

Vital Stats:

960 ha total

- 748 Effective Dairy
- 172 Effective Support

2650 Cows

1.15M Milksolids



Roadley Farms Ltd

Purpose ?

Creates wealth for its shareholders



Why ?

To provide future flexibility



How ?

Operating a simple, highly profitable, repeatable dairy business

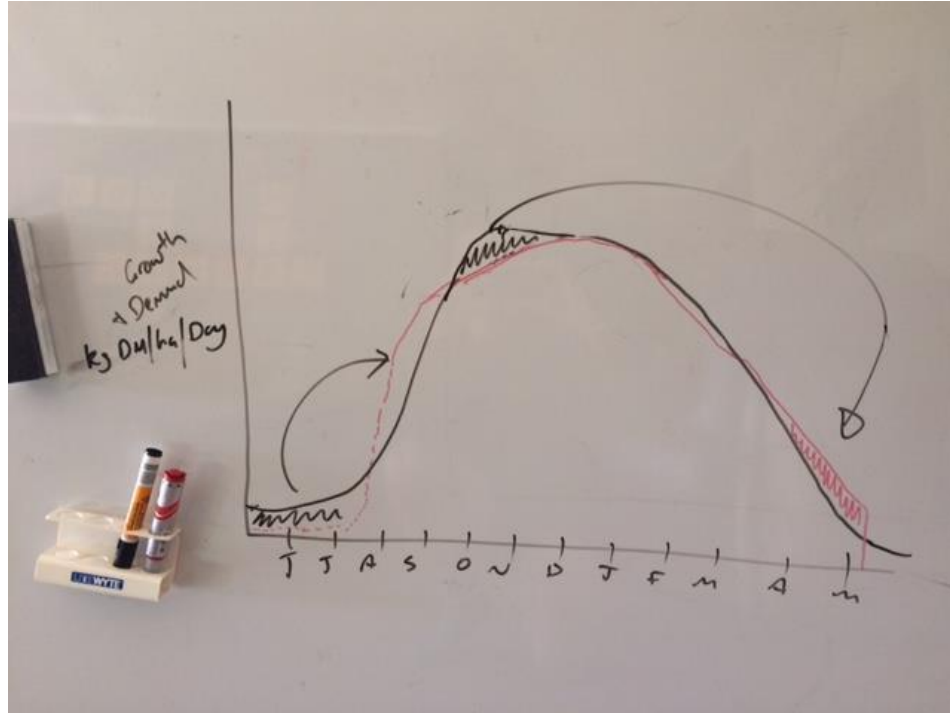




Understanding profit drivers.

Maximising	Maximising pasture harvested
Minimising	Minimising input • Productivity = Rate of output per unit of input

