



Our reference
F19/13/03-D21/26182

15 June 2023

Farm and Aerodrome Committee

Notice is hereby given that the meetings of the Farm and Aerodrome Committee will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 20 June 2023** at **12noon**.

Timetable for 20 June 2023 as follows:

12 noon	Farm and Aerodrome Committee
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Yours faithfully

Sven Hanne
Chief Executive

2023 - Agenda - Farm and Aerodrome - June

20 June 2023 12:00 PM



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AGENDA

Farm and Aerodrome Committee



F22/55/05-D23/24853

Date: Tuesday 20 June 2023 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

1. [Welcome](#)
 - 1.1 **Opening Karakia**
D21/40748 Page 6
 - 1.2 **Health and Safety Message**
D22/17082 Page 7
2. [Apologies](#)
3. [Announcements](#)
4. [Declarations of Member's Interest](#)
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. [Attendance Schedule](#)
Attendance schedule for Farm & Aerodrome Committee meetings.
6. [Confirmation of Minutes](#)
 - 6.1 **Farm and Aerodrome Committee Meeting - 21 March 2023**
D23/11703 Page 9

Recommendation

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 21 March 2023 be confirmed as a true and accurate record.

/
Moved/Seconded

7. [Matters Outstanding](#)
D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

/
Moved/Seconded

8. Programme of Works
D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

/
Moved/Seconded

9. Decision Report – Approve draft Farm Business Report 2023
D23/24839 Page 17

Recommendations

1. THAT the report and draft Farm Business Report 2023 be received.
2. THAT the Committee makes a decision on the allocation of the remaining profit made in the 2022/23 financial year, after the rates mitigation portion.

Recommended Reason

To uphold the Committee's responsibilities in relation to the Council farm.

/
Moved/Seconded

10. Information Report – Risk Review
D23/22011 Page 37

Recommendation

THAT the report be received.

Recommended Reason

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

/
Moved/Seconded

11. Quarterly Report – Farm and Aerodrome Business and Financial Report
D23/21225 Page 45

Recommendation

THAT the report be received.

Recommended Reason

This report provides a quarterly business and financial update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

/
Moved/Seconded

12. Quarterly Report – Health and Safety Update
D23/21937 Page 62

Recommendation

THAT the report be received.

/
Moved/Seconded

13. Questions

14. Closing Karakia
D21/40748 Page 65



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2022 Farm and Aerodrome Committee meetings.

Date	06/12/22	21/03/23			
Meeting	FA	FA			
Neil Volzke	✓	✓			
Steve Beck	✓	✓			
Grant Boyde	✓	✓			
Annette Dudley		✓			
Jono Erwood					
Ellen Hall		✓			
Amanda Harris	(AV)	✓			
Vaughan Jones	✓	✓			
Min McKay		✓			
John Sandford	✓	S			
Clive Tongaawhikau					
Mathew Watt					

Key	
FA	Farm and Aerodrome Committee Meeting
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
	Non committee member
(AV)	Meeting held, or attended, by Audio Visual Link

MINUTES

Farm and Aerodrome Committee



F22/55/05– D23/11703

Date: Tuesday 21 March 2023 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Councillor G W Boyde (the Chairman), the District Mayor N C Volzke, Councillors S J Beck and V R Jones, and Committee Members: the Director Corporate Services – Mrs T Radich, and the Property Officer – Mrs S Flight.

In attendance

The Deputy Mayor M McKay (*arrived at 12.35pm*), Councillors A K Harris, A M C Dudley, E E Hall

The Chief Executive – Mr S Hanne, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the HR & Governance Administrator – Mrs C Reynolds, Mrs F Riddick (sharemilker), Mr A Riddick (sharemilker), Mr J Buckley (consultant) and one member of the media (Stratford Press).

1. Welcome

The Chairman welcomed the Chief Executive, Councillors, staff, and the media.

1.1 Opening Karakia D21/40748 Page 6

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 7

The Chairman reiterated the health and safety message and emergency procedures.

2. Apologies

An Apology was received from Councillor W J Sandford,

Recommendation

THAT the apologies be received.

BECK/BOYDE
Carried
F&A/23/1

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Chairman requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda. There were no declarations of interest.

5. Attendance Schedule

The attendance schedule for Farm & Aerodrome Committee meetings was attached.

6. Confirmation of Minutes

6.1 Farm and Aerodrome Committee Meeting - 6 December 2022 D22/47547 Page 9

Recommendation

THAT the confirmed minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 6 December 2022 confirmed as a true and accurate record.

VOLZKE/JONES
Carried
F&A/23/2

7. Matters Outstanding D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

BOYDE/BECK
Carried
F&A/23/3

The Chief Executive noted the following points:

- All three items are discussed in agenda items and could be removed from matters outstanding. There were no objections to closing all current matters outstanding.

8. Programme of Works D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

BOYDE/VOLZKE
Carried
F&A/23/4

Questions/Points of Clarification:

- The Chairman questioned if under December 2023 - Draft Budget it needed to have *work with Sharemilker underneath*, or if Draft Budget was sufficient? It was noted Draft Budget was sufficient.

The HR and Governance Administrator undertook to make the following amendments:

- Draft Results in June 2023 amended from 21/22 to 22/23.

9. Decision Report - Revised 2022/2023 Annual Plan Budget for the Farm
D23/9371 Page 17

Recommendations	
1. <u>THAT</u> the report be received.	BECK/JONES <u>Carried</u> <u>F&A/23/5</u>
2. <u>THAT</u> the Committee approves the changes to the 2022/2023 annual plan budget for the farm.	
3. <u>THAT</u> the Committee recommends to Council to approve the new revised 2022/2023 annual plan budget for the Farm.	BOYDE/BECK <u>Carried</u> <u>F&A/23/6</u>
Recommended Reason To obtain approval for the revised budget	

Questions/Points of Clarification:

- The Chairman noted that the average milk price on the 2022/2023 revised budget is \$8.50 but the average milk price he worked out to be about \$9.12, as almost half of the production for this year has been fixed at \$9.75. It was noted that these figures will change into the positive.
- It was noted that Fonterra have announced a one off payment in October of 50c per share, which will bring approximately \$79,000 into Council in next year's budget.
- Councillor Jones questioned the difference in milk pay out in this budget compared to the \$7.50 in the Long Term Plan. It was noted that the LTP figure is a figure of the predicted average pay out and is estimated conservatively, whereas this budget shows the forecasted figure for this season.
- Councillor Jones sought clarification on what was covered under the expense of pasture management? It was noted anything related to the maintenance of the pasture is included e.g. grass seed.
- Councillor Jones requested clarification on why the sustenance cost has increased, if this is because of an increase of feed brought in, or because of an increase in cost of the feed? It was noted the new sharemilking contract signed this season now requires Council to pay for half of supplement feed which has now been included in the budget, also as the Sharemilkers are now grazing on farm, more feed for the calves had to be brought in.

Points noted in discussion:

- It was noted that as calves have not been sent out for grazing, the grazing cost is less.

10. Decision Report - Draft Budget for Annual Plan 2023/2024

D23/9428 Page 23

Recommendations	
1. <u>THAT</u> the report be received.	BECK/JONES <u>Carried</u> <u>F&A/23/7</u>
2. <u>THAT</u> the draft budget for both the Farm and Aerodrome be approved for inclusion in the Annual Plan 2023/24, as well as any recommended changes in the budget and any dividend coming out of resolution 3.	BECK/BOYDE <u>Carried</u> <u>F&A/23/8</u>
3. <u>THAT</u> the Committee approve the transfer from the Farm reserve balance of \$68,512 to be used for rates mitigation in 2023/24, as well as the predicted one-off dividend payment from Fonterra.	BOYDE/VOLZKE <u>Carried</u> <u>1 against</u> <u>F&A/23/9</u>
Recommended Reason To get approval of the financial budgets.	

The Director – Corporate Services noted the following points:

- Council is currently preparing to look at the Annual Plan, the figures decided here today will feed into the Annual Plan. This report is asking the Committee to approve full use of the farm reserve balance and the one off payment from Fonterra, which has not yet been included in the budget.

Questions/Points of Clarification:

- Councillor Jones sought clarification on why, in terms of rate mitigation and using the reserve, why it is being brought forward now, as he understood this is usually put through in June. It was noted the reserve is discussed twice yearly, six months ago it was brought to the committee to decide the amount put into the reserve, it is now put forward to decide how much to take out of the reserve.
- The District Mayor questioned why the budget for sustenance in the 2022/2023 budget has just been increased from \$75,000 to \$91,000, however the 23/24 proposed budget still shows as it \$75,000. It was noted that the Sharemilker's recommended budget has increased the sustenance budget to \$198,000.
- It was noted that feed pricing is currently at an equilibrium point where prices have come up in price with the pay out, however with the milk price coming down, costs such as freight and fertiliser prices are now also decreasing. Mr Buckley recommended the budget be increased slightly from \$75,000.
- The District Mayor noted his concern of the difference between the adopted \$91,000 and the sharemilkers recommendation of \$198,000.
- The Chairman noted he would like the 2023/2024 budget to show \$91,000. Mr Buckley agreed that this should be a workable budget.
- The District Mayor asked for clarification on why grazing has stayed the same in the 2023/2024 budget when spending in the 2022/2023 year has been nowhere near the budgeted cost. It was noted that the grazing is currently below budget as all 100 calves have been grazed on the farm, which has been detrimental to the feed on farm, rather than sending them out to grazing due to the high cost of grazing this year. It was also noted the Sharemilkers are still to receive two further grazing bills for the year.
- The Chairman questioned if a conversation between Council and the Sharemilkers needed to happen about continuing to keep animals on the farm for grazing, rather than sending them out, which would lead to a need to drop stock numbers. It was noted that off farm grazing was the cheapest grazing Council could get, as buying palm kernel is more expensive.

- Councillor Jones supported the sustenance and grazing budgets to remain as is, as if the cost of grazing is under budget, that could be fed into sustenance if needed or into profit.
- The District Mayor enquired what is depreciated at the aerodrome. It was noted Council depreciates drainage under the runway, IT equipment, waterlines and toilets.
- The Chairman noted that in the last two years \$215,000 has gone to rate mitigation from the farm reserve, however there is still \$1,900,000 worth of debt against the farm, which should be looked at being paid back in the future.
- The District Mayor agreed that there is a potential need to chip away at the debt. He enquired if the money borrowed recently for capital works had been paid back. It was noted it had been.

