



John Monaghan

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# Chairman's Address



# FY19 a year of significant challenge



# Our Purpose guides everything we do

## OUR PURPOSE

Our Cooperative,  
Empowering people  
to create goodness for generations

You, me, us together  
Tātou Tātou

# Taking the best things from the past and adapting them for the future

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## Strengths

OUR PEOPLE

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INNOVATION, RESEARCH & DEVELOPMENT

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SCALE & EFFICIENCY

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PASTURE BASED FARMING MODEL

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LOW GREEN HOUSE GAS EMISSIONS

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GLOBAL SUPPLY CHAIN

---

PRODUCT & MARKET OPTIONALITY

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FOOD SAFETY & TRACEABILITY

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AOTEAROA NEW ZEALAND

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CUSTOMER RELATIONSHIPS

## Our realities

INCREASING COMPETITION

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CONSTRAINED CAPITAL

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LARGE ASSET BASE

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HIGH DEBT LEVEL

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LACK OF TRUST & CONFIDENCE

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BIG PART OF NEW ZEALAND

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ENVIRONMENTAL INVESTMENT COSTS

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RECENT UNDER PERFORMANCE



Dairy for life

# We have made progress on our commitments

Reduce debt by \$800 million



Reduce capex by \$200 million



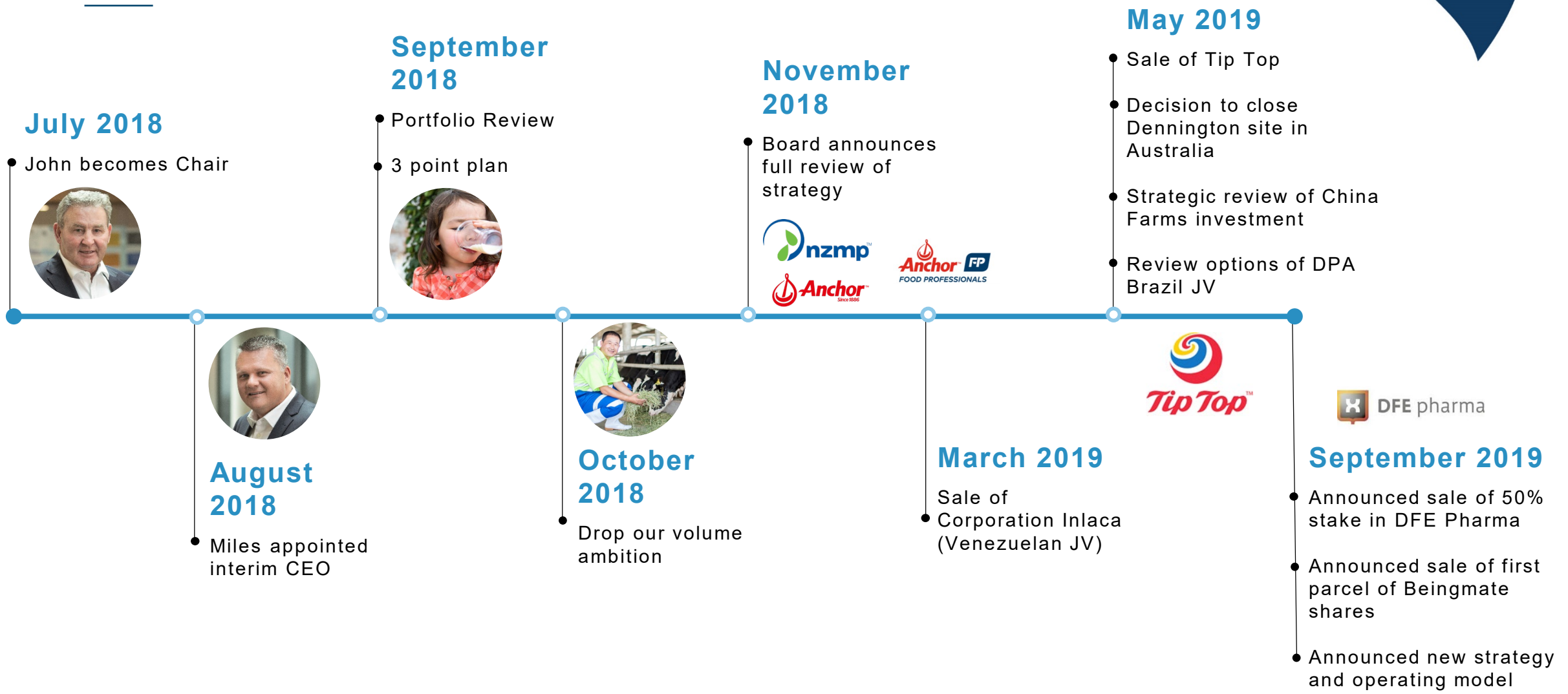
Gearing within 40-45% range by year-end

**48.2%**  
Down 0.2%

\$160 million decrease in operating expense by FY20



# 18 months of fundamental change





**CONSUMER & MARKET TRENDS**

**SUSTAINABLE VALUE**

**CORE  
DAIRY**

**FOOD  
SERVICE**

**PAEDIATRICS**

**SPORTS  
& ACTIVE**

**MEDICAL  
& AGEING**



**Innovation**

**Sustainability**

**Efficiency**

# Product innovation to meet consumer needs



High protein medical beverages

An infant formula inspired by breast milk



