

Tēnā koutou kātoa, ngā mihi e te whānau o Kokako.

*Ki a mātou hunga mate ki a mātou māreikura a Gloria
kia tau ai koutou te wairua. He hono tāngata e kore e motu.*

Haere atu rā moe mai rā i te moengaroa.



Trustees and Advisers at Huimai's Retirement

With so much that has happened over the last year it is difficult to capture it all, however this brief panui would suffice for now to at least bring some updated news to you, our shareholders.

Gloria Koia resigned in August due to ill health and sadly passed away not

long after, moe mai rā e te māreikura. Gloria was appointed chair after Te Wano's retirement and had a strong focus on protecting our whenua and the environment, initiating several new projects including increased engagement with owners. It is unfortunate to lose so much experience, but with the remaining trustees and the continued expert advice of Murray Patchell and our farm consultant Duncan Walker, the mahi will continue.

Mid 2021 Huimai Makela resigned as a Trustee, after 40 years' service on the Trust. Huimai made an enormous contribution to the Trust to get it where it is today and well deserves her retirement.

Our 2021 AGM was planned for December 2021 at Pikitū Marae but

was postponed due to concerns with Covid 19. We rescheduled for Mid-February 2022, but the risk of the virus impacted again and so this AGM has been cancelled. We hope that the virus is under control by the time of the 2022 AGM in December.

To keep the process of electing two new Trustees moving along we will be holding a postal vote by owners in the coming weeks. This has been authorised under the Covid-19 Response Act 2020 which enables organisations to carry on their business in ways that get around their inability to hold hui in the normal way.

This process will enable all owners to participate in the process and not just those that could attend hui if held.

We have for several years appointed trainee Trustees for two-year terms to learn about the Trust and increase the pool of candidates for future Trustee appointments. This year we will pause this programme until we have the two new Trustees on board later in the year.

Trustees and advisers at Huimai's Retirement July 2021.

The Current Situation

Airini Hepi
Chair

Further details in the
election section of this panui
and on the Trust website
www.kokakotrust.co.nz

Farming Operations

Duncan Walker
Farm Consultant

COMBINED MILK PRODUCTION
(THREE DAIRY FARMS)
425,705 KG MILK SOLIDS
↑
1%
AHEAD OF BUDGET

FONTERRA MILK PRICE
2020/2021
\$7.54 PER KG MILK SOLIDS
↑
\$7.14 PER KG
MILK PRICE 2019/2020

The 2020/2021 season had the usual mix of variable weather challenges to balance feed and maximise production.

A warm winter in 2021 meant the farms resulted in good pasture cover heading into the spring calving.

The lift in forecast record price range for this season at \$9.30 to \$9.90 has been extraordinary to say the least. An additional \$2 plus per kilo will significantly add to the bottom line cashflow. However, in tandem with this income lift is an increase in operating and supplementary feed costs fuelled by a high inflation rate and supply issues.

Forestry operations across the dairy farms were completed during the year along with tidying up shelter belt trees. Paddocks and fencing have been reinstated. New plantings are planned for Winter 2022.

Our longstanding sharemilkers Jason and Shelley Sabin will be retiring this year after 12 years at Tuarua Dairy farm. They have done an excellent job over the years, and we wish them well for the future. An advertising and interview process has been completed with the Trustees to appoint replacement sharemilkers and we are pleased to welcome Jason and Catherine Groot who will purchase Jason and Shelley's herd and take over on 1st June 2022. Jason and Catherine have extensive farming experience and their last position was with Trewithen farm in Waitara, Taranaki.

Our manager at Tuatahi Manny Diaz has done an excellent job and will move to a contract milker from 1 June 2022.

Health and Safety remains a priority focus across all farms with robust

policies in place and additional requirements due to the Covid-19 pandemic. Farmhouses and water supply are regularly inspected for maintenance and compliance.

Capital works are ongoing for effluent, drainage, water supply, fencing, tracks, and pasture as budgets allow.

December/January resulted in unusually dry conditions resulting in a drop of production behind budget. Some relief came in February, and we hope for a late recovery in March/April to get back to budget levels.

Notwithstanding Kokako farms are in good order and well placed to take advantage of the lift in financial returns.