The Deputy Mayor M Mckay arrived at 12.35pm

- Councillor Jones expressed he does not believe Council should use all of the farm reserve, and that some should be used as a buffer.
- It was explained that the recommended budget for fertiliser did not include any expenditure for capital fertiliser, thus will have to be increased at some point in time to allow for this.
- Councillor Beck and the District Mayor supported the fertiliser budget of \$75,000.
- Councillor Jones questioned that if the recommendations were carried that nothing was going towards paying the farm debt. It was clarified this is correct, however Council will still have to accept the recommendation, what is decided today is a recommendation from the Committee rather than an instruction.

Points noted in discussion:

- It was noted a new revised budget was put into the Resource Centre yesterday.

11. Information Report - Risk Review

D23/7529 Page 30

Recommendation

THAT the report be received.

BOYDE/VOLZKE
Carried
F&A/23/10

Recommended Reason

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

12. Quarterly Report - Farm and Aerodrome Business and Financial Report

D23/8523 Page 38

Recommendation

THAT the report be received.

BECK/JONES
Carried
F&A/23/11

Recommended Reason

This report provides a quarterly business and financial update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

The Property Officer noted the following points:

- Attention was brought to item 4.2.1. Requesting the committee decides if any future development of the aerodrome is happening within the current aerodrome boundary or out into neighbouring farm land.
- It was advised the scope given to the consultant should not be too broad, and let them know exactly what Council is looking for e.g. stay within current aerodrome boundaries, and 10, 30, 60 year plan??

Questions/Points of Clarification:

- The Chairman questioned if the current stocking rate of the farm is fit for purposed. It was advised it depended on what model the Committee is comfortable running, and if the stocking number is to be decreased it will need to be completed in steps as a huge system change will not see results straight away, each cow will need to do higher production.

Points noted in discussion:

- The Deputy Mayor supported the view of initially looking at the existing aerodrome facilities and how Council can capitalise on what is already there, and look at more than a 10 year plan.
- Councillor Beck agreed and suggested the plan could always be revisited if the outcome of the report is not satisfactory, or if circumstances change. It was advised the report is a large expense, so the exact scope of what the Committee would like included needs to be given.
- The Chairman noted there is unlikely to be a massive amount of growth within the aerodrome, the last 10 years of growth could be looked at and applied to the next 10 years.

13. Quarterly Report - Health and Safety Update

D23/8499 Page 48

Recommendation

THAT the report be received.

BOYDE/BECK
Carried
F&A/23/12

14. Questions

Councillor Jones requested clarification on why there was additional capital expenditure above the current budget. It was noted urgent work to the hot water cylinder which needed to be completed.

15. Closing Karakia

D21/40748 Page 51

The closing karakia was read.

The meeting closed at 1.08pm

G W Boyde
Chairman

Confirmed this 20th day of June 2023.

N C Volzke
District Mayor

Farm and Aerodrome Committee Matters Outstanding Index

D20/11504

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE

2023 - Agenda - Farm and Aerodrome - June - Programme of Works

FARM AND AERODROME COMMITTEE - PROGRAMME OF WORKS

Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
		Farm Business Plan/Report	Review Risk Register		Farm Environmental Report
Draft Budget 2023/24		Draft Results 2021/22	Final Farm Business Report 2021	Draft Budget 2024/25	
			Farm Environmental Report		
			Committee Strategic Review		
Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report
Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report

DECISION REPORT



F22/55/04 – D23/24839

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 June 2023
Subject: Approve draft Farm Business Report 2023

Recommendations

1. THAT the report and draft Farm Business Report 2023 be received.
2. THAT the Committee makes a decision on the allocation of the remaining profit made in the 2022/23 financial year, after the rates mitigation portion.

Recommended Reason

To uphold the Committee's responsibilities in relation to the Council farm.

/
Moved/Seconded

1. Purpose of Report

To present the Committee with the unaudited year end results for the Council farm for 2022/23, a high-level update on operations, and the budget for 2023/24.

To provide the opportunity for the Committee to allocate the remaining profits to a loan repayment and/or the Farm Reserve.

2. Executive Summary

- 2.1 The Draft Farm Business Report 2023 is an opportunity to present to the Farm and Aerodrome Committee a summary of the past year activities. It clarifies the objectives of the farm, the financial performance of the previous year and expected results for the current year. It gives elected members, the public, and other stakeholders, transparency of the farm performance, and opens the opportunity for better decision making.
- 2.2 While the 2022/23 year has been a successful one, the target of 150,000 KgMS produced were not met. The milk price received of \$8.69per KgMS was over the budgeted milk price of \$6.25, resulting in a strong profit for the year-end of \$219,882
- 2.3 Of this profit, \$50,000 was used as rates mitigation. The remaining \$169,882 is available to go towards repaying some debt and/or transferring to the farm reserve to be used in future years for additional rates mitigation or for other purposes as recommended by this Committee.
- 2.4 A final report will be presented at the December committee meeting presenting the final year-end results if there are any changes as a result of the Deloitte external audit.

3. Local Government Act 2002 - Section 10

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	✓		

The farm is expected to provide a financial contribution towards rates, to minimise and smoothen (by using the Farm reserve) the impact of rates on the Stratford district ratepayers.

4. Background

- 4.1 In 2020, the Farm and Aerodrome Committee was established to provide governance and oversight of the combined activities of the Council owned Dairy Farm and the Stratford Aerodrome. This report is presented to the Committee to enable it to fulfil its responsibilities under the Farm and Aerodrome Committee Terms of Reference.
- 4.2 The financial results for the 2022/23 year are above expected performance, largely due to higher than budgeted revenue. Consequently, there is \$169,882 available for loan repayments, and/or for allocating to the Farm Reserve.
- 4.3 This report also presents the budget approved within the Annual Plan 2023/24. Current market indications are showing that the farm is likely to exceed budgeted net profit significantly, and that costs are expected to be higher also, but overall a higher than budgeted net profit is likely to result.
- 4.4 As part of the LTP 2021-31, a Farm Reserve was established so that profits earned above the rates contribution during the year could potentially be set aside in a reserve, to be put towards rates in the following or later years, or be assigned for specific farm- related expenditure.
- 4.5 Council debt has increased by \$14,001 to \$1,965,100 during the 2022/23 year. The Committee is being asked to decide how much of the remaining \$169,882 profit can be allocated to debt repayments. With interest rates increasing, it is recommended that a debt repayment continues to be made annually at a level that ensures debt is at least not higher than the previous year.
- 4.6 Environmentally, the Council farm is in a good position and is working towards addressing outstanding actions. The farm achieved the 8 cents of the new Co-operative Difference Payment introduced in 2021/22.
- 4.8 The previous share-milking agreement expired on 31 May 2022. A new agreement was reached with the existing share-milkers, the Fernharp Trust (Aaron and Fiona Riddick).

5. Consultative Process

5.1 Public Consultation - Section 82

No consultation has been undertaken with the public on the Farm Business Report.

The Annual Report 2022/23 will be released to the public, once Council formally adopts the Annual Report.

The budgets for 2023/24 have been formally consulted on as part of the Annual Plan 2023/24 consultation process.

5.2 Māori Consultation - Section 81

Consultation has not been undertaken with iwi on the Farm Business Report. Iwi have been consulted with specifically as part of the Annual Plan consultation process, but not to a detailed level with regards to the farm operations.

6. Risk Analysis

<p>Refer to the Council Risk Register - available on the Council website.</p> <ul style="list-style-type: none"> Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating? Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks. Is there a legal opinion needed?
--

6.1 This report is a direct risk response in relation to *Risk 59: CCO and other out-sourced functions*. One of the risk controls in minimising the risk of potential non-compliance or financial loss is to ensure a Farm Business Report is presented to Council annually. No legal opinion is required.

7. Decision Making Process - Section 79

7.1 Direction

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes –link to Council's Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	Direct relation to funding future community needs.

7.2 Data

<ul style="list-style-type: none"> Do we have complete data, and relevant statistics, on the proposal(s)? Do we have reasonably reliable data on the proposals? What assumptions have had to be built in?
--

Refer to the attached Farm Business Report 2023.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	Aligns with the LTP
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		✓

7.4 **Options**

<p>An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.</p> <ol style="list-style-type: none"> 1. What options are available? 2. For each option: <ul style="list-style-type: none"> • explain what the costs and benefits of each option are in terms of the present and future needs of the district; • outline if there are any sustainability issues; and • explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions? 3. After completing these, consider which option you wish to recommend to Council, and explain: <ul style="list-style-type: none"> • how this option is the most cost effective option for households and businesses; • if there are any trade-offs; and • what interdependencies exist.

Allocating the remaining Net Profit for 2022/23 to debt repayments and/or farm reserve

The opening farm debt balance was \$1,965,100. During the year, new borrowings of \$14,001 occurred as a result of capital expenditure on farm upgrades and improvements.

The Committee must decide, of the remaining \$169,882 net profit, how much of this they would like to put towards repaying debt. Options include 100% or some lesser percentage or fixed amount, or nil. The recommended amount is an amount of at least \$14,001.

The balance, if any, may then be allocated to the farm reserve.

7.5 **Financial**

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

Financial performance for 2022/23 has exceeded expectations.

It is looking like this will continue for the 2023/24 year.

The Committee will need to consider this when developing the 2024/25 farm budget as part of the Annual Plan 2024/25 process.

The farm reserve may be used by the Farm and Aerodrome Committee to smoothen the impact of rates in future years, or if the net return from the farm is not expected to cover the \$50,000 minimum annual rates mitigation.

7.6 **Prioritisation & Trade-off**

- Have you taken into consideration the:
- Council's capacity to deliver;
 - contractor's capacity to deliver; and
 - consequence of deferral?

Not applicable.

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

Not applicable.

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

The recommendation does not conflict with any Council Policies.

Attachments:

- Appendix 1** Farm Business Report 2023
Appendix 2 Achievement Summary 2022/2023 season



Sara Flight
Director – Corporate Services



Victoria Araba
Director Assets

Date 9 June 2023

D23/24576

June 2023

STRATFORD DISTRICT COUNCIL

DRAFT FARM BUSINESS REPORT 2023

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Executive Summary

In 2020, the Farm and Aerodrome (Council) Committee was established to provide governance and oversight of the combined activities of the Council owned Dairy Farm and the Stratford Aerodrome. This report is presented to the Committee to enable it to fulfil its responsibilities under the *Farm and Aerodrome Committee Terms of Reference*.

The Stratford District Council Farm Business Report 2023 provides an overview of the Farm Activity, a report on the financial results for 2022/23 and presents the budget for 2023/24.

