



YOUR SUCCESS OUR FOCUS



company

PROFILE



your success
our focus



company
mission

To be the leading New Zealand agribusiness investment company applying sound investment and management principles to create wealth and satisfaction for all stakeholders.

one.
background

Established in August 2000, FarmRight saw the opportunity to fill a service gap in the dairy farming market in New Zealand.

As equity partnerships, corporate ownership and large scale family holdings in dairy farming increased, the need for specialised business management became apparent.

The business has expanded from the original three managed farms to 46 presently.

In late 2010 FarmRight was selected by the New Zealand Superannuation Fund as investment manager of a significant rural investment mandate.



two. background

FarmRight now focuses on providing a full range of investment and management solutions to well governed, long term investors. This includes investors in portfolios of farms as well as traditional equity partnerships.

three. senior team

Name	Role	Location	Tertiary Qualifications	Comments
Jim Lee	Chief Executive	Lincoln	B.Com Ag (Valuation & Farm Management) Dip. Banking	Extensive experience in rural financing and General Management.
Tony Cleland	Chairman and Senior Farm Investment Manager	Lumsden		Successful dairy farm developer and entrepreneur.
Gavin Tayles	Director and Senior Farm Investment Manager	Lumsden	B.Com Ag (Valuation & Farm Management)	10 years experience in dairy consultancy and investment management. Has previously worked in both consultancy and investment management. 15 years dairy industry experience.
Steven Kennedy	Director and Manager of Operations & Logistics	Lumsden		Previously farming on his own account.
Colin Crabbe	Dairy Farm Consultant	Geraldine	B.A (Economics)	Over 30 years experience in both consultancy and operations management of dairy farms.
Kent Anselmi	Senior Farm Investment Manager	Otorohanga	B. Applied Science (Management & Valuation)	Previously in the rural finance industry. 6 years experience in dairy farm and investment management.
Cameron Glass	Senior Farm Investment Manager	Lincoln	B.Com Ag (Valuation & Farm Management)	12 years experience in dairy consultancy and investment management.
Ross Cottier	Senior Farm Investment Manager	Lumsden	B.Ag Sci	Has previously worked in both consultancy and investment management. 17 years dairy industry experience
Debs McKenzie	Human Resources Manager	Lincoln	Post Graduate Diploma in Personnel Management	15 years experience in Human Resources Management across industries.
Rachel Aspinall	Manager Finance and Risk	Lincoln	B.Com (Hons) Dip. Commerce; C.A.	Five years accountancy firm experience, specialising in audit.



four. core business activities

FarmRight's core business activity is to provide a comprehensive agribusiness investment management service to company, corporate and fund investors.

There are five aspects to this activity:

1. Identification, due diligence and purchase of a property or portfolio on behalf of investors.
2. Development (conversion) into a dairy farm if required
3. Ongoing business management (Farm Investment Management)
4. Full management and financial reporting.
5. Technical Consultancy

four.one identification and purchase

Establishment of these businesses includes:

- Sourcing suitable properties
- Securing a sale & purchase agreement
- Due diligence including development budgets and 5 year operating budgets
- Providing information to potential investors
 - Establishing the legal ownership entity (if required)
- Arranging bank finance if required
- Confirming the purchase on behalf of the investor
- Development supervision (if required)
- Ongoing business management

four.two Dairy Farm Development (Conversion)

FarmRight has extensive experience in converting properties to dairying.

four.three Farm Investment Management

Farm Investment Management is the management of all aspects of a dairy farming business on behalf of the business owners/investors. For businesses already operating this includes all aspects of financial planning, monitoring and management, administration and operational on-farm management to achieve the agreed physical and financial objectives, asset management

and maintenance, risk management, and creating business growth opportunities. Management is guided by the business plan and annual budget approved by the business owners.

For the 2010/11 season, dairy farms currently under FarmRight management can be summarised as follows:

Number of Farms Under Management	45
Effective Area (ha)	11,990
Maximum Cows Milked	35,225
Target Production (KgMS)	13,242,000
Farm Staff Employed	300
Estimated Value of assets under management	\$500,000,000



four.three.one

DETAILS OF THE SERVICES PROVIDED BY A FARMRIGHT PROPERTY MANAGEMENT AGREEMENT

Farm Consultancy

- Monthly visit & report focusing on “cows and grass” production issues as detailed above.

Financial – Business Planning, Budgeting, Analysis & Reporting

- Monthly reporting:
 - Property & Production report including comparisons to budget
 - Financial report including comparisons to budget

- Annual year end financial report
- Budget and Cashflow preparation
- Quarterly statistical analysis and comparisons
- Benchmarking against other FarmRight managed farms
- Compiling, updating and monitoring of the business plan
- Liaise with banker, accountant, and solicitor as required

Financial – Accounts Payment

- Full financial control
- Payment and recording of accounts on behalf of business owners
- Receipt of funds on behalf of business owners
- GST records and payments
- Wages and PAYE; records and payment
- Providing the accountant with reconciled year end accountants report

Operational Management Supervision

- Regular on-farm visits by the Farm Investment Manager
 - At least monthly, although required visits throughout the year are likely to vary based on the seasonal farming calendar and issues to be addressed
 - Visits are based around FarmRight monthly calendar and checklists
- Independent supervision of the Farm Manager and staff
 - Includes Employment Agreements, Position Descriptions, coaching of key staff, and performance management as required
- Compliance Management (e.g OSH, Dairy Company etc)

- Implementation of the asset management plan (as directed by owners)
- Ensuring consultancy advice meets business plan objectives
- Feasibility studies for the existing operation
- Monitoring and influencing the overall business performance in relation to the Business Plan



four.three.two

CRITICAL SUCCESS FACTORS FOR A SUCCESSFUL MANAGED FARM INVESTMENT

A lucrative and successful managed farming investment is one which meets or exceeds the shareholders' business goals. These can vary from investor to investor.

The majority of investors in FarmRight managed farms are seeking strong equity growth opportunities in the dairy industry without the requirement to manage the business themselves. For this group of investors, the key success factors include:

- A sound purchasing decision. A sound understanding of the location factors, production

potential, development requirements, limitations and likely cost structure of a dairy farm are critical elements in the purchase and price decisions. We must be prepared to walk away from over-priced investments, and be prepared to act quickly on good opportunities. FarmRight takes this approach on behalf of investors when making this decision.

- A well thought out, documented business strategy to maximise the growth of wealth through a farm investment.
- Annual budgets, monitored monthly. Budgets need to be compiled based on both the business strategy, and the physical aspects of the farming business. To add any value to the business, budgets need to be monitored regularly,

and management adjusted when required to maximise the business performance.

- A business management structure to effectively execute the strategy and implement the on-farm plan to achieve the financial results budgeted.
- An "opportunity seeker". Growth opportunities abound for successful managed dairy farming businesses, but they seldom fall into their lap. FarmRight actively seeks out growth and expansion opportunities for existing managed farm businesses.



five.
dairy farm
consultancy

In addition to the managed farm business, FarmRight currently has 5 specialist consultants with a total client list in excess of 200 dairy farmers.

six.
contact us

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