New drainage channel at Tuatahi



FONTERRA FORECAST RECORD PRICE RANGE
THIS SEASON
FROM \$9.30 PER KG TO \$9.90 PER KG MILK SOLIDS

Financial Report

Murray Patchell
Accountant

KOKAKO TRUST BALANCE

30 JUNE 2021

\$1,137,835
RECORD SURPLUS



\$250,084
30 JUNE 2020

KOKAKO TRUST ASSETS

30 JUNE 2021

\$27,189,547

BANK DEBT

\$1,232,000

The last time we reported in 2020 there was considerable uncertainty with the global pandemic and what economic conditions might be like.

Thankfully the Dairy industry has come through the lockdowns and restrictions in reasonably good shape unlike some other sectors. However, there are still ongoing impacts such as labour and material shortages and price increases to work through not to mention ongoing regulatory requirements and government policy changes that will impact the rural sector. The lift in milk solid price gives us confidence moving forward that we will have good cashflow to support operational needs, capital improvements and debt repayment.

Audited financial accounts were signed off last year as at our balance date of 30 June 2021. Kokako Trust achieved a record surplus of \$1,137,835 compared to \$250,084 in the previous year. Before considering administration expenses and depreciation and tax the biggest contributor to this surplus was income from harvesting trees which amounted to \$1,148,823, followed by the farms collectively at \$469,478.

Total distributions for Owners Grants, Kaumatua Grants and Education Grants amounted to \$143,000. In addition, the Trustees took the opportunity to boost the Charitable Trust with a grant of \$200,000 so that it will have its

INCOME BREAKDOWN

FORESTRY
TREE HARVESTING

\$1,148,823

FARMS

\$469,478

TOTAL DISTRIBUTIONS FOR OWNERS GRANTS, KAUMATUA GRANTS AND EDUCATION GRANTS

\$143,000

CHARITABLE TRUST GRANT

\$200,000

own investment resources to develop charitable policies in the future.

Total Assets of the Trust at balance date were \$27,189,547. Bank debt owing is \$1,232,000. Interest rates have been historically low at 2.9% but are rising.

Fonterra share value did not change as they worked through a capital restructure plan that was approved by 85% of shareholders. This plan is now with Government to consider legislative amendments. We have a \$2m investment in Fonterra shares so we

are keen to learn if we can reduce this investment and use the money for other purposes.

This is a brief snapshot of the financial position of the Trust which is strong. Owners can request a copy of the full financial accounts via the contacts page on the website.

www.kokakotrust.co.nz

Trustee Election

Murray Patchell
Returning Officer

An election will be held for two Trustees to be appointed to the Kokako Trust. The process has two stages:

1. The first is for the calling of nominations. These must be made on the official nomination form that can be downloaded from the trust website: www.kokakotrust.co.nz Completed nominations forms must then be emailed to the Returning Officer at murray.patchell@kpsl.co.nz
2. If only two nominations are received those two nominations will be referred to the Māori Land Court to

be appointed as Trustees. If more than two nominations are received a postal vote will be held. Each owner has one vote. Voting papers will be issued to owners for which addresses are held. The voting papers will state the closing date. The two highest polling candidates will be referred to the Court for appointment.

This process has been publicly notified through the Māori Land Court under the Covid-19 Response (Requirements for Entities – Modifications and Exemptions) Act 2022. Further details can be found at www.maorilandcourt.govt.nz/covid-19-information/

Succession

We remind owners to encourage whanau who are owners, that have not registered with the Trust, to do so and for those who have not completed their successions to become shareholders, to contact the Māori Land Court and get this done. There are now simplified processes to sort successions. You can find more information at this website www.maorilandcourt.govt.nz/your-maori-land/succession/

We always welcome feedback from owners. Feel free to contact us through the website or directly through the contacts below.

Many thanks to you our shareholders, for your continued support on our journey to protect and utilise our taonga tuku iho to develop a better future for us all.

We hope that you and your whanau remain safe during these difficult times.

In closing, I thank my fellow Trustees Riria McDonald and Kyle Amopiu for the time and hard work they put in, for the benefit of our Trust. I would also like to acknowledge our advisory providers, Duncan Walker and his team from Perrin Ag, Todd Cheesman our forestry adviser and Karamea Professional Services-Murray Patchell for their continued commitment and ongoing support to Kokako Trust.

Tēnā koutou kātoa

Airini Hepi

Chair

1st April 2022