The year end results (pending final milk price) for the year ended 30 June 2023 have **Net Profit at \$219,882** up on budgeted Net Profit of \$77,893. This is largely due to budget assumptions around revenue, specifically milk price forecast. Milk solid production was lower than budget at 142,660 kgMS compared to a budgeted figure of 150,000 kgMS, and the final milk price received of \$8.96 per kgMS, is \$2.71 higher than what was originally budgeted (\$6.25).

Farm debt, without loan repayments, increased by \$15,800, due to another year of investment in farm infrastructure, which included an upgrade to the water lines and troughs and riparian planting.

As part of the LTP 2021-31, a Farm Reserve was established so that profits earned above the rates contribution during the year could potentially be set aside in a reserve to be used to reduce rates in the following or later years, or be assigned for specific farm related expenditure.

The farm reserve balance was \$96,925, as at 30 June 2021, and was used in full as rates mitigation in the 2022/23 financial year, on top of the \$50,000 already set aside as a minimum, to ease the rates burden for the community.

Of the profit made in 2021/22 of \$240,041, \$171,567 went towards repaying debt (which had increased by the same amount during the year due to loan funded capital expenditure), and \$68,512 went into the farm reserve.

In March 2023 the Farm and Aerodrome Committee approved for the transfer of the Farm reserve \$68,512 to be used for rates mitigation in 2023/24 as well as the predicted one-off dividend payment from Fonterra.

The Farm and Aerodrome Committee will be asked to determine the final figure to allocated to loan repayments and/or the farm reserve after reviewing final reports for the year. After allocating \$50,000 of net profit to rates mitigation, there is **\$169,882** available to allocate.

Goals and Objectives of the Farm and Aerodrome Committee

1. To operate the farm as a separate, economic, business unit.
2. To physically support the aerodrome by way of providing a buffer zone between it, and surrounding, existing or potential, properties, and
3. The profits from the farm to be used to provide a 'dividend' to Council to offset rates by at least \$50,000 per year, and either reduce debt, or be transferred to the Farm reserve which may be used to offset rates, with any withdrawals from the fund to be determined at the setting of the Annual Plan or Long-Term Plan for the following year.
4. To ensure the Aerodrome activity is contributing to the Council's Community Outcomes in a cost-effective manner.

Summary from Share-Milkers

Fernharp Trust Partnership – Dairy Season 1 June 2022 to 31 May 2023

A tougher season on farm this year when comparing to previous years. Rising costs estimated at 20% and lack of grazing meant we made a couple of different decisions on farm.

2023 season was the first time we did not winter any stock off, normal practice has been 100 cows/R2's off farm for 6 weeks over the winter. We also kept all calves at home until the first week of May 2023.

We had rain but dare we say it “too much” at times, this resulted in grass growth but without the quality, it also resulted in environmental mastitis and lame feet issues. We consistently had a mob of 30 being treated meaning that milk was not going in the vat. Stock on farm and the mastitis meant a lower production than budgeted.

We have continued the work on farm Riparian Planting, the water system upgrade to the Campbell block, culvert at the back of the farm was replaced after been damaged. Interior painting of the cowshed was some minor jobs in the house on 202 Flint Road.

Staffing the farm has been a lot easier now that borders are open, we have been very lucky to have had excellent staff for the 2023 which we appreciate and couldn't operate without.

Thanks again to all those involved in our business, and we look forward to a better 2024 season.

Thanks, Aaron & Fiona

Local Government Purpose

The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community.

Social – The farm does not directly benefit social well-being in any fundamental way.

Economic – The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers. It is not in direct competition with other businesses in the district and therefore does not diminish economic activity. It provides some employment opportunities and contributes to the district economy through procurement of goods and services.

Environmental – Dairy farming is generally not viewed as an environmentally friendly activity. However, the Council has an Environmental Plan and is directly involved in riparian planting, freshwater plans, and complies with environmental regulations. Council has increased its investment in this area, as industry stakeholders demand better farming practices.

Cultural – The farm does not directly benefit cultural well-being in any fundamental way.

DRAFT

Summary of the Farm

Address: 202 Flint Road East, Stratford

Farm Area 158ha, 132 ha effective

Topography – flat

Soil type: Volcanic

Farm and Aerodrome Committee Members x3

Grant Boyde (Chair), Vaughan Jones, Steve Beck

Council Staff Committee Members x2

Council Farm Liaison – Property Officer

Accountant – Finance Officer

Share-milkers

Fernharp Trust Partnership: Aaron Riddick and Fiona Hogan-Riddick

Share-milking agreement is in effect until 31 May 2027

Consultant: Jono Buchly

Fonterra Shares

Council owns 158,716 Fonterra shares – valued at \$3.02 as at 7 June 2023, total value \$479,322

Infrastructure

Cow Shed:

Herringbone 36 aside, automatic cup removers, and automatic teat sprayer (owned by share-milker).

In-shed feeding system (72 batch feeders), with 23 tonne polyethylene silo

Milk room, office, toilet and pump room.

16,000 L vat (owned by Fonterra)

Yard:

Main yard (400 capacity) – recently extended and upgraded, new entrance

Bobby calf shed with loading ramp

An additional loading ramp next to the main yard

Lockable shed for bikes and tools

2 x 4 bay hay sheds

Silage / maize pit

Dungbuster

Storage Container and Concrete Pad

Water tank: 30,000 litres

Irrigation – travelling irrigator – 20ha

Old cowshed, loading race and vet race

Two bay shed / calf rearing

Lockable shed – Fertiliser spreader storage

2 x one bay hay barns

Sheep shearing shed

Two metal pits

Worker’s Cottage and Farm House

4 bedroom house, car port and small shed

1 self-contained cabin

3 bedroom house – relocated from Pembroke Rd

Double garage

Three bay shed

Operational

375 Fresian-Cross Cows (owned by the sharemilker)

System 3 Feeding – 10-20% of total feed is imported to extend lactation and increase production

DRAFT

Financial Performance

Financial Results 2022/23

Net Profit for the year \$219,882

Total Revenue is up against budget by \$188,920, at \$677,510.

Milk supply revenue came above budget by \$170,317 at \$639,067. This was a direct result of the final forecast milk price being higher than the original milk price expectations of \$6.25 per KgMS. The milk price received by the Council farm equated to \$8.96 per kgMS (note the revenue is split 50/50 between the Council and the Sharemilker).

This season a total of 142,659.9 kgMS has been produced, which is lower than the target 150,000 kgMS. Weather had a big impact, grass growth was there but no substance in grass, higher number of environmental mastitis and lame cows. With the increased cost of “off Farm” grazing, calves were kept on the farm. This put pressure on the grass which resulted in a reduced milk production total for the season.

The final milk price forecast for the season is between \$8.10 and \$8.30, with a midpoint of \$8.20, but the final average milk price received by Council is \$8.96, this is calculated on total cash in and opening and closing accruals, in order to finalise the accounts for audit, with any adjustments to be brought into the following year, with the final milk price announcement not being until late-October. During the year, Council fixed 68,604 kgMS (45.93%) at an average price of \$9.79.

The Council budgeted for a dividend of 25 cents per share, split 50/50 with the Sharemilker. The dividend for the year was 10 cents per share, with the final dividend announcement to be made late-October.

Expenditure was up against budget by \$46,932 at \$457,629

Farm working expenses were over budget by \$27,968 at \$291,912 for the financial year, with the most notable variance being spend on sustenance (food for cows), at \$94,518, against a budget of \$75,000. Sustenance was much higher than budgeted. More tonnage was bought in due to reduced pasture growth rates. To maintain production, extra feed was purchased. Fertiliser cost was higher than budget at \$80,025.

Indirect expenses are slightly over budget by \$18,963, at \$165,909 with the main variance being interest due to the increased interest rates, and overheads for the Property Management.

Interest has been calculated at \$56,998 and is based on a loan repayment in the year of \$14,001 – equivalent to the amount of new borrowings. Therefore, no change in debt, unless the Committee approves a further loan repayment, on top of \$14,001.

Summary of other measures:

- The value of the Fonterra shares held at the start of the financial year (1 July 2022) was \$460,276, at \$2.90 per share. As at 7 June 2023, the shares are worth \$3.02 each, with a total value for Council of \$479,322.
- In this financial year, the number of cows milked was 375. Production decreased to 142,659.9 kgMS, and down on the previous year record of 154,394.1 kgMS.
- Actual total expenditure per kgMS produced was \$3.21 (2022: \$2.86).
- In calf Heifers were all on the farm since 1 May 2022, previous season they were located on the run off for winter grazing, which has put pressure on the farm
- Cows were culled earlier this year to reduce pressure on the farm during winter

Financial Budget 2023/24

Budgeted Net Profit for the year has been set at \$258,046

High level assumptions include milk price (\$8.00 per kgMS) number of cows (375), effective hectares for farming (132), and interest rate (3.45%).

Total revenue for the farm for 2023/24 is budgeted at \$718,807

The milk price assumption of \$8.00 is based on forecast assumptions at the time the LTP 2021-31 was prepared. As at June 2023, the milk price forecast for the year is in a range of \$7.25 to \$8.75 per kgMS. Milk production for the year is expected to be no less than 150,000 kgMS at this stage.

A dividend has been budgeted for in the 2023/24 year of 30 cents per Fonterra share, with half of the dividend to be paid to the sharemilker. The current dividend forecast for the year is in a range of 20 to 40 cents per share.

A one of dividend payment from Fonterra is expected in August 2023. Fonterra has sold their Chilean Soprole business and are committed to targeting a significant capital return to the shareholders which would not be split at the agreed percentage with the Sharemilkers.

Total expenditure for the farm is budgeted at \$460,761 in 2023/24.

Farm working expenses are higher than the previous year budget by \$60,406 due to an increase in sustenance and fertiliser costs. Grazing has increased for the year as the previous leases expired, and the new lease contract with New Zealand Grazing incurs a higher grazing rate.

The Council overhead allocation has reduced to \$30,740 from \$57,246.

Interest expense is budgeted at \$68,629 (Actual 2022/23: \$56,998), due to the increase in interest rates.

The depreciation expense is budgeted at \$47,042 for the 2023/24 year, up on last years budget of \$43,200 due to the increased value of assets that will require future replacement.

The budgeted net profit could potentially allow for a loan repayment of \$208,046, after allocating \$50,000 to rates mitigation.

Budgeted total expenditure is \$2.99 per kg of milk solid produced (2022/23 budget: \$2.64).

