

Comments from the chair

I would like to acknowledge the great Totara tree that has fallen, Ta Henare Ngata. Being asked to work alongside of him and a dedicated group of people whose focus was on, Maori land, incorporations and legislation was a privilege. He accorded me the right to be chair of this group but we all knew that there was really only one boss Ta Henare. I will miss his guidance and unending knowledge. Moe mai ra e pa, ki roto i nga ringaringa o te Ariki.

To my Whangara Whanau who have lost loved ones since my last newsletter, ka nui te aroha ki a koutou.

Where has the year gone? It has once again been extra busy. There have been record prices for our stock and much improved prices for wool. I am pleased that the stars have lined up this year to once again show a bottom line financial result that has added extra value for you, the shareholders. It was especially rewarding to see so many shareholders at our Annual General Meeting to hear the results and the plans for next year.

In terms of Whangara Farms I have been reappointed as Chair, with Matire as deputy, Stan Pardoe was re-appointed by both management committees as the member representing the owners. Matire, Stan and I, reappointed Mike Petersen and Bernard Card as the independent board representatives. We have been fortunate to have had a very stable make up of the board members and I believe this has enhanced our ability to think through issues as they arise. These are annual appointments in line with the terms of reference Whangara Farms' Board operates under.

Last year we underwent a major review of our strategic plan. This was a very good exercise in assisting us design the future for the farming operations. I would like to take this opportunity to thank all who have shared our vision for the advancement of our incorporations and Whangara Farms. Our vision is:

TO DELIVER SUSTAINABLE ONGOING RETURNS FOR SHAREHOLDERS AND PROVIDE ASSET GROWTH FOR FUTURE GENERATIONS

We are in the process of building a new shepherds' house on Pa Road and the plans for the manager's new home are being drawn up as we move into the New Year. Both of these houses are being built on Whangara B5 land.

I look forward to seeing as many of you as possible at the Field Day in February, the details of which are highlighted and over the page. Please call BDO after January 16 if you need assistance with getting there or need more information.

Thank you to all the staff and supporters who have helped us out this year, we appreciate your efforts and wish you all the best for 2012. As a board, we hope you stay safe over this celebration period and enjoy Christmas and New Year.

Nga mihi mo te Kirihimete me te tau hou ki a koutou katoa. *Ingrid*

From the farm

We have had a busy few months docking, weaning early ewes, calf marking and shearing. This will continue through to Christmas as there is a lot of stock to process. We have also been busy with repair and maintenance fencing, yards, buildings, laying fence lines and spraying weeds.

Pasture

The weather has been a mix of warm sunny days mixed in with good rainfall, resulting in good pasture growth.

Stock

The cows and calves are in excellent condition and have enjoyed the extra feed that is around this spring. The cattle market remains stable but this could be affected by the exchange rate and there may be some downward pressure this season. The cattle and sheep store markets are crazy at the moment with the amount of grass around - farmers are buying at little or no margin.

The sheep markets look as though they will continue to be strong with demand for lambs holding the spring schedule at \$8/kg.

Docking on Rototahi and Tongataha was disappointing, largely due to the weather. It will result in a lower overall lambing percentage than budgeted but we have purchased ewes with lambs at foot which will help meet financial targets.

There appears to be a strong global demand for red meat, which will drive increased returns for our sheep and cattle in the short to medium term.

Richard Scholefield
OPERATIONS MANAGER

FIELD DAY February 11, 2012

Where: Tongataha.
Meeting time: 8am BDO/McDonalds car park. Depart: 8:30am, lunch provided.

4WD vehicles are preferred mode of transport. If you need transport to the Field Day please call BDO office staff after the 16th January 2012.

Come and see, two years on from the purchase of Tongataha how it fits into our strategic plan.

Groundwork

The weather has slowed development but overall the past couple of months have seen some good work being done. Our fencer is doing a great job between B5 and Pakarae. He will work there most of the summer, as we still have paddocks we want to subdivide. The repair and maintenance program is making good progress across all blocks.

We have started building a new tractor general's house down Pa Road for Steve Hooper to live in. Local builder Rodney Lincoln and JRT builders are contracted to the job and we hope to have it completed by Christmas.

We have completed the thistle spraying program across all Whangara blocks. There are still a few thistles around, but overall it was a good kill. Sulphur super and lime are being used in our fertiliser programme which is currently underway. Blackberry will be sprayed this month.



Professional development

Staff attitudes and their work ethic have been excellent through this busy time. Everyone, including the boys from Tongataha and a crew from Whangara, pulled together and got stuck into docking.

We have appointed Dee Hawkins from Nicks Head as the new Senior Shepherd - he started at the B5 block last month. Dee has a lot of farming experience and will be an asset to the team.

We have also appointed Daniel Knauf from Wairoa as a Shepherd General for the Rototahi/Puatai blocks. Daniel comes from a farming family and has been working on the family Simmental stud. He also comes with a lot of experience and like Dee, is keen to up-skill and progress to bigger things within the business.

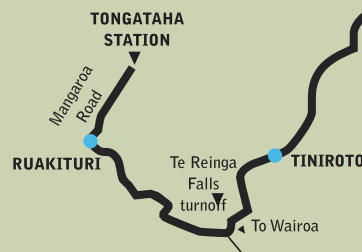
We are now only looking for a shepherd general, who will be based at B5 but living in the empty Pakarae house. We will be looking to fill this position in the New Year.

Tongataha Station field day Saturday February 11, 2012

At 8am, meet at BDO Gisborne office carpark, on the corner of Palmerston Road and Bright Street. At 8.30am we depart in convoy.

Four-wheel-drive vehicles are required to access the farm. For transport on the day, please notify the office if you are going to attend and require a ride OR if you have a four-wheel-drive vehicle available for transportation.

Lunch and chilled water will be provided on the day, so please let us know how many of your whanau are attending by 5pm Friday 3 February 2012 to mbu@bdo.co.nz or alternatively telephone the office on 0800 11 11 55 to register your interest with the Maori Business Unit.



Directions from Gisborne:

At the Patutahi roundabout, go straight ahead and proceed on main road to Tiniroto.

Turn right at the turnoff to Te Reinga Falls.

Follow Ruakituri Road for approximately 15-20 minutes.

At Ruakituri School - go over the bridge, take the first right into Mangaroa Road and follow the road up the hill.

Continue on this dirt road for approximately 10 minutes - Tongataha Station is located right at the end (661 Mangaroa Road).

Staff profile - Dee Hawkins

Dee Hawkins has only been Head Shepherd at Whangara Farms' B5 Station for two months, but is already making an impression. He brings a positive approach to his new role and is excited about the many opportunities ahead.

"I am an open-minded person and like to bring a bit of humour to the job. I'm looking forward to forming goals and aspirations for B5 and working under Richard Scholefield," he said.

Dee has 20 years experience in the farm industry, growing up on a farm at Muriwai and being involved in various farming roles, including a six year stint as Stock Manager at Nicks Head Station.

As Head Shepherd at B5, he is responsible for shifting stock, talking to the unit manager about what's coming up and helping him with whatever needs doing.

"The thing I like the most about this role is that I get to work on a bigger farm, with more stock units and more responsibility. I have been around the farming industry all my life but this role will be a good challenge for me," he said.

Outside of work, Dee is involved in dog trialing and enjoys rugby, diving, fishing, hunting and spending time with family.



Access to Puatai Beach is available to shareholders over the holiday period from December 20, 2011 to January 8, 2012.



WHANGARA
INCORPORATED BLOCKS

Comprising
Whangara Farms
Proprietors of
Whangara B5
Whangara B20
Pakarae A
and other blocks

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