High Protein Instant Milk Powder  
33% of an adult's daily calcium needs



Reduced sugar in Kiwi kids' diets



Protein fortified healthy drinks and snacks



Anchor™ Food Professionals



# Honour Roll for Milk Quality Excellence



Legend

**Farming entities that achieved Grade Free for at least the last 10 seasons.**

B L & Estate R J Mohring  
 B M & B C & J H Geddes  
 B S & P J Strang  
 C & H Mabey  
 C J & K L Ladd  
 C M & K M O'Donoghue  
 Caskey Farms  
 Est of M F Blake & M Blake  
 F A & R C M Smits Ltd  
 F B Bonenkamp & J B Cunningham  
 G B & J S Coulter  
 Golden Mile Farms Ltd  
 Inishbulfin Farm Ltd  
 J A & Estate of K J Jolly  
 J L & M A Cooke  
 K & S MacKenzie Farms Limited  
 K J & H Chalmers Ltd  
 Kemra Farm Ltd  
 Kim Steffert Family Trust  
 L J & L M Still  
 M J & L M Van Tiel  
 Miroc Limited  
 Owhango Farms Limited  
 R & P Woods Farms Ltd  
 R S & R D Gordon  
 Riverside Farms (Taranaki) Limited  
 Romill Partners  
 Rye Downs Ltd  
 Schorn Trust  
 Serendipity Trust  
 Sim Brothers Ltd  
 Sim Family Farms Ltd  
 Steffert Farms Ltd  
 Stephen Zink  
 Takitimu Trust



Achievement

**Top 10 farming entities with the lowest Somatic Cell Count.**

- 1 G L & G F Bell
- 2 J M Mellow
- 3 D A & M A Mullan
- 4 M C & J P Fisher
- 5 J C & F M Henschman
- 6 M & L Arnold
- 7 Ternstone Ltd
- 8 Est of M F Blake & M Blake
- 9 K J & H Chalmers Ltd
- 10 Le Emari Trust T/A Willowbridge Dairies



Gold

**Farming entities that achieved Grade Free for at least the last four seasons.**

S M Trust  
 A Holten & N Brown  
 A J & K L Murdoch  
 Abacus Dairy Limited  
 Abbey Farm Partnership  
 Acacia Farms Ltd  
 Ahipaipa Farms Ltd  
 Amberhay Limited  
 Aramaunga Farms Ltd  
 Arataki Dairies Limited  
 Ashgrove Dairy Farms Limited  
 B & D Dodunski  
 B N & P A Jones  
 B P & P N Kennedy  
 B S & S K Dhaliwal  
 Barmac Dairies Ltd  
 Beechbank Dairies Ltd  
 Bibberne Farms Ltd  
 Browne Pastoral Enterprises Limited  
 Bullot Family Trust  
 C B Farms Ltd  
 C J & C J McKenzie Ltd  
 C J & V K Taylor  
 C W & J Redshaw  
 C W & M Y Matthews Family Trust  
 C.D. Farms Ltd  
 Clutha Lea Ltd  
 Collins Family Trust  
 Conlan Trust  
 Cranief Clifton Ltd  
 D & D Alexander Trust  
 D & E J Pringle  
 D & K Miles Limited  
 D C & V F Frew  
 D J & R E G Goodwin  
 D J & S A McMillin  
 D J Noble & K M Jones  
 D R & E M Henman