Annual Financial Report 2023/24 - Farm

	ACTUAL	BUDGET		BUDGET
	2022/23	2022/23	Variance	2023/24
Farm Investment				
Milk Production (KgMs)	142,660	150,000	-7,340	154,000
Council Farm Final Milk Price	8.96	6.25	2.71	8.00
Council's Share of Milk Revenue*	639,067	468,750	170,317	616,000
Less adjustments / timing			-	
Dividend	38,444	19,840	18,604	102,807
Total Income	677,510	488,590	188,920	718,807
Fencing	2,208	3,075	867	3,500
R&M Major Works	11,000	11,000	0	35,000
Repairs & Maintenance	29,057	25,625	-3,432	25,000
Consultants	617	513	-104	513
Off-Farm Grazing	25,268	48,000	22,732	48,000
Pasture Management	12,990	5,342	-7,648	10,000
Fertiliser	80,025	71,750	-8,275	75,000
Insurance	8,719	8,768	49	10,027
Lease	5,958	6,500	542	6,500
Licences & Permits	307	748	441	765
Rates (Services Only)	1,045	960	-85	1,045
Subscriptions & Publications	4,545	2,563	-1,982	3,000
Sustenance	94,518	75,000	-19,518	91,000
Weed Control	7,796	4,100	-3,696	5,000
Water Consumption	7,858		-7,858	
Health and Safety Compliance	-	0		0
	291,912	263,944	-27,968	314,350
Interest	56,998	46,307	-10,691	68,629
Depreciation	43,200	43,200	0	47,042
Corporate Services	20,920	22,308	1,388	12,171
Assets Director	6,059	6,003	-56	6,219
Property Asset Manager	38,540	28,935	-9,605	12,350
	165,716	146,753	-18,963	146,411
Total Expenditure	457,629	410,697	-46,932	460,761
Net Profit	219,882	77,893	141,989	258,046

Capital Expenditure

Capital expenditure in 2022/23 of \$14,001 is within budget

- Capital Expenditure Budget 2023/24**

The budget for 2023/24 for capital expenditure is set at \$16,300, to include riparian planting, and to complete an upgrade to the water lines and trough. The water lines upgrade is required due to the ageing infrastructure, and will benefit the Share-milker by enabling more efficient water usage.

Capital Expenditure Actual Vs Budget 2022/2023				
	ACTUAL	BUDGET	Variance	Budget
	2022/23	2022/23	2022/23	2023/24
<i>Increase in Service Level</i>				
Riparian Planting	1,825.41	3,500.00	1,674.59	3,700.00
Water Lines and Trough Upgrades	12,175.14	12,300.00	124.86	12,600.00
				-
Total Service Level Increase	\$ 14,000.55	\$ 15,800.00	\$ 1,799.45	\$ 16,300.00

Farm Debt

The final debt balance will be determined by the following formula:

Opening Farm Debt balance 1 July 2022	1,965,100
Plus new borrowings (loan funded capital expenditure)	14,001
Less loan repayments (allocated from net profit)	xxx,xxx
Closing Farm Debt balance 30 June 2023	x,xxx,xxx

The loan repayment is yet to be determined by the Committee, once a decision has been made on how to allocate the remaining \$169,882 net profit – refer to Farm Reserve section below.

In 2023/24, it is forecast that the loan balance will increase by a further \$16,300 due to loan funded capital expenditure.

The actual interest rate will be calculated on the Council’s weighted average cost of debt – as at December 2022 this was 2.90%, and expected to be 3.45% in December 2023.

It is highly recommended that the Farm and Aerodrome Committee commit to repaying some debt in 2023, considering that interest rates have increased and are likely to continue to increase. The financial results, specifically the interest, is based on a loan repayment of \$14,001 – equivalent to the increase in borrowings.

Farm Reserve

The Farm Reserve funds may be used to fund additional rates mitigation, or for new investment in Council farm infrastructure, or for any other purpose as decided by the Farm and Aerodrome Committee and in accordance with the objectives of the Farm.

The Farm Reserve currently has a balance of \$68,512 which will be used in full for rates mitigation in 2023/24.

Of the net profit for the year of \$219,882, \$50,000 has already been allocated to rates mitigation.

This leaves **\$169,882** to allocate to loan repayments and/or the farm reserve. If the Committee was to allocate \$14,001 to loan repayments so the load balance does not increase, there is \$155,881 available to allocate to the Farm Reserve, or to further repay debt.

Future Outlook for Dairy Farming and the Council Farm

Summary

The Council Farm is primarily held as an economic investment to assist in rates mitigation for the district's ratepayers.

Fonterra is yet to announce a final pay-out for 2022/23 season, but the forecast is expected to be in the range of \$8.10 to \$8.30. The forecast for 2023/24 is similar at between \$7.25 to \$8.75, with a midpoint of \$8.00 per kgMS. This is slightly less than previous years estimate, but if milk production can be maintained at current expenditure levels, it will result in another profitable season next year.

Capital Restructuring

In December 2021, Fonterra shareholders voted in favour of a new capital structure to replace the current Trading Among Farmers (TAF) capital structure, which has been in place since 2012. The key elements of Fonterra's intended capital restructure are:

- A reduction in the minimum shareholding requirement from 1 share for 1 kilogram of milksolids (kgMS) supplied (1:1) to 1 share for every ~3 kgMS supplied (1:3).
- An increase in the maximum shareholding, from 2 shares for every 1 kgMS supplied (2:1) to 4 shares for every 1 kgMS supplied (4:1).
- Operating a restricted farmers-only market for future share trading, with a lower (10 rather than 20 percent) cap on the size of the unit Fund.

The proposed capital restructure will lower the cost of entry for farmers wishing to join the co-operative and supply milk to Fonterra, thus enabling Fonterra to retain and attract milk supply in the face of forecast plateauing or declining milk production in New Zealand. This in turn will enable Fonterra to make efficient use of sunk investment in processing facilities, remain a large-scale, New Zealand farmer-owned co-operative, and to allocate capital to investments in innovation and sustainability.

The reduced minimum shareholding requirement could also enable farmers to free up some capital, which farmers could use to repay on-farm debt or invest in on-farm innovation, including to advance environmental and/or climate change mitigations.

Sharemilkers contract

On 31 May 2022, the Fernharp Partnership Trust (Aaron and Fiona Riddick) signed up for a further five years with the Council farm. The Federated Farmers Heard Owing share-milking agreement was used this time, rather than a bespoke contract. The agreement was used due to the standard clauses that are widely used in New Zealand for a share-milking type arrangement, and the agreement also refers to a new Farm Policy to clarify procedures and expectations around the operation of the farm that are not sufficiently covered by the Share-milking Agreement. Notable changes to the contract include:

- Addition of financial/budget management section – giving the share-milkers the authority to spend Council's share of direct operational expenditure, where the spend is within the approved budget. With an additional requirement that Council (or Committee) approval be given for any budget variance that exceeds 10%.
- Water Mains Renewal section – Council will now reimburse the share-milker for a share of the water consumption cost, at 25% for 2023/24 to reflect the current condition of the water pipe infrastructure on the property.
- Addition of a clause to allow for market rates to be paid to the sharemilker for reimbursement of materials and labour for any agreed capital expenditure.

- Council will now be responsible, as per the normal industry standard, for 50% of costs associated with feed produced on-farm (not just for a half share of bought-in feed).

Sustainable Dairying

From 1 June 2021, up to 10 cents of each farm’s milk payment is now determined by the farm’s sustainability credentials and milk quality. The amount and targets will be set annually by the Fonterra Board.

The 10 cent Co-operative Difference payment is made up of:

- 7 cents per kgMS for achievement under the Environment, Co-op & Prosperity, Animals, and People & Community focus areas.

Once these have been achieved;

- 3 cents per kgMS for milk that meets the ‘Excellence’ standard under the Milk Quality framework.

In the 2022/23 season, the Council farm achieved the 7 cents co-operative difference payment.

Refer to the Co-operative Difference Payment Achievement Summary for 2022/23 season attached to this report.



Long Term Planning

In order to be effective in its governance responsibilities, the Farm and Aerodrome Committee must have a good understanding and knowledge of:

- 1) Why the Council owns and operates a Dairy Farm (covered in section under heading “Local Government Purpose” in this report).
- 2) Whether the purpose is being fulfilled effectively, and to what extent.

- 3) What the risks are for the Council and whether these risks can be effectively mitigated.
- 4) The state of current infrastructure, asset condition, and future capital replacement requirements.

The analysis prepared below gives a summary of the strengths, weaknesses, opportunities and threats in relation to the farm business.

SWOT Analysis of the Council Dairy Farm Business

<p>STRENGTHS</p> <ul style="list-style-type: none"> - Contributes to the economic well-being of our district. - Consistent surpluses. - The farm provides a buffer zone for Aerodrome noise and accessibility. - Relationship between share-milkers and Aerodrome operators is conducive to the continued operation of the farm and Aerodrome side by side. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - High risk exposure to weather conditions leading to uncertainty in production/profits. - Fluctuations in milk price leading to uncertainty in production/profits. - Maintenance, Capital Replacement costs, and council staff involvement make the farm more resource intensive than an alternative cash investment. - Further capital investment in the farm will be required, particularly in relation to new advanced technology and replacement of plant and equipment. - Vulnerability to increasingly stricter compliance requirements relating to staffing, health and safety, nutrient management.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Innovative solutions and investment in technology to enable more productive use of the farm. - Potential opportunities for different land uses to provide a higher return on investment (dependent on soil and weather vulnerability of crops). - Land is a finite resource, where the value <u>generally</u> increases. Retention of land allows for potential high-value investment opportunities in the future. - Potential to gain revenue certainty by fixing up to 50% of milk price for next season. 	<p>THREATS</p> <ul style="list-style-type: none"> - Change in Govt legislation could affect Council liability and have an impact on compliance costs. Eg. Environmental management may become more expensive with greenhouse gas emissions and water quality being key govt concerns. - Change in Fonterra’s regulations eg PKE usage could affect production/profits. - Animal Welfare risks high in the dairy sector (not direct responsibility but can affect Council reputation). - Storm damage could create unplanned, unbudgeted costs. - Major Volcano eruption would likely destroy use of the land for farming in the medium to long-term. - Exposure to biosecurity risks eg Mycoplasma Bovis.

Table 5: Analysis of Farm Business’ Strengths, Weaknesses, Opportunities and Threats

INFORMATION REPORT



F22/55/04-D23/22011

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 June 2023
Subject: Risk Review

Recommendation

THAT the report be received.