Simple system



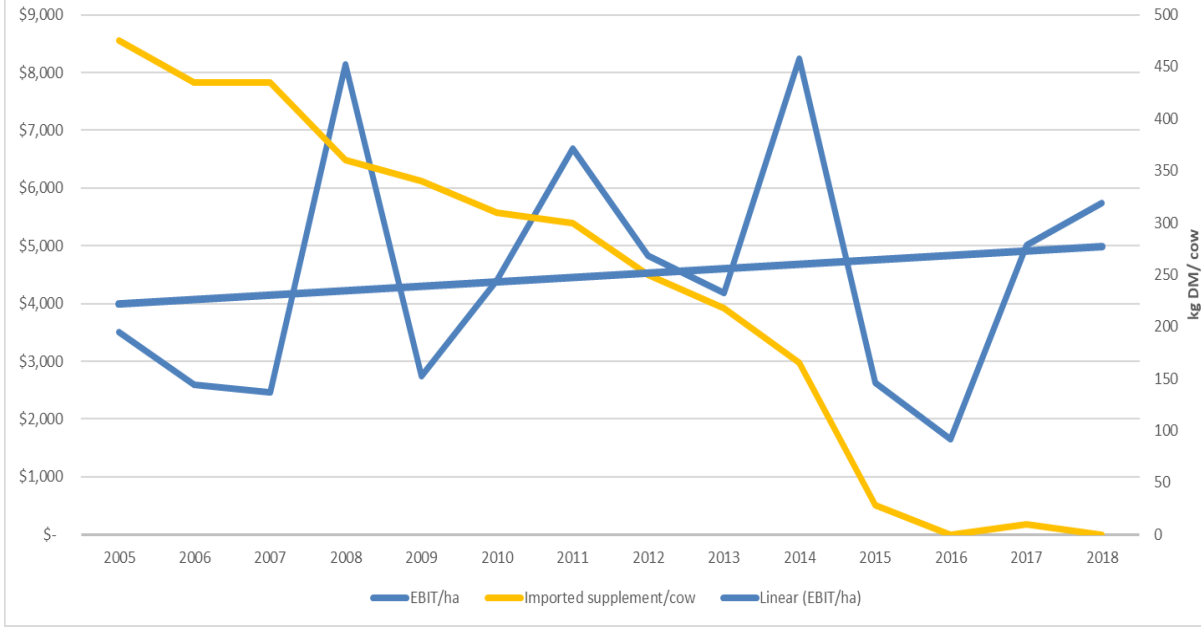
- Able to be articulated in a couple of sentences
- Can be scaled across multiple units
- Minimise the number of critical “decision points”

For Roadley farms this is though a pasture system.