D S & L R Wilson Ltd  
 Daisy Dairying Ltd  
 DDB Dairy Enterprises Limited  
 Drysdale Holdings Ltd  
 Dugald McKenzie Family Trust  
 E F & J A Allcock  
 F A & R C M Smits Ltd  
 Fairview Trust  
 Far South Farms Ltd  
 Fardale Dairies Ltd  
 Farmer Fred Ltd  
 Farview Farms Ltd  
 G A & K T Lynch  
 G B & D G Hodges Trust  
 G K & D J Landon Family Trust  
 G R J & R J Saddleton  
 Golden Mile Farms Ltd  
 Hard Road Dairies  
 Hillcrest at Fairfax Ltd  
 Hudson Trust  
 I J Oliver  
 J A & Estate of K J Jolly  
 J B & L M Suisted Limited  
 J E & C T Brien  
 J H & H R Smyth  
 J L & K S Gwerder Family Trust  
 J L & M A Cooke  
 J R & A T M Hale  
 J Van Der Kooy  
 J W & A M Steeghs  
 J W Pricor  
 James Lyttle  
 J J & A B Roskam Ltd  
 K & S Richards Limited  
 K B Olesen & R J Stephens  
 K J & H Chalmers Ltd  
 Kainui Peatlands Ltd  
 L J Bleakley  
 Lockerbie Farms 2001 Ltd  
 M & A Schrader Family Trust  
 M & C O'Grady Ltd  
 M & J Barker Trust  
 M E Hunt & Son Ltd  
 M R & K J Luke Ltd

Malandra Downs Limited  
 Mary Allen Farm Ltd  
 McFetridge Farms Ltd  
 Michael O'Connor  
 Miroc Limited  
 Molehill Farm Ltd  
 N J & M Bleakley  
 Oceanview Farms Ltd  
 O'Reilly Family Trust  
 P V & P G Mullin Trust  
 Parkhill Farms Ltd  
 Paul Turner Farm Trust  
 Pikowai Transport Ltd  
 P J Nelson Farming Ltd  
 Puketani Farming Enterprises Ltd  
 R & P Woods Farms Ltd  
 R J Mandeno No.2 Family Trust  
 R N Cornes  
 R P & M G Frank  
 R W & W J Cudby Family Trust  
 Rainbowcreek Farms Limited  
 Ritson Holdings Limited  
 River Heights Limited  
 Rodney G & S J Joblin  
 Roseneath Farm Limited  
 S & S Iorns  
 S G & B L Thirkell  
 S M Duynhoven & Estate of JB Duynhoven  
 S M Shead  
 Sea Breeze Farms  
 Sean McErlean Trust  
 Steffert Farms Ltd  
 Stephen Zink  
 Stopford Road Limited  
 Te Ngutu Land Holding Co Ltd  
 Te Repo Farms Ltd  
 V E & D M Grant  
 Valley Road Farm Ltd  
 W B Scott Family Trust  
 W A & H R Simpson Farming Ltd  
 Waituna Investments Ltd  
 Watershed Ventures Ltd  
 Webber Farm Ltd

Whenuakura Farm Limited  
 Willowfields Ltd  
 A H & A C Webster  
 Abbott Brothers  
 AGC Farms Limited  
 Airlie Lodge (Walton) Ltd  
 Allison Family Farms Ltd  
 Alton Pastures Limited  
 Auroam Tahī Limited  
 B & E V Blake  
 B J & D A Verryt Family Trust  
 B M & B C & J H Geddes  
 B M & R M Sarten  
 B S & P J Strang  
 Barneyco Trust Partnership  
 Bent River Farms  
 B J & D M Ahlers  
 Bonezco Farms Ltd  
 Burton Trust  
 C & M Tippett  
 C & M Young Ltd  
 C C J & F A Jones  
 Carnarvon Farms Ltd  
 Casey Coxhead Ltd  
 Cavan Downs Trust  
 Chetwynd  
 Colhaven Limited  
 Cotlands Ltd  
 Creekside Pastures Ltd  
 D P & T G Schumacher  
 Daybreak Farms Limited  
 Eichler Farms Limited  
 F B Bonenkamp & J B Cunningham  
 Farmbuild Milk Company Ltd  
 Forest Hill Downs Limited  
 Fowler Family Prosperity Trust  
 Frisia Farm Trust  
 G A & J M Fox  
 G A & V M Weir  
 G C & J M Knowles  
 G C Hall  
 G J Farms Ltd  
 G M & A J Gower  
 Gee 'N' Tee Ltd