Recommended Reason

To update the Committee of changes to the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

 Moved/Seconded

1. Purpose of Report

The purpose of this report is to present any changes made to the Farm and Aerodrome Risk Registers in **Appendices 1 & 2**. It is also to inform the Committee of any incidents and/or changes in relation to identified risks, since the last Farm and Aerodrome Committee meeting held in March 2023.

2. Executive Summary

While the Senior Leadership Team (SLT) discusses changes to the Corporate Risk Register weekly, the review of the Farm and Aerodrome Risk Registers is undertaken at the Quarterly Sharemilkers and Aerodrome user group meetings. This is done to ensure that all risks are being managed appropriately. In the past quarter, one (1x) risk has been changed on the Farm Risk Register.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	✓	✓	

Active management and monitoring of farm risks will support the performance of a good quality council owned asset to ensure the health and safety of the sharemilker, contractors, farm workers and visitors to the farm.

4. Background

The Farm and Aerodrome Risk Registers - one for each activity - were adopted by the Committee at the September 2020 meeting.

The two Risk Registers are based on the requirements from:

- The Taranaki Regional Council;
- Fonterra Limited;
- Ministry of Primary Industries; and
- Civil Aviation Authority.

The Risk Registers report on all risks identified to be managed by the Sharemilkers, Aerodrome User Group and Council.

5. Information Summary

5.1 **New Risk identified and added to the Risk Register**

There has been no new risks added to either of the Farm or Aerodrome Risk Register since the last Farm and Aerodrome Committee meeting in March.

5.2 **Changes to the Risk Register**

There has been one change to the Farm Risk Register since the last Committee meeting in March.

Now the Control Description of Risk 8 has been changed to read this:
Reoccurrence Health and Safety audits have been scheduled throughout the Agreement Term.

5.3 **Incidents or Threats in relation to the Risk Register**

Civil Aviation Authority (CAA) is still investigating a fatality near the Aerodrome. Officers will inform the Committee of the findings once the investigation is complete and there is something to report.

6. Strategic Alignment

6.1 **Direction**

This report is consistent with the relevant sections of the 2021-2031 Long Term Plan.

6.2 **Annual Plan and Long-Term Plan**

Not Applicable

6.3 **District Plan**

Not Applicable

6.4 **Legal Implications**

Not Applicable

6.5 **Policy Implications**

No policy implications

Attachments:

Appendix 1 – Farm Risk Register

Appendix 2 - Stratford Aerodrome Risk Register



Sara Flight
Property Officer



[Approved by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date 13 June 2023

APPENDIX 1

Farm Risk Register

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
1	Reputational and Conduct	Reputational Damage	<ul style="list-style-type: none"> Reputational damage to Council can occur as a result of: <ul style="list-style-type: none"> Lack of operational transparency; Poor Management; Environmental damage; Non-compliance Reputational damage could lead to hefty fines which may cause ratepayers and the public losing faith in the council-run farm. Change of Government Policy or Legislative change can also have consequences to the reputation of the farm and the council also. 	High	<ul style="list-style-type: none"> Continually working with TRC to ensure that: <ul style="list-style-type: none"> the farm complies with TRC Best On-farm practise; the farm complies with Fonterra requirements in terms of supply; All records are kept up to date on a regular basis. Ensure transparent decisions are made at all times; Consistently keep all involved in the farm up to date and well informed of any changes to rules and regulations. Review contract with Sharemilkers every three years to ensure everyone is on same page 	Medium
2	Operational	COVID- 19	<ul style="list-style-type: none"> If the sharemilker contracts COVID-19 and is unable to work for a few weeks this could affect the operation of the farm. 	Medium to High	<ul style="list-style-type: none"> Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilker and other workers to eliminate the transmission of the virus to others. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low
3	Operational	Infectious Disease/ Biosecurity Risk and Pandemic	<ul style="list-style-type: none"> If there is a threat to animals on farm through disease, this will affect the wellbeing of all stock on farm. Given the current Sharemilkers have a run-off this will also limit stock from outside the farm coming onto the dairy farm. 	Medium to High	<ul style="list-style-type: none"> Take a proactive approach to any known threats to protect the farm and develop a plan to deal with this threat, in discussion with the Fonterra and the Bank; Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilkers runoff farm and the Council's farm to eliminate any infection due to movement between farms. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low
4	Operational	Aerodrome	<ul style="list-style-type: none"> Cows on runway 	Medium to High	<ul style="list-style-type: none"> Prepare and maintain a clear set of rules for both the Aerodrome users and the Council farms Sharemilkers and employees 	Low
5	Animal Welfare	Reputational Damage	<ul style="list-style-type: none"> Animal Welfare issues – If an animal welfare issue eventuates on-farm then reputational damage to both Sharemilker and Council could occur. 	Medium	<ul style="list-style-type: none"> To ensure there is good animal welfare practice on farm and as the cows are owned by the Sharemilkers, the following codes must be complied with: <ul style="list-style-type: none"> The Animal Welfare Act 1999; An <i>Animal Health Plan</i> provided through a Veterinary Practice; and The Fonterra Welfare Codes and Regulations 	Low

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Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
6	Financial	Low Pay-out and or significant increase in operational costs.	<ul style="list-style-type: none"> Low pay-out can and will cause financial stress on farm if not handled correctly. Significant increases in essential materials such as feed and fertiliser can and will cause financial stress on farm if not handled correctly. 	Low - Medium	<ul style="list-style-type: none"> Work with the farm owner (Council)/bank/accountant to set up a budget. A low pay-out can be addressed by running the farm on minimal operations and very low costs. For example, maintenance fertiliser only. Only things that need to be done to keep the farm running will be done. Select correct options for current financial climate and low pay-out. 	Low
7	Environmental	Natural Disaster	<ul style="list-style-type: none"> Weather, Eruption, Earthquakes any of these can affect the farm. Any of these disasters can cause major damage to farm buildings and infrastructure. Loss of income also will come into effect. 	Low - Medium	<ul style="list-style-type: none"> Prepare and maintain a Natural Disaster Management Plan. Communicate to the regional /district Civil Defence Authority; Prepare and maintain a Business Continuity Plan. Have an up-to-date Business Interruption Insurance. Secure an alternative power source e.g. generator that is available when required. Work with Sharemilkers to ensure that they are aware of their responsibilities. Ensure industry best practice is followed. 	Low
8	Health and Safety and Wellbeing	Health and Safety	<ul style="list-style-type: none"> Lone worker or staff members seriously injured or killed on farm is a serious health and safety breach. 	Low-Medium	<ul style="list-style-type: none"> Work with the Sharemilkers to ensure that they have quality training and are aware of their responsibilities. Ensure contract is updated in accordance with Health and Safety regulation and best on-farm practices; Reoccurrence Health and Safety audits have been scheduled throughout the Agreement Term Ensure that there are processes and measure in place to ensure that all staff are safe at all times and can communicate effectively in emergency and be reached promptly. 	Low
9	Health and Safety and Wellbeing	Injury/Fatality	<ul style="list-style-type: none"> Staff member/Pilot is seriously injured or killed on farm from an aircraft crash. 	High	<ul style="list-style-type: none"> Ensure that there are processes and measure in place to ensure that all staff including visitors are safe at all times and can communicate effective in emergency and be reached promptly. 	Medium

APPENDIX 2

Aerodrome Risk Register

Source of Risk		Risk Rating (Uncontrolled risk rating)			Hierarchy of Control	Controls	Residual Risk	Persons responsible	Date to be Completed	Review Date and Initial
Source of Risk	Risk Description	Consequence	Likelihood	Risk Rating						
Contractor vehicles, including moving vehicles crossing the runway and accessing the aircraft manoeuvring area	Service vehicle vs aircraft	Catastrophic	Possible	HIGH	M	Vehicle access to airfield is restricted to ground maintenance vehicles (Downer completes mowing) - these vehicles must have a roof top strobe as per signage at the entrance to the operational area Mowing operations are scheduled on Thursdays (usually) - pilots to check with the radio room prior to landing for update on conditions / NOTAMS Contractor to hold a radio dialled in to airside channel (enter channel [ENTER CHANNEL])	MED	Operations & Members using the Aerodrome Stratford District Council	On-going monitoring	N/A - ongoing management
Stock on the runway and, or airfield	Damage, injury, distraction	Catastrophic	Probable	HIGH	M	The perimeter of the airfield is fenced Stock on the airfield to be reported to the Club House who will facilitate clearing the airfield	MED	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Birds	Bird strike resulting in damage or injury	Catastrophic	Possible	HIGH	M	Monitor bird activity in the area and manage if a problem is identified - Solutions to bird problems should be made in consultation with the farmer and Stratford District Council	MED	Operations & Members using the Aerodrome Stratford District Council	As required	N/A - ongoing management
Debris on Airfield	Damage, injury	Catastrophic	Possible	HIGH	M	Physical check of airfield, including runway and wider manoeuvring area to identify and remove debris, including but not limited to Bale wraps and other wind blow material	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Aircraft Crash	Mechanical Error	Catastrophic	Possible	High	M	Complete pre-flight inspection to ensure aircraft is fit for flying, keep up to date with preventative maintenance	Low	Operations	On Going	N/A ongoing

2023 - Agenda - Farm and Aerodrome - June - Information Report – Risk Review

Tourists and, or members of the public accessing the airfield	Public vs aircraft, aircraft rotor / propeller or service vehicle	Critical	Possible	MED	M	Parking available near the Club House for visitor parking Signage in place identifying the Airfield as an Operational Area - Unauthorised Access Prohibited Gate in place and able to be used as required	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management
Model Aircraft crashing outside the aerodrome in the farmers fields	Distress the farmers stock / cattle Animal vs Member Member injury	Major	Probable	MED	M	Access to farmers paddocks must be recorded in the appropriate log book held at the Club house Model Aircraft flying is restricted and only permitted by members of the Egmont Modellers Club (reducing other recreational users)	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management
Fuel Bowser	Vehicle vs fuel bowser / pump Vehicle fire near bowser/pump	Major	Unlikely	MED	M	Bollards have been installed around the fuel bowser Clear line if sight to minimise accidental collision Fire extinguisher located at the Browser for use as requires Fuel Safety Data Sheet (SDS) located in the Notice Board (Marked in Box labelled MSDS)	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Commercial operations conducted from the airfield	Traffic including trucks	Major	Unlikely	MED	M	All activities are carried out in the Operational Area and in line with CAA Guidelines and requirements Vehicles / traffic must use roadways provided, be mindful of speed and pedestrians	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Runway markings and general conditions	Markings become faded / damaged / or otherwise unclear over time Damage to runway and wider airfield	Catastrophic	Rare	MED	M	Guide line to be maintained as required to ensure the runway remains clearly visible All damage to runway and surrounding airfield to be reported immediately to the Radio Room so it can be used to update incoming aircraft, NOTAMS and Stratford District Council can be notified as required	LOW	Operations & Members using the Aerodrome Stratford District Council	As required	N/A - ongoing management
Aircraft fuel and oil spills are likely whilst aircraft are parked and refuelled during refuelling operations	Aviation fuel spills	Moderate	Rare	LOW	M	Follow fuelling procedures Drains and interceptors in place in compliance with Ministry for the Environment	LOW	Operations & Members using the Aerodrome Stratford District Council	On-going monitoring	N/A - ongoing management
It is of critical importance that the fuel taken on-board at uplift is not contaminated since the effects of any such contamination are likely to affect the engines and this may not be evident until after an aircraft has become airborne.	Fuel Contamination	Moderate	Unlikely	LOW	M	Fuel filtration procedures Fuel Testing Fuel Storage Pre-flight checks	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management

