  
E L & D J Brook  
Eichler Farms Ltd  
England Trusts Partnership  
Estate E A Bonner  
Estate of Elizabeth Paretiuarangi Ormsby  
Euro Land Ltd  
Excel Dairying Ltd  
F B Bonenkamp & J B Cunningham  
F W G & J P Stanbridge  
Fairview Trust  
Falcon Farms Trust  
Far South Farms Ltd  
Fardale Dairies Ltd  
Farmer Fred Ltd  
Farming Tee Jay Ltd  
Farview Farms Ltd  
Fonterra - O'Brien Farm  
Forest Hill Downs Ltd  
Four Roads Farms Ltd  
Fowler Family Prosperity Trust  
Friska Farm Trust  
G & C Came Ltd  
G & M Gloyne  
G A & J M Fox  
G A & K T Lynch  
G A & V M Weir  
G A Knight  
G B & D G Hodges Trust  
G C & J M Knowles  
G E & J Porteous  
G E & V E Cooper  
G E Sutherland Trust  
G J Farms Ltd  
G K & D J Landon Family Trust  
G L & G F Bell  
G P & C A Whiteman  
G R & J J Saddleton  
Gaim Farms Ltd  
Gee 'N' Tee Ltd  
Given Family Trust  
Glen Eden Otago Ltd  
Glen Oroua Dairies Ltd  
Glenagarry (Dyke) Farming Co Ltd  
Golden Key Trust  
Graft Farms Ltd  
GRC Farms Ltd  
Gregory Farms Ltd  
Gydeland Farm Ltd  
H G & C K Meijer  
Hall Family Farms Ltd  
Haresfield Farms Ltd  
Hayden and Korina Brown Partnership  
Hayley Buckman Family Trust  
Henderson Partnership Farm  
Heyland Farms Ltd  
Highlines Ltd  
Hillcrest at Fairfax Ltd  
Hillcrest Farms Ltd  
Hillgrove Trust

Hines Family Trust  
Hoogeween Farms Ltd  
Howard Farm Ltd  
Huntly Road Dairies Ltd  
Hutton Farm Holdings Ltd  
I Hampton & A Golvin  
J J Sutherland Partnership  
Interlaken Farms Ltd  
J & J Anderson Family Trust Partnership  
J & L M Van Burgsteden  
J A J H Hine  
J B & L M Suisted Ltd  
J B & S M Dymhoven  
J E & C T Brien  
J E & D M Cooper  
J H & H R Smyth  
J L & H M Coatsworth  
J L & K S Gwender Family Trust  
J L & M A Cooke  
J L Hooper & A L Robertson  
J M & T M Van Hout  
J M De Renzy  
J P & M J Horgan  
J R & A T M Hale  
J W & A M Steeghs  
J W Pricot  
James Martelli  
James Murrell  
Janssen NZ Ltd  
Jasac Trust  
Jasko Farm Trust  
Jayland Partnership  
J C Beattie Trust  
J D Q Ltd  
Jerzey Rock Farm Ltd  
J J & A B Roskam Ltd  
J M Cross & L A Hazelton  
Johnson Farm Co. Ltd  
K B & K R Whiteman  
K B Olesen & R J Stephens  
K J & H Chalmers Ltd  
K J & B A Argyle  
K J & M T Dwyer Trusts P/S  
K R & S M Rooney  
K W & D M Blackstock  
K W & D R Lowe Family Trust  
Kaimai Dairy Ltd  
Kainui Peatlands Ltd  
Kaipara View Farming Ltd  
Kalman Farms Trusts P/Ship  
Kauri Falls Investments Ltd  
Kerenui Ltd  
Kevin Fleming Ltd  
Kieran McElean Trust  
King Steffert Family Trust  
King's Junction Ltd  
Knockinnon Farm Trust  
Kwaybyre Farms Ltd  
L J & M Pricot  
L J Hodges  
L G & J M Morris Ltd  
Laing Dairy Ltd  
Lawson Road Farm Ltd  
Lesdale Friesians Ltd  
Liljyn Dairies Ltd  
Lockerbie Farms 2001 Ltd