Glen Eden Otago Ltd  
 Grat Farms Ltd  
 Gregory Farms Ltd  
 Hines Family Trust  
 I H & D J Bryant  
 I Hampton & A Golvin  
 I J Sutherland Partnership  
 Inishbulfin Farm Ltd  
 J & J Anderson Family Trust Partnership  
 J E & D M Cooper  
 J H & R Cotman  
 J L Hooper & A L Robertson  
 J P & J S Adams  
 J D Q Ltd  
 J E & K L Gilbert

# Honour Roll for Milk Quality Excellence



## Gold continued

K J & J B Argyle  
K J & M T Dwyer Trusts P/S  
K R Cresswell  
K W & D M Blackstock  
K W & D R Lowe Family Trust  
Kevin Fleming Ltd  
Knockinnon Farm Trust  
L J & L M Still  
L S & K A Phipps  
Lynton Dairy Limited  
M C & M Davey  
M I & P M Stevenson  
Family Trusts P/ship  
M J & L M Van Tiel  
M J & W P Van Veen  
Mangatoki Partnership  
MJA Farms Ltd  
MW & KA Olsen  
N A & K M McColl  
NB & L J Crosbie Ltd  
Otu Creek Farm Limited  
Owhango Farms Limited  
P H S & P C Byford  
R & A Tait T/A Black Cow Dairies  
R S & R D Gordon  
R T & E A Brown Ltd  
R.L. Mathis Ltd  
RK & A Hines Limited  
Rogers Farming Ltd  
Romill Partners  
RV & LH Kokich Farms Ltd  
Ryan Bennett  
Ryelands Farm Company Ltd  
S G McKenzie  
Serendipity Trust  
Sim Brothers Ltd  
Sim Family Farms Ltd  
Somerset Trust  
T D Hall Trust  
T M McDowall  
Tawa Land Company Limited  
Tawa Ridge Farms Ltd  
Tayco Farm Limited  
The Red Cow Company Limited

Trimor Ltd  
Troy & Natalie Farming Partnership  
True Blue Trusts  
Vale Green Services Limited  
Wainui Dairies  
Waiparu Farm Ltd  
Waiparu Holdings Limited  
Wattle Downs Ltd  
Webber & Maxwell Partnership  
Westmeath Trust  
Willcox Farms Ltd  
A & N Harvey Family Trust  
A A & L J Edward Trust  
Abbott Trusts Partnership  
Avon Downs Ltd  
B C & K A Keller  
B D Mead  
B L & D J Haylock  
B M & J A Ahlers  
Bell Farm 2008 Limited  
Bothwell Farms Ltd  
Burnell Farms Ltd  
C & B Jensen Family Trust  
C & D Padruitt Trust  
C E & D L Rogers  
C M & K M O'Donoghue  
Caskey Farms  
Claremont Trusts Partnership  
CM Farming Ltd  
Cowley Dairies Ltd  
D & S Farms  
D A & M A Mullan  
D B H Farms Limited  
D J & E A Turner  
D J & G M Hooper  
D P & T M Stephens  
D W & M E Kidd  
DR & PJ Hannah Ltd  
Drylands Trust  
Estate E A Bonner  
Fabish Bros Farms Ltd  
Falcon Farms Trust  
Farming Tee Jay Ltd  
Florida Farms Ltd

Fonterra - O'Brien Farm  
Four Roads Farms Limited  
G B & J S Coulter  
G E Sutherland Trust  
G L & R L Burr  
Glengarry (Dvke) Farming Co Ltd  
GRC Farms Limited  
Harrihi Farms  
Hayley Buckman Family Trust  
Hutton Farm Holdings Ltd  
Inferno Farms Limited  
J A & B E Turnwald  
J D Farms  
J L & H M Coatsworth  
J M De Renzy  
Jayland Partnership  
Johnson Farm Co. Ltd  
K & S MacKenzie Farms Limited  
K E & V J Bond  
Kaimai Dairy Ltd  
Kemra Farm Ltd  
Kieran McErlean Trust  
Kim Steffert Family Trust  
Knightlands Ltd  
Kywaybre Farms Ltd  
L J Hodges  
L.G. & J.M. Morris Limited  
Lesdale Friesians Ltd  
Lizlyn Dairies Ltd  
Longacre Properties Limited  
Lutz Farming Company Ltd  
M & C Mogg Ltd  
McGee Partnership  
McGowan-Weake Ltd  
Meyer Family Trust  
Mitchells Milky Way Limited  
MR & TJ Frost Ltd  
Mudspring Farms Limited  
N R & L A Fox  
NR Ensor Limited  
P G & D M Dombroski  
P L & R E Berryman  
P R & V P Dawson  
Placement Services Limited