2023 - Agenda - Farm and Aerodrome - June - Information Report – Risk Review

Access into and out of the aerodrome via the driveway	Vehicle collision or vehicle vs stock	Minor	Rare	LOW	M	Traffic is restricted to 30km per hour with signage clearly in place , to this effect	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
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QUARTERLY REPORT



F22/55/04 – D23/21225

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 June 2023
Subject: Farm and Aerodrome Business and Financial Report

Recommendation

THAT the report be received.

Recommended Reason

This report provides a quarterly business and financial update of the Farm and Aerodrome activities. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

 Moved/Seconded

1. Purpose of Report

The purpose of this report is to provide an update of the Farm and Aerodrome business activities to the Committee.

2. Executive Summary

2.1 The key highlights of this report are:

- Total milk production for 2022/2023 did not meet the annual target.
- The Tiaki Farm Environment Plan - Fonterra completed a site visit and happy with the progress on outstanding actions. Revised plan will be submitted once this season's Riparian planting has been completed.
- Construction of Aero Club's new hangar has commenced and progressing well.'
- Farm Race Kerbing installation commenced early June

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	✓	✓	

This report supports the provision of a good quality council owned asset as well as the performance of the council owned farm.

4. Information Summary

4.1 Farm Information

4.1.1 The farm milk production figures from August 2022 to May 2023, shows (**Figure 1**) a 7.6% variance (decrease) when compared to the same period last year.

4.1.2 This season a total of 142,659.9 kgMS has been produced, which is lower than the target 150,000 kgMS. Due to increased cost of off-farm grazing it was considered to graze calves on the farm, which has resulted in a reduced milk production total.



Figure 1: Total Kg Milk Solids Production from August to February.

4.1.3 Planting of the Riparian plants will commence late June. The Taranaki Regional Council (TRC) will complete a site visit between September and December 2023 to identify the remaining gaps, which will be programmed in next year’s planting schedule.

4.1.4 The Sharemilkers quarterly meeting was held on Thursday 1 June 2023.

4.1.5 In the 2022/2023 season, the Council signed three fixed milk price contracts. (See **Table 1**).

FMP AGREEMENTS	EST. SEASONAL PRODUCTION (KGMS)	FIXED QUANTITY (KGMS)	FIXED MILK PRICE	FIXED % OF EST SEASONAL
Season 2022/2023				
October	149391	50000	9.77	33.47%
June	149391	6986	10.24	4.68%
May	149391	11618	9.38	7.78%
Total		68604		45.93%

Table 1: Fixed Milk Prices

- 4.1.6 Repair Work on the Farm. Since the last quarterly meeting, the following repair works have either been commenced or completed;
- The culvert at the back of the farm - Completed.
 - Kerbing along the race beside the yard – End of June Completion; and
 - Painting of the milking Parlour – End of June Completion

Repair work scheduled the new financial year (*shown in Appendix 4*):

- Farm house bathroom repair;
 - Farm house exterior painting; and
 - Milk Shed exterior painting.
- 4.1.7 The Tiaki Farm Environment Plan - Fonterra completed a site visit on 1 June 2023, to complete the review of the Environment Plan. Fonterra's Advisor was pleased with the progress of the outstanding actions;
- Installation of water meter – To be included in the LTP conversation.
 - Decommission Silage Pit - **Completed in 2021**
 - Cropping Management Plan – Will be completed once the soil test is done.
 - Pond Drop Test – **Completed 2023**
 - Stormwater Diversion Signal – **Completed 2022**
 - Decommission of effluent pond – **Completed 2021**
 - Taranaki Regional Council Riparian Plan – **Completed 2023**
- 4.1.8 A budget of \$75,000 has been proposed in the Annual Plan 2023/24 for fertiliser. The completed Fertiliser Plan (*shown in Appendix 5*) displays that Council's share is approximately \$83,969 excluding GST. This pricing is current, there is expected to be further price movement during the season.

4.2 Aerodrome Information

- 4.2.1 The 2023/24 Annual Plan proposes funds for the review of the Aerodrome Management Plan.
- 4.2.2 The Aerodrome User group met on the 31 May 2023, to review the risk register and discuss the completed improvements, repair and maintenance requirements for the Aerodrome.
- 4.2.4 The Aero Club's new hangar is progressing well, the roof is now on and concrete is programmed in to be poured June 2023. Progress photos are shown in Figure 1 below.



Figure 1 Aero Club New Hangar progress photos

- 4.2.5 Council Officers were informed of an Commercial operator which is interested in constructing a hangar at the Aerodrome. The proposal will be included in the review of the Aerodrome Management plan.
- 4.2.6 The aircraft movements by month and type are shown in Figures 2 and 3 below.

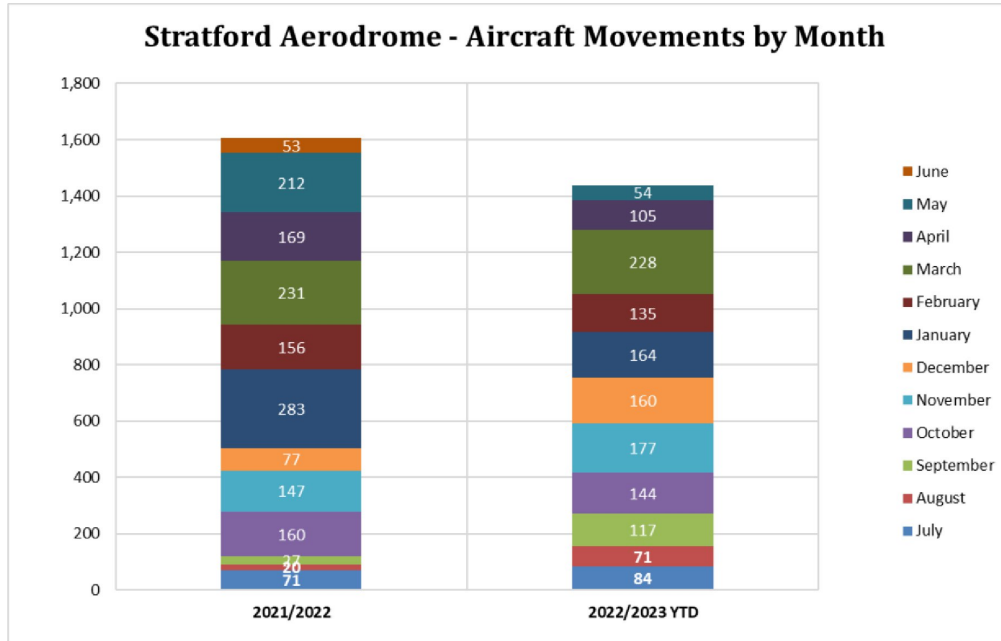


Figure 2: Aircraft Movements by Month

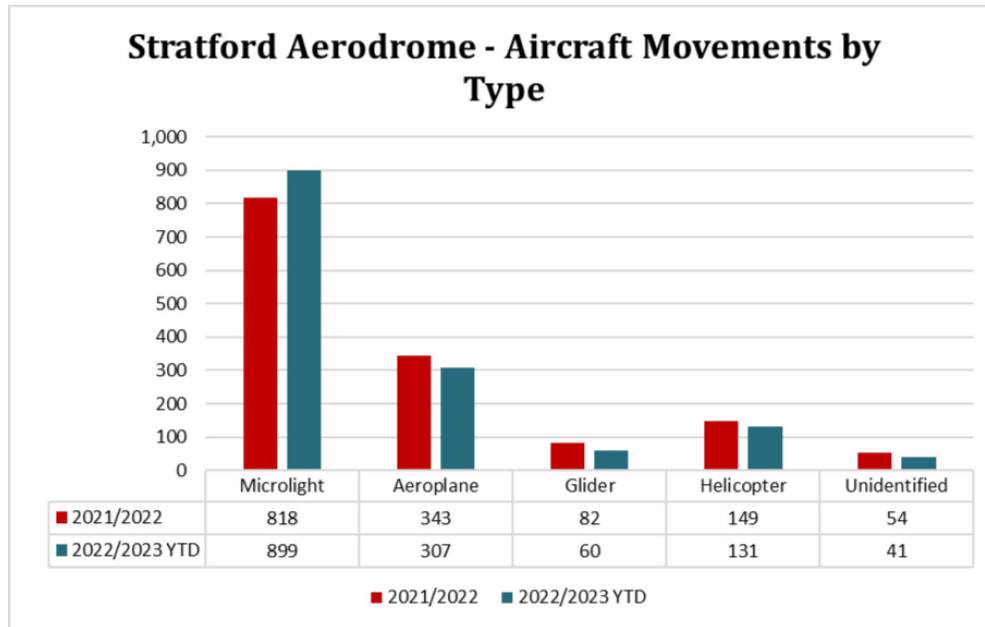


Figure 3: Aircraft Movements by Type

5. Financial Report

- 5.1 An overview of the expenditure up to May including the works undertaken has been outlined in **Table 2** below. Year to date Operational expenditure is shown in appendix 1.

Table 2 – YTD Expenditure on the Farm – May 2023

	Activity	Works completed	Budget	Expenditure to date	Balance Remaining
1	Maintenance – Major Works	Race maintenance	\$11,000.00	\$8,815	\$2,185
2	Repair and Maintenance	General maintenance on the farm, milking plant repairs and services, farm house repairs and installation, and so forth.	\$25,625.00	\$20,041.95	\$5,583.05
3	Capital Works	To date 20 troughs have been purchased with only three yet to be installed	\$12,300	\$12,175.14	\$124.86

The figures shown in Table 2 above provide an overall indication of progress near the end of the financial year on planned works around the farm.