Simple

EBIT V/S IMPORTED FEED/COW

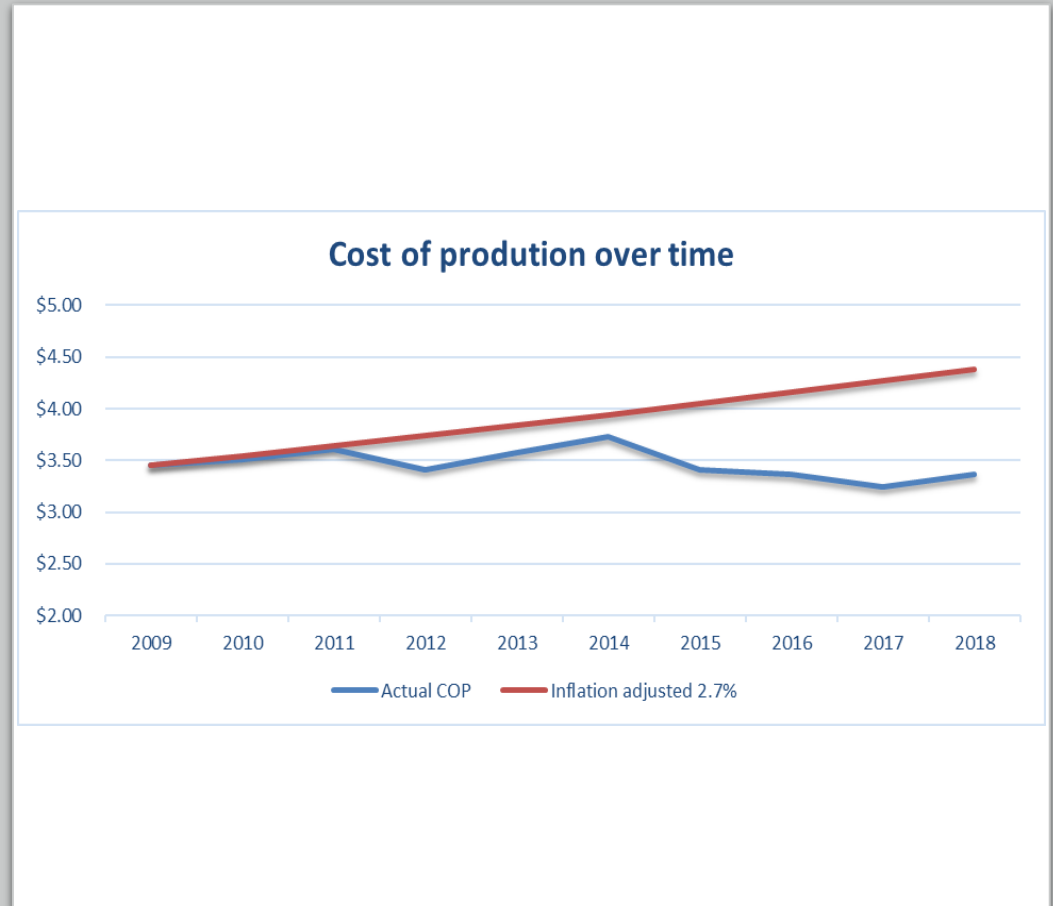


- Farming system has evolved over time.
- As supplement use has reduced profit has increased.
- No significant change in production.



Cost control

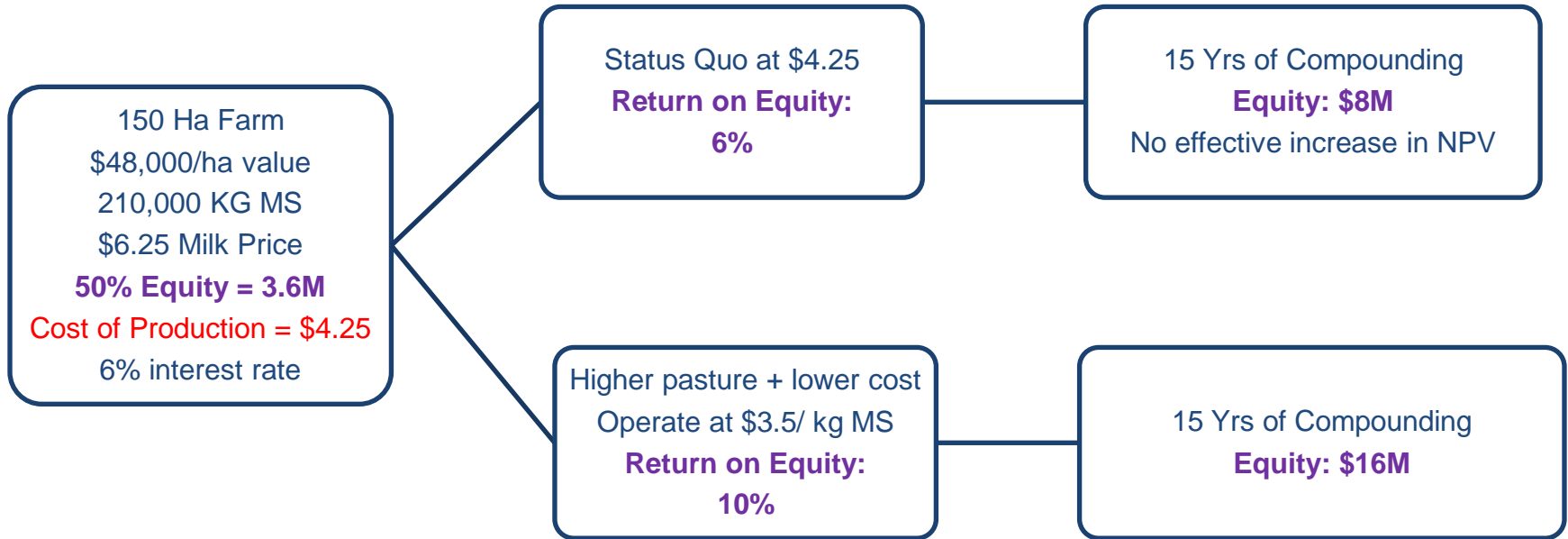
- Innovation to beat inflation
- Continual review of all inputs.
- Target FEW 50% GFI
- Small, unsexy savings accumulate quickly
- View all costs as discretionary
- Don't attempt to dilute costs.





Example of two strategies

Rule of 72





**CHALLENGES
AHEAD**

- **Environmental**
 - Degree of alignment with reducing foot print and profit
 - Close matching pasture supply and demand
- **Swings in commodity prices**
 - Insulation through low unit cost