Poc Ar Buille Limited  
R J Troughton  
R K J Allen  
Rasing Farms Ltd  
Rich Feet Limited  
Rosebrae Farm Ltd  
Southern Meadows 2011 Ltd  
Springpark Farms 2008 Ltd  
T D & J A Rhind  
T N Langlands  
Tainui Group Holdings Limited  
Takitimu Trust  
The D & A Roberts Family Trust  
The Hyjinks Trust  
TW Langford Family Trust  
Two Name Farming Limited  
Up At 5 Ltd  
Van Rossum Ltd  
Waicola Holdings Ltd  
Waiotu Farms Ltd  
Waiwira Holdings Ltd  
Whakahora Farm Ltd  
A M Bond & Estate of R G Bond  
A R Mills  
Aaron and Marcia Flay Partnership  
ABH Trust  
Aghern Holdings Ltd  
Altura Dairy  
Ararata Holdings Ltd  
B & L Jones Ltd  
B L & Estate R J Mohring  
Barribal Farms Ltd  
Berwick Holdings Ltd  
Birchland Partnerhip  
Bogaard Farms NZ Ltd  
Boswell Dairy Ltd  
Burnside Farms Ltd  
C & H Mabey  
C F & M T Muller  
C J & K L Ladd  
C T & K M A McLean  
Chislehurst Farms Limited  
Cressey Dairies Ltd  
D & E Cole

D & I Edward Ltd  
D B & K M Johnson Farms LTD  
D Crofskey  
D E & M E Hines  
D L & S J Deeming  
Derrys Farm Ltd  
Est of M F Blake & M Blake  
Estate Charles Bailey  
Estate of Elizabeth Paretuarangi  
Ormsby  
F W G & J P Stanbridge  
G & C Came Ltd  
G A Knight  
G E & V E Cooper  
G H & M J Savill  
G L & G F Bell  
Given Family Trust  
Interlaken Farms Ltd  
J & LM Van Burgsteden  
Jascas Trust  
Jaska Farm Trust  
Kerenui Ltd  
Kohi Partnership  
Kopane Dairies  
L J & B C Torr  
L J & M Pricor  
Lawson Road Farm Ltd  
M G & A M Hurley  
M G & M Uram  
M J & T M Davies  
Maken Milk Ltd  
Manuka Ridge Limited  
Mark A Mullan Trust  
Marua Partnership  
Massey University Farms  
Matai Farms Ltd  
Mattajude Family Trust  
Maude Peak Farm Trust  
Maxlands Farms Limited  
Mead Family Farm Ltd  
Milestone Trust  
Milkwell Ltd  
MJ & KL Family Trust  
N & M Paton

N J & W A Vollebregt  
N R Dilks  
Ngahape Valley Farm Ltd  
Okapua Farming Company Ltd  
P D & J M Bish  
P D & S S Sharpe  
P H & W F Iorns  
P J & M L Cotter  
Pharlee Trust  
Port Molyneux Dairies Limited  
R & S Singh  
R A & J L Hamilton  
R W & R R O'Brien  
Riverside Farms (Taranaki) Limited  
Ruakiwi Dairies Limited  
RVS Farming Ltd  
Rye Downs Ltd  
S B & Y M Thompson  
Sabin & Co Ltd  
Schorn Trust  
Seven of Nine Ltd  
Shawlink Ltd  
Shenandoah Trust  
Sisley Farms Ltd  
T & C Brown Limited  
T G & R J Wells  
T R D Reesby  
The Adare Company Limited  
The Herewahine Trust  
VBI Ltd  
W & C Candy Trust  
W R & Z W Kite  
W W Olsen  
Whitten Holdings Ltd  
WP & A Moore

**Thank you to all our farmers who have worked so hard to provide safe, high-quality milk throughout the 2018/19 season. In addition to the honour roll, we acknowledge the effort of all of our farmers who work hard every day to produce the best possible milk.**