6. Strategic Alignment

6.1 Direction

This report is consistent with the 2021-2031 Long Term Plan

6.2 Annual Plan and Long-Term Plan

This report supports the Farm and Aerodrome activities as indicated in the Annual Plan and Long-Term Plan.

6.3 District Plan

There are no implications on the District Plan.

6.4 Legal Implications

There are no legal implications.

6.5 Policy Implications

There are no policy implications.

Attachments:

Appendix 1 – YTD Financial Report – Operational and Capital Expenditure May 2023

Appendix 2 – Farm and Aerodrome Annual Plan 2023/2024 Budget

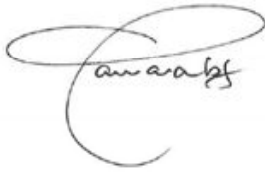
Appendix 3 – Work Programme for the Farm and Aerodrome

Appendix 4 – Repair and Maintenance Programme for the Farm and Aerodrome

Appendix 5 – Fertiliser Plan 2023/2024



Sara Flight
Property Officer



[Endorsed by]
Victoria Araba
Acting Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date: 13 June 2023

APPENDIX 1

YTD Financial Report - May 2023

Operational Expenditure

	YTD PREVIOUS 2021/22	YTD ACTUAL 2022/23	YTD BUDGET 2022/23	Variance	BUDGET 2022/23 Reforecast	BUDGET 2022/23	€ Budget Variance
3800 - Farm Investment							
1700 - Income							
Milk Production (KgMs)	154,394	142,660	137,500	5,160	155,000	150,000	
Forecast Milk Payout	9.30	8.20	6.25	1.95	7.50	6.25	
Council's Share of Milk Revenue*	717,933	584,906.00	429,688	155,219	581,250		
Less adjustments / timing	- 68,102.24	- 18,013.53		- 18,013.53			
	649,830	566,892	429,688	137,205		468,750	
Dividend	20,424	28,099	18,187	9,913	19,840	19,840	
Total Income	670,255	594,992	447,874	165,131	601,090	488,590	
1701 - Operating Costs							
Fencing	2,685	2,208	2,819	867	3,075	3,075	
R&M Major Works	18,052	8,815	10,083	1,268	11,000	11,000	
Repairs & Maintenance	16,234	20,042	23,490	3,448	25,625	25,625	
Consultants	-	617	470	-147	513	513	
Off-Farm Grazing	26,293	25,268	44,000	18,732	48,000	41,000	7,000
Pasture Management	12,160	12,990	4,897	-8,094	5,342	5,342	
Fertiliser	62,545	78,828	65,771	-13,057	71,750	71,750	
Urea		-	0	0	0	0	
Insurance	8,349	8,719	8,037	-682	8,768	8,768	
Lease	5,958	5,958	5,958	-0	6,500	6,500	
Licences & Permits	2,635	307	249	-58	748	748	
Rates (Services Only)	480	1,045	0	-1,045			0
Subscriptions & Publications	2,567	4,545	2,349	-2,195	2,563	2,563	
Sustenance	100,366	94,518	68,750	-25,768	75,000	56,375	18,625
Weed Control	5,215	7,796	3,758	-4,038	4,100	4,100	
Water Consumption		7,858	0				
Health and Safety Compliance	512	-	0	512	0	0	
	264,051	279,515	240,632	-30,257	262,984	237,359	25,625
1703 - Indirect Costs							
Interest	45,321	46,307	42,448		46,307	46,307	
Depreciation	36,734	34,598	39,600	5,002	43,200	43,200	
Corporate Services	19,050	19,920	20,449	529	22,308	22,869	
Assets Director	4,944	5,559	5,503	-56	6,003	6,223	
Property Asset Manager	25,363	35,540	26,524	-9,016	28,935	30,161	
	131,412	141,923	92,076	-3,541	146,753	148,760	
Total Expenditure	395,463	421,438	332,708	-33,798	409,737	386,119	23,618
Net Profit	274,791	173,553	115,167	131,333	191,353	102,471	88,882

Capital Expenditure

Capital Expenditure for 2022/2023

Capital Expenditure Actual Vs Budget 2022/2023			
	YTD ACTUAL	Full Year BUDGET	Variance
<i>Increase in Service Level</i>			
Riparian Planting	1,825.41	3,500.00	1,674.59
Water Lines and Trough Upgrades	12,175.14	12,300.00	124.86
Total Service Level Increase	\$ 14,000.55	\$ 15,800.00	\$ 1,799.45
Additional Capital			
Hotwater Cylinder/3 Phase Air Compressor	11,148.00	0	- 11,148.00
Total	11,148.00	0	(11,148.00)

APPENDIX 2

Council Farm Annual Plan 2023/2024 Budget

	Annual Budgets		
	ANNUAL BUDGET 2022/23	ANNUAL BUDGET 2023/24	Change
Milk Production (KgMs)	150,000	154,000	4,000
Forecast Milk Payout	6.25	8	2
Council's Share of Milk Revenue*	468,750	616,000	147,250
	468,750	616,000	147,250
Dividend	19,840	102,807	3,967
Total Income	488,590	718,807	151,217
Operating Costs			
Fencing	3,075	3,500	-425
R&M Major Works	11,000	35,000	-24,000
Repairs & Maintenance	25,625	25,000	625
Consultants	513	513	0
Off-Farm Grazing	48,000	48,000	0
Pasture Management	5,342	10,000	-4,658
Fertiliser	71,750	75,000	-3,250
Insurance	8,768	10,027	-1,259
Lease	6,500	6,500	0
Licences & Permits	748	765	-17
Rates (Services Only)	960	1,045	-85
Subscriptions & Publications	2,563	3,000	-437
Sustenance	75,000	91,000	-16,000
Weed Control	4,100	5,000	-900
Health and Safety Compliance	0	0	0
	263,944	314,350	-50,406
Indirect Costs			
Interest	46,307	68,629	-17,336
Depreciation	43,200	47,042	-3,842
Corporate Services	22,308	12,171	10,081
Assets Director	6,003	6,219	-1,769
Property Asset Manager	28,935	12,350	16,488
	146,753	146,411	3,622
Total Expenditure	410,697	460,761	-46,784
Net Profit	77,893	258,046	104,433

Aerodrome Annual Plan 2023/2024 Budget

	Annual Budgets		Change
	ANNUAL BUDGET <u>2022/23</u>	ANNUAL BUDGET <u>2023/24</u>	
Farm Lease	6,500	6,500	0
Ground Leases	20,500	20,972	472
Total Income	27,000	27,472	472
Operating Costs			
Insurance	1,368	2,026	-658
Contract Services	2,050	34,600	-32,550
Communications	308	200	108
Maintenance Contract	59,997	63,000	-3,003
R&M Major Works	5,000	5,000	0
	68,723	104,826	-36,103
Indirect Costs			
Depreciation	6,000	6,000	0
IT and Records	0	5,349	-5,349
Corporate Services	10,049	12,227	-2,178
Fixed Assets	7,588	9,652	-2,064
Property / Parks	9,042	10,372	-1,330
	32,679	43,600	(10,921)
Total Expenditure	101,402	148,426	(47,024)
General Rates requirement	-74,402	-120,954	(46,552)

APPENDIX 3

2023/2024 Work Programmes

Farm	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly Meetings												
Fertiliser Application												
Riparian Planting												
Calving												
Drying off												
Sowing crops												
Mating												
Aerodrome	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly Meeting												
Mowing – SDC Contractors												
Drain Clearing under runway												
Club Day												

APPENDIX 4

Repairs/Maintenance Programme

Farm	January	February	March	April	May	June	July	August	September	October	November	December
Farm House Ensuite floor and shower renewal												
Painting of Farm House exterior												
Workers House												
Milking Shed Painting of the milking shed - Internal												
Kerb Installation												
Aerodrome	January	February	March	April	May	June	July	August	September	October	November	December
Perimeter Road Repair												

APPENDIX 5

Fertiliser Plan

Agronomy Plan

Spring 23 / Autumn 24

for STRATFORD DISTRICT COUNCIL

Prepared by Agri Manager

Julie Roberts

29/05/2023

Customer Number: 1020231



Recommended Agronomy Plan

Customer: STRATFORD DISTRICT COUNCIL

Agri Manager: Julie Roberts

Customer No: 1020231

Mobile: 021 900316

PO BOX 320
STRATFORD

Email: julie.roberts@ravensdown.co.nz

Date: 29 May 2023

Plan ID: P7056033

Version ID: 2

Spring 23 / Autumn 24

Block: FARM EXC CROPS & EFF		108.0 ha									
	kg/ha	N	P	K	S	Ca	Mg	Total	Product Cost	Per Ha	Total \$
Early Spring (Jul 23)											
Store: STRATFORD STORE											
Ammo 36 Pro + Se	100 kg	35	-	-	9	-	-	10.8 t	\$1,025.10	\$102.51	\$11,071
Spring (Sep 23)											
Store: STRATFORD STORE											
Spring mix	380 kg	36	20	40	24	44	0	41.04 t	\$840.99	\$319.57	\$34,514
Summer (Dec 23)											
Store: STRATFORD STORE											
N + K	120 kg	36	-	20	-	-	0	12.96 t	\$1,256.67	\$150.80	\$16,286
Autumn (Mar 24)											
Store: STRATFORD STORE											
Autumn mix	345 kg	36	20	20	25	45	0	37.26 t	\$765.12	\$263.97	\$28,508
Early Winter (May 24)											
Store: STRATFORD STORE											
N-PROTECT	80 kg	37	-	-	-	-	-	8.64 t	\$1,040.96	\$83.28	\$8,994
Block Total		181	40	80	58	89	1	110.7 t		\$920.13	\$99,374

Block: MAIZE		7.0 ha									
	kg/ha	N	P	K	S	Ca	Mg	Total	Product Cost	Per Ha	Total \$
Lime (Oct 23)											
Store: STRATFORD STORE											
AGLIME	1500 kg	-	-	-	-	540	-	10.5 t	\$61.07	\$91.61	\$641