Longacre Properties Ltd  
Lord & Veltman Ltd  
Ludell Ltd  
Ludimac Dairying Ltd  
Lutz Farming Company Ltd  
Lynton Dairy Ltd  
M & A Schrader Family Trust  
M & C O'Grady Ltd  
M & J Barker Trust  
M & C J P Fisher  
M E Hunt & Son Ltd  
M G & A M Hurley  
M G & P M Stevenson  
Family Trusts P/Ship  
M J & A S Taylor Family Trust  
M J & S D Hooper  
M J & H R Davies  
M J & W P Van Veen  
M J Diprose Ltd  
M J McDowall  
M J Murray & Estate of A B Murray  
Maken Milk Ltd  
Malandra Downs Ltd  
Manuka Ridge Ltd  
Mark A Mullan Trust  
Marua Partnership  
Mary Allen Farm Ltd  
Matbridgen Ag Holdings Ltd  
Matbridgen Family Trust  
Maude Peak Farm Trust  
Mayora Farms Ltd  
Maylands Farms Ltd  
McCollough Family 2008 Ltd  
McFetridge Farms Ltd  
McGee Partnership  
McGowan-Weake Partnership  
Mead Family Farm Ltd  
Membury Oak Farm Ltd  
Meyer Family Trust  
Millstone Trust  
Milkwell Ltd  
Mitchells Milky Way Ltd  
M J & K L Family Trust  
Molehill Farm Ltd  
Morrison Farms Ltd  
MR & T J Frost Ltd  
Mu Kau Ltd  
Mudspring Farms Ltd  
N A & K M Coll  
N R & K L Gaskin  
N R & L A Fox  
NB & U Crossie Ltd  
Ngahape Valley Farm Ltd  
Ngatunui Dairies Ltd  
North Star Farming Ltd  
NR Ensor Ltd  
Oatawa Farms Ltd  
Okapua Farming Company Ltd  
O'Reilly Family Trust  
Otira Farm Ltd  
Otu Creek Farm Ltd  
P & T & S & Y Thompson  
P A Hoogeween  
P D & J Bish  
P D & S S Sharpe  
P G & D J Collins

P G & D M Dombroski  
P H & W F Iorns  
P H S & P C Byford  
P J & M L Cotter  
P L & R E Berryman  
P R & V P Dawson  
P V & P G Mullin Trust  
Parkhill Farms Ltd  
Perlow Dairies Ltd  
Pharlee Trust  
Phimister Farming Ltd  
Piwakawa Farm Trust  
P J Nelson Farming Ltd  
Placement Services Ltd  
Port Molyneux Dairies Ltd  
Puketia Farming Enterprises Ltd  
Punihio 606 Partnership  
Quirke Family Trust  
R & A Tait I/A Black Cow Dairies  
R & K Houghton Family Trust  
R & S Singh  
R & A J L Hamilton  
R A F & J R Clubb  
R F & C L Lamsdaal Ltd  
R J Troughton  
R N Comes  
R T & E A Brown Ltd  
R W & R R O'Brien  
R W & W J Cudby Family Trust  
R L Mathis Ltd  
Rainbowcreek Farms Ltd  
Rehly Farm Ltd  
Rich Feet Ltd  
River Heights Ltd  
Riverside Farms (Taranaki) Ltd  
Riverside Farms 2001 Ltd  
Riverview Trust  
RK & A Hines Ltd  
RKW Partnership  
Rodney G & S J Joblin  
Rogers Farming Ltd  
R V & H R Kikihia Farms Ltd  
Rylands Farm Company Ltd  
S & S Iorns  
S A & J L England  
S B & Y M Thompson  
S England & P Walker  
S G & B L Thirkell  
S G McKenzie  
S L & J P Vincent  
S M Sheeh  
Sabin & Co Ltd  
Sean McElean Trust  
Seven of Nine Ltd  
Shabiet Ltd  
Shawlink Ltd  
Shenandoah Trust  
Silvacreast Farms Ltd  
Silverdene Farms (2000) Ltd  
Sim Brothers Ltd  
Sim Family Farms Ltd  
Sisley Farms Ltd  
Slatz Trust  
Somerset Trust  
Springpark Farms 2008 Ltd  
Steffert Farms Ltd  
Stephen Zink

Steven Bennett Family Trust  
Stoneyburn Dairy Ltd  
T & C Brown Ltd  
T & K Rae Family Trust  
T D & J A Rhind  
T R D Reesby  
Tamatea Farms Ltd  
Tawa Land Company Ltd  
Tayco Farm Ltd  
Te Ngutu Land Holding Co Ltd  
Te Repo Farms Ltd  
Teaghlach Trust  
Telesis Trust  
The Adare Company Ltd  
The D & A Roberts Family Trust  
The Goble 2000 Trust  
The Herevahine Trust  
The Hyjinks Trust  
The Red Cow Company Ltd  
The Taiari Dairy Company Ltd  
Trior Ltd  
T Tully Lands Ltd  
Trustees Kokako Station  
Tuki-Tuki Awa Ltd  
TW Langford Family Trust  
Two Name Farming Ltd  
Up At Ltd  
V E & D M Grant  
Vale Green Services Ltd  
Van Rossum Ltd  
VBI Ltd  
Ventura Dairies Ltd  
W & C Candy Trust  
W B Scott Family Trust  
W B Wouters  
W Dreadon & K Barnett-Dreadon  
W G & M D Orr  
W J & J G Pile Family Trust  
W R & Z W Kite  
WA & H R Simpson Farming Ltd  
Waicola Holdings Ltd  
Waioata Dairies  
Waiotu Farms Ltd  
Waiparu Farm Ltd  
Waiparu Holdings Ltd  
Waipata Trust  
Waituna Investments Ltd  
Walters Holdings (2008) Ltd  
Wards Schrader Trusts Partnership  
Webber & Maxwell Partnership  
Webber Farm Ltd  
West Mains Farm Ltd  
Westmeath Trust  
Whakahora Farm Ltd  
Whakanui Stud Ltd  
Whenuakura Farm Ltd  
Wichland Farms Ltd  
Willcock Farms Ltd  
Willowfields Ltd  
Willowhaugh Enterprises Ltd  
Windy Ridge (Fleming) Ltd  
WP & A Moore  
Wylam Dene Farms Ltd