# The Co-operative Difference





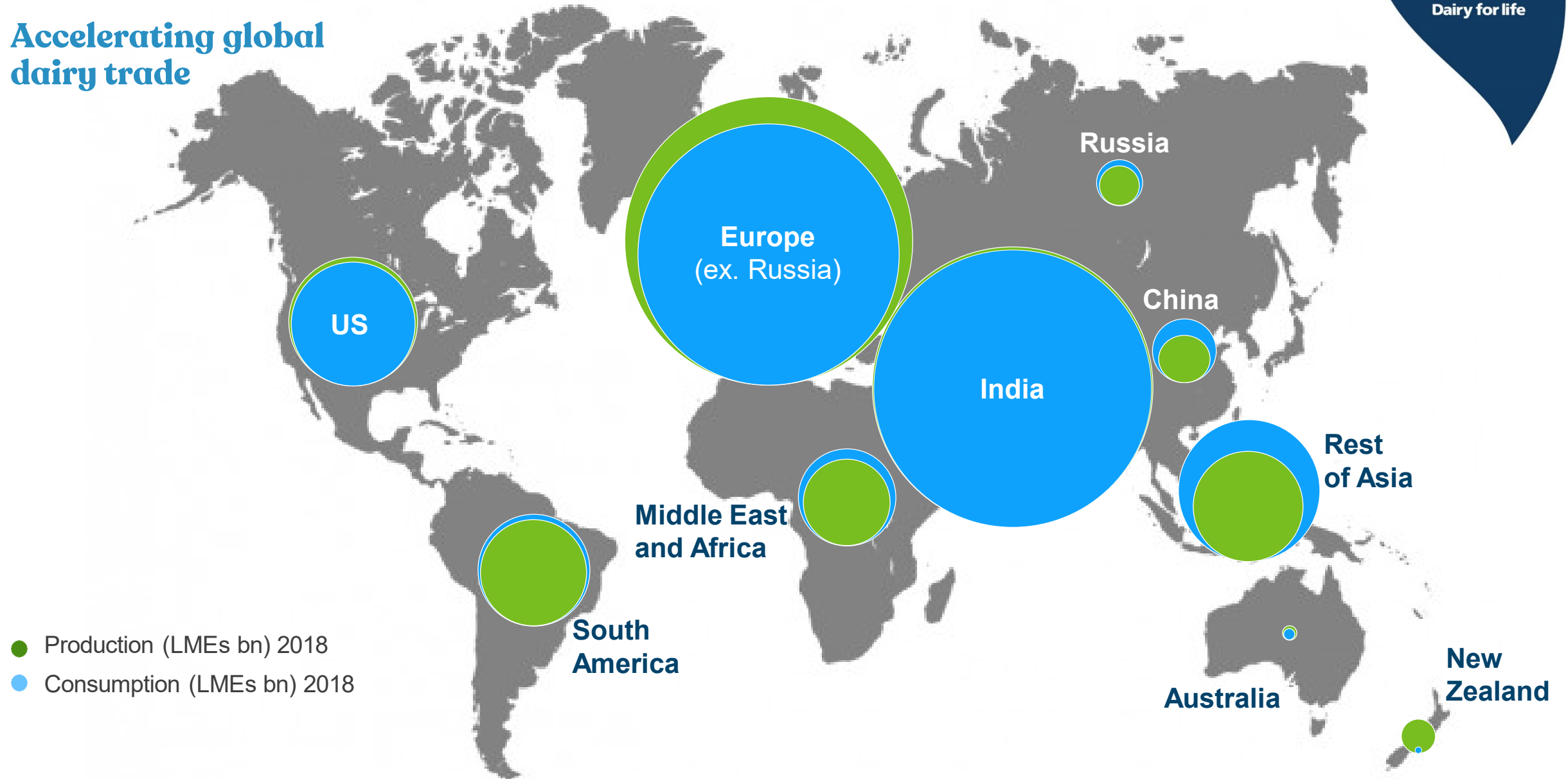
# Planting for good



Dairy for life

# Geographic imbalances are growing

Accelerating global dairy trade



## Board priorities for 2020

**Deliver on  
Milk Price**

**Improved  
earnings**

**Advance  
Rate  
improvements**

**Implement  
our  
strategy**

**Capital  
Structure**

**Governance  
succession &  
development**