Block: MAIZE		7.0 ha										
	kg/ha	N	P	K	S	Ca	Mg	Total	Product Cost	Per Ha	Total \$	
Base (Oct 23)												
Store: STRATFORD STORE												
Maize base	560 kg	-	18	180	22	40	-	3.92 t	\$1,184.60	\$663.38	\$4,644	
Starter (Oct 23)												
Store: STRATFORD STORE												
CROPMASTER DAP HALF TONNE BAGS	150 kg	26	30	-	2	-	-	1.05 t	\$1,692.47	\$253.87	\$1,777	
Side (Dec 23)												
Store: STRATFORD STORE												
N-PROTECT	200 kg	92	-	-	-	-	-	1.4 t	\$1,040.96	\$208.19	\$1,457	
Block Total		118	48	180	23	580	-	16.9 t		\$1,217.04	\$8,519	

Block: TURNIPS		4.0 ha										
	kg/ha	N	P	K	S	Ca	Mg	Total	Product Cost	Per Ha	Total \$	
Starter (Oct 23)												
Store: STRATFORD STORE												
CROPMASTER BRASSICA + B BULK	300 kg	41	46	29	2	-	-	1.2 t	\$1,632.25	\$489.68	\$1,959	
Block Total		41	46	29	2	-	-	1.2 t		\$489.68	\$1,959	

Block: Stanley Rd		2.6 ha										
	kg/ha	N	P	K	S	Ca	Mg	Total	Product Cost	Per Ha	Total \$	
Spring (Oct 23)												
Store: STRATFORD STORE												
Spring mix	380 kg	36	20	40	24	44	0	0.996 t	\$840.99	\$319.57	\$837	
Post Harvest (Nov 23)												
Store: STRATFORD STORE												
Post Silage Mix	280 kg	36	9	50	11	20	0	0.734 t	\$1,047.88	\$293.41	\$769	
Block Total		72	29	90	35	64	1	1.7 t		\$612.98	\$1,606	
Plan Total								130.5 t		\$111,458		

Trace Elements	(kg/ha)	
Block	B	Se
FARM EXC CROPS & EFF		0.02
MAIZE		
TURNIPS	1.716	
Stanley Rd		

Total Product Required (Option1)				Cost
Fertiliser	Ammo 36 Pro + Se	10.8	t	\$11,071.10
	Autumn mix	37.3	t	\$28,508.28
	CROPMASTER BRASSICA + B BULK	1.2	t	\$1,958.70
	CROPMASTER DAP HALF TONNE BAGS	1	t	\$1,777.09
	Maize base	3.9	t	\$4,643.63
	N + K	13	t	\$16,286.44
	N-PROTECT	10	t	\$10,451.24
	Post Silage Mix	0.7336	t	\$768.73
	Spring mix	42	t	\$35,351.34
Lime	AGLIME	10.5	t	\$641.23
Transport and Spreading				\$0.00
TOTAL				\$111,457.78

Special Mixes				
Mix Name	Option	Tonnes	Component	Ratio
Ammo 36 Pro + Se	1	10.80	GRANULAR AMMONIUM SULP BULK	398.01
			N-PROTECT	597.01
			SELENIUM SELPRILL DOUBLE 2%SE	4.98
The proposed mix contains a mix of products 4000000 - GRANULAR AMMONIUM SULP BULK and 4341000 - N-PROTECT which are moderately incompatible. Apply promptly or refer to the compatibility matrix to choose a more suitable mix.				
Autumn mix	1	37.26	FLEXI-N (NBPT)	231.31
			GRANULAR POTASSIUM CHLORIDE	115.08
			SELENIUM SELPRILL DOUBLE 2%SE	1.45
			SUPERPHOSPHATE BULK	652.17
The proposed mix contains a mix of products 4342000 - FLEXI-N (NBPT) and 1000000 - SUPERPHOSPHATE BULK which are moderately incompatible. Apply promptly or refer to the compatibility matrix to choose a more suitable mix.				
Maize base	1	3.92	GRANULAR POTASSIUM CHLORIDE	642.86
			SUPERPHOSPHATE BULK	357.14
N + K	1	12.96	FLEXI-N (NBPT)	666.67
			GRANULAR POTASSIUM CHLORIDE	333.33
Post Silage Mix	1	0.73	FLEXI-N (NBPT)	285.71
			GRANULAR POTASSIUM CHLORIDE	357.14
			SUPERPHOSPHATE BULK	357.14
The proposed mix contains a mix of products 4342000 - FLEXI-N (NBPT) and 1000000 - SUPERPHOSPHATE BULK which are moderately incompatible. Apply promptly or refer to the compatibility matrix to choose a more suitable mix.				

Spring mix	1	42.04	
			FLEXI-N (NBPT) 210.53
			GRANULAR POTASSIUM CHLORIDE 210.53
			SUPERPHOSPHATE BULK 578.95
The proposed mix contains a mix of products 4342000 - FLEXI-N (NBPT) and 1000000 - SUPERPHOSPHATE BULK which are moderately incompatible. Apply promptly or refer to the compatibility matrix to choose a more suitable mix.			

Account Manager Notes:

In this plan \$27,489 exc GST will be the sharemilkers cost (1/2 of N & 1/2 of Maize and Turnip fert) Councils cost approx \$83,969 exc GST

- * Maize and Turnip areas and fert are an estimate only
- * Selenium has been added to the Ammo36 in Spring as none was applied in the Autumn
- * As No Autumn fert applied have put in maintenance P this season
- * This pricing is current but there may be further price movements before and during the season.

Prices: All prices are exclusive of GST and are subject to change. Refer to your Ravensdown price list for other terms and conditions.

Application: Ravensdown recommends the use of Spreadmark certified contractors.

Apply fertiliser in accordance with the Fert Research Code of Practice for Nutrient Management (2007).

Nitrogen products mixed with super-based products have the propensity to become lumpy even in relatively short periods of time. Applications should take place promptly. Segregation may occur when mixed with product with differences of particle size. This should be considered by the applicator when determining the appropriate bout width for spreading product blends of this nature and Ravensdown recommends the equipment and the operation thereof should at least meet the Spreadmark™ minimum performance.

Animal welfare cautions on fertiliser use.

Fluorosis: Phosphate fertilisers contain fluoride. Avoid grazing topdressed pasture for 21 days after topdressing or until 25mm of rain has fallen, to minimise any risk of stock deaths due to fluoride toxicity.

Potassium and hypomagnesaemia: Applying potassium to pasture in late winter/spring, particularly around lambing or calving time, can contribute to grass tetany (hypomagnesaemia) in pregnant and lactating stock. To avoid this risk, do not apply potassium during this period.

Lime and hypocalcaemia: Applying lime to pasture in late autumn/winter, particularly in the last three months of pregnancy can contribute to milk fever (hypocalcaemia) in lactating stock. To avoid this risk, do not apply lime during this period.

Fluoride and cadmium levels: All Ravensdown products contain less than 270g fluoride and 280mg cadmium per kg phosphorus.

Nitrate Poisoning: Nitrate poisoning is caused by animals ingesting diets or feeds that are excessively high in nitrate.

Key risk factors:

- Dull, overcast days = favourable to plant growth but not optimal photosynthesis.
- High soil temperatures = speeds up conversion of ammonia to nitrate in soil, thereby increasing uptake of nitrate by plant.
- Rapid plant growth, young plants and regrowth = nitrate is taken up faster than it can be incorporated into protein.
- Certain plant species are more at risk, eg annual ryegrasses, Brassica crops (especially turnips, rape and kale), maize, kikuyu, greenfeed oats, sorghum, millet, occasionally perennial ryegrasses (under the right environmental conditions) and some weeds (eg capeweed).

To place your order or for more information please contact the Ravensdown Customer Centre on 0800 100 123, fax 0800 100 118 or email customer.centre@ravensdown.co.nz. You can also upload your order directly from this Agronomy Plan at My Ravensdown. Log in to www.myravensdown.co.nz and click on Place an Order.

QUARTERLY REPORT



F22/55/04 - D23/21937

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 June 2023
Subject: Health and Safety Update

Recommendation

THAT the report be received.

 Moved/Seconded

1. Purpose of Report

The purpose of this report is to provide to this committee the Health and Safety update for the period between March and June 2023.

2. Executive Summary

- 2.1 There have been no recorded incidents at the Council Farm and Stratford Aerodrome since the last meeting.
- 2.2 The Aerodrome Safety Committee has been established, with the first meeting held on the 31 May 2023.
- 2.3 Councils Health and Safety Advisor is due to complete a Health and Safety audit on the Farm, to ensure all protocols and processes are being followed.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	

It supports the provision of a good quality council owned asset for the economic benefit to the community through ground leases of the land occupied by the various hangers on the aerodrome.

4. Information Summary

- 4.1 This report provides a summary of the Farm and Aerodrome's Health and Safety performance in the last quarter.
- 4.2 There have been no health and safety incidents recorded at either the Farm or the Aerodrome in the last quarter.
- 4.3 Council Officers were informed of a health and safety issue created by the uneven ground by the fuel dispensers. This can potentially damage the propellers of aircrafts while taxiing to fuel up. Officers engaged local Contractors to remove the issue by levelling the ground and installing metal, extending the turning bay area. *(Progress photos below)*



Turning Bay extension Progress photos

- 4.4 An Aerodrome Safety Committee has been established, with the first meeting held on the 31 May 2023. The Committee will meet every quarter to promote operational best practices and assist in developing any standards, rules, policies, or procedures relating to health and safety at the Aerodrome.
- 4.5 Councils Health and Safety Advisor is due to complete a Health and Safety audit on the Farm, to ensure all protocols and process are being followed.



5. Sharemilker and Aerodrome Health and Safety Update

The operational summary of the Sharemilkers and Aerodrome Health and Safety performance is provided below:

5.1 Incidents/Near-Misses

Incident: 0 incidents to report
Near-Misses: 0 Near-Misses to report.

6. Strategic Alignment

7.1 Direction

This report is consistent with the 2021-2031 Long Term Plan.

7.2 Annual Plan and Long-Term Plan

This report supports the Farm and Aerodrome activities as indicated in the Annual Plan and Long-Term Plan.

7.3 District Plan

There are no implications on the District Plan.

7.4 Legal Implications

The investigation is still underway, there are currently no known legal implications.

7.5 Policy Implications

There are no policy implications.

A handwritten signature in black ink, appearing to read "Sara Flight".

Sara Flight
Property Officer

A handwritten signature in black ink, appearing to read "Victoria Araba".

[Approved by]
Victoria Araba
Director – Assets

A handwritten signature in blue ink, appearing to read "Sven Hanne".

[Approved by]
Sven Hanne
Chief Executive

Date: 13 June 2023



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.