## Achievement

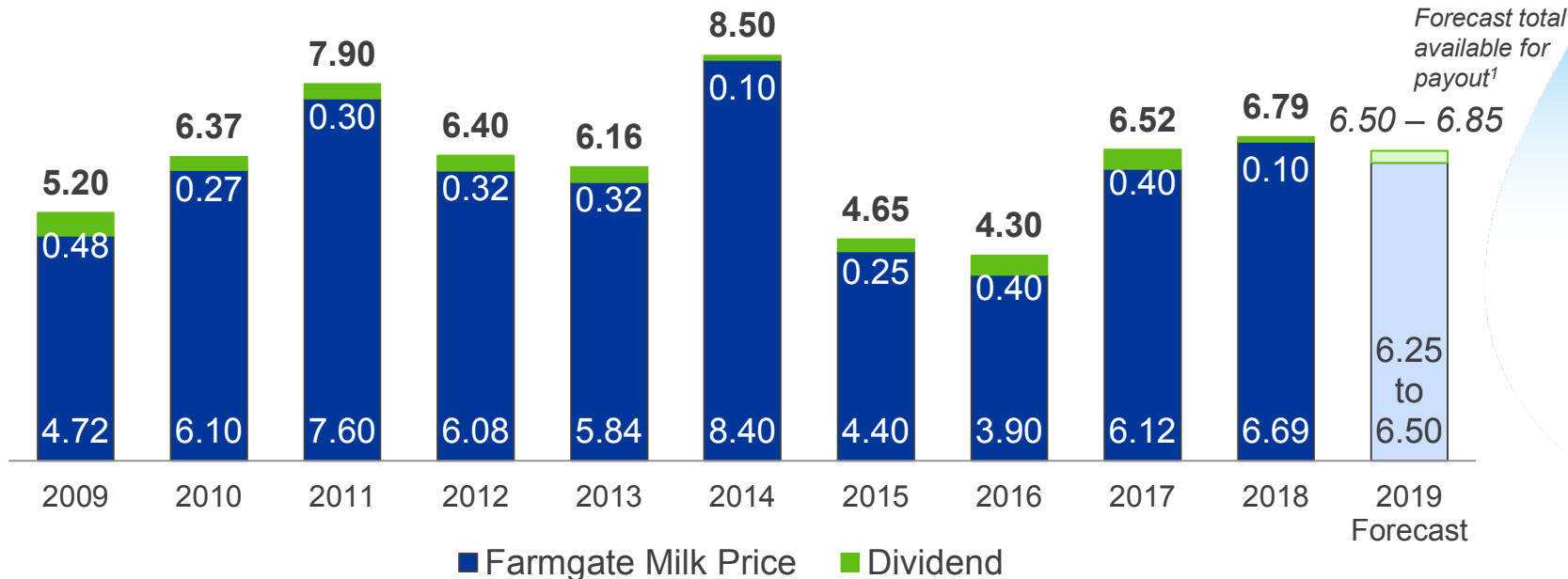
Top 10 farming entities with the lowest somatic cell count.

1 G L & G F Bell  
2 Le Emari Trust T/A Willowbridge Dairies  
3 K J & H Chalmers Ltd  
4 BG & SLA Butler Family Trust  
5 M C & J P Fisher  
6 J C & F M Henchman  
7 Kydz Contracting Ltd  
8 M A & S A Anderson  
9 Owen & Robyn Ruddell Partnership  
10 Ruthe Farms Ltd/LA Ruthe





# Strong Farmgate Milk Price Range



1. Total available for pay-out = Forecast Farmgate Milk Price range of \$6.25 - \$6.50 + Forecast Earnings Per Share (EPS) of 25-35 cents. For farm budgeting purposes the likely dividend will be calculated in accordance with Fonterra policy of paying out 65-75 per cent of adjusted net profit after tax over time.

Note: Farmgate Milk Price: \$ per kgMS; Dividend: \$ per share







# Portfolio Review Phases

1

## IMMEDIATE ACTIONS IN FY18

- Debt reduction focus

2

## STRATEGIC REVIEW OF PORTFOLIO

- Strategic alignment
- Value creation potential
- Agree where to exit / optimise / invest

3

## DELIVERY OF STRATEGIC REVIEW ACTIONS

- Exit / optimise and reallocate capital
- Invest
- Reduce debt / return capital

