

FARM ADVISORS REPORT:

WHENUA – made up of 4 Māori Freehold blocks that are farmed conjointly ie blocks Te Hanga A8, A9 (2 blocks), A10 and Section 71.

Part Te Hanga A8	89.1761 hectares
Part Te Hanga A9	71.6655 hectares (this is in 2 separate blocks)
Part Te Hanga A10	67.0825 hectares
Part Section 71	99.4236 hectares
TOTAL AREA	<u>327.3477 hectares</u>

These blocks are leased out to Rosemark Farms Ltd (Lessee) as part of their approximately 596.3743ha (1,474 acre) self-contained dairy unit, carrying 950 cows and replacements. The lessee who owns 136.6534ha of the overall land farms, also leases two adjoining Māori Freehold Blocks - Part Te Hanga A11(77.2348 ha) and Whaiti Kuranui 5C3E (55.1384ha).

BACKGROUND BRIEF:

Te Hanga South Lands Trust has historically leased their 327ha whenua to other users.

In 2012 the Trustees extended a 10-year Lease Agreement with Merv & Nellie Taylor who owned the adjoining 66ha dairy unit which expired in May 2022. At that time, the Taylors also leased a privately owned block adjoining Te Hanga A8, known as Te Hanga A (777ha) as well as A11 next to Te Hanga Section 71 and part A9 (on the southern boundary) until purchasing A7 in 2017. A change of approach by the trustees in 2012 saw them charging a very modest annual rental to help the Taylors self-fund the redevelopment of the 327 hectares which proved a master stroke, and what you see today reflects how successful this arrangement was. From approximately 541 hectares, Taylors wintered 900 cows and replacements, producing an average of 300,000kgMS. They retired at the end of the Lease on 31 May 2022, selling their 136ha dairy unit to Rosemark Farms Ltd (Thorne-George family)

I acknowledge the work of the Trustees in presenting the property today in a sound working state, with special thanks to Paul Christensen who retired last year as an Advisory Trustee to the trust.

CURRENT STATUS:

The trustees then entered into a 5-year lease agreement with Rosemark Farms Ltd from 1 June 2022 with the option of extending it to another 5 years. Since the last AGM in 2019, the mutually successful tenure of Merv and Nellie Taylor as lessee ended, leaving the whenua in very good heart. The grazing land is well established, the gorse impact significantly reduced (see photo's), the two pine blocks thriving at mid-life and there is a proposed programme to protect and enhance the natural waterways in partnership with Ngā Whenua Rāhui and Waikato Regional Council.

Rosemark Farms Limited (Thorne-George family) have indicated their intention to enhance and improve the THSLT whenua. We all look forward to this new Lease being a successful one.

BACKGROUND for Farm Advisor Anthony Kissick:

My initial involvement with the THSLT was in 2013 as a Rural Manager with ASB. I investigated the potential purchase of the adjoining 70.69-ha A7 Block, then privately owned by the Leonards. The Trusts tender was unsuccessful. Taylors, who were leasing the THSLT's 327 hectares, were the successful buyer.

Then in 2017 when Taylor's decided to sell their 136ha dairy unit. However, Taylors failed to sell, and they continued to honour the lease until its end at 31 May 2022.

In mid-2020, having retired from Banking after 26 years, I was invited by the Trustees to investigate the feasibility of THSLT acquiring the 70.69-hectare A7 Block, it being part of the 136 hectares being sold by Taylors. This was unsuccessful with Rosemark Farms Limited (local established dairy farmers) purchasing the 136 hectares.

My attention then turned to assisting the Trust in drawing up a new Lease Agreement with the Rosemark Farms Limited to its successful outcome.

Upon the Lease's implementation, I was then asked by the Trustees to act as a liaison between the Trustees and the Lessee, as Farm Advisor for THSLT.

PERSONAL details:

I was raised on a South Taranaki dairy farm, achieved a Bachelor of Agricultural Science from Massey University, double majoring in Farm Management and Rural Valuation.

I then spent almost 6 years with the Rural Bank, 3 based on the West Coast of the South Island then relocated to the Hamilton South Office, before resigning in 1983.

My wife Pam and I share milked for 10 years firstly at Kapuni, then Waverley, and then Eltham before buying our dairy farm at Lichfield here in the South Waikato.

I returned to Banking with the ASB as a Rural Manager in 1999 while Pam ran the farm. In 2005 we leased the farm to a neighbour for 3 years then we converted the land into a combined Maize Silage, Calf Rearing and Beef Grazing operation. We continue these enterprises today.

In 2020 I resigned from ASB after 20 years in early 2020 to join Pam on the farm, while continuing with some rural finance advisory.

Tony Kissick - Farm Advisor for THSLT