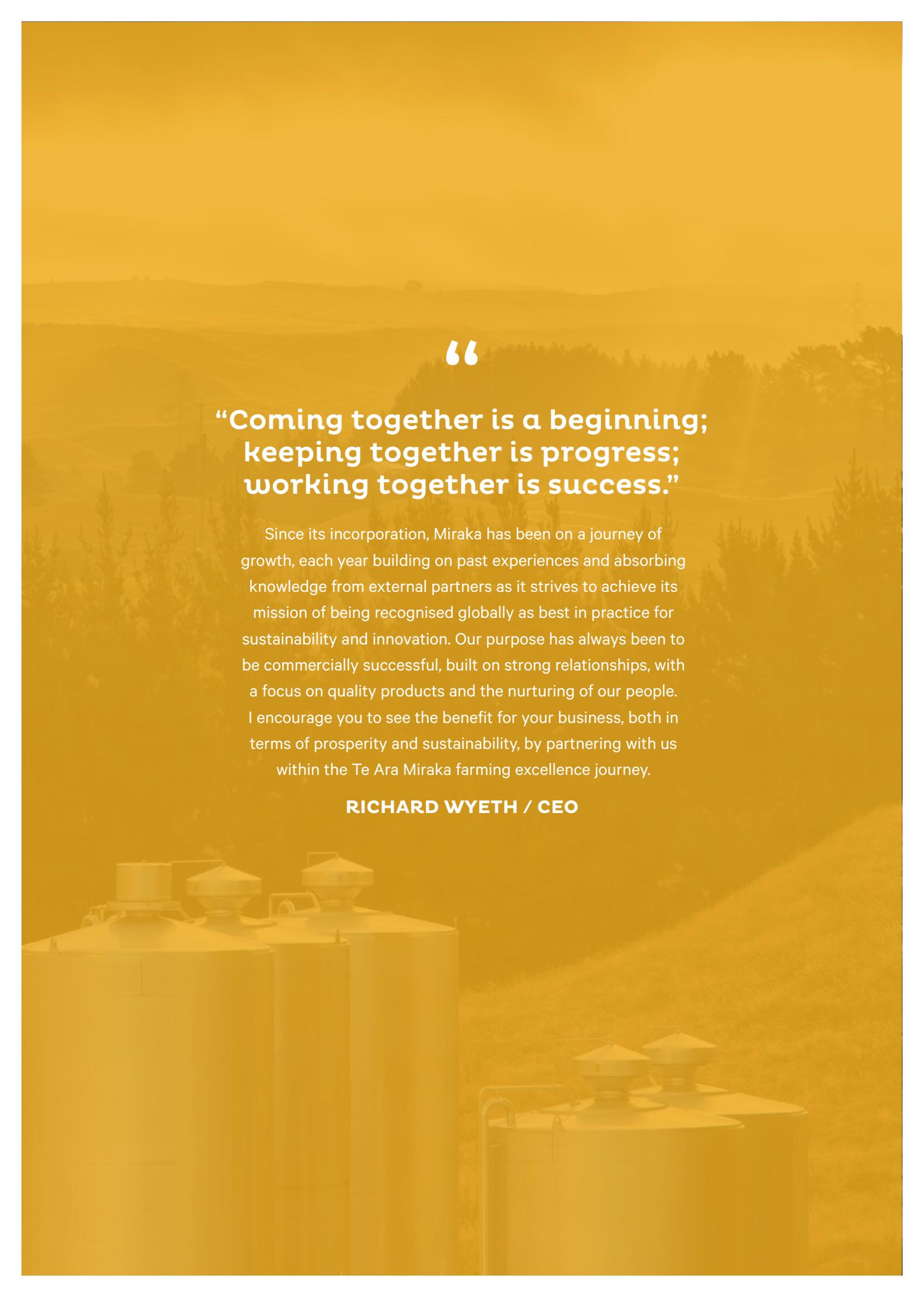




Farming Excellence Programme





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**“Coming together is a beginning;
keeping together is progress;
working together is success.”**

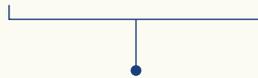
Since its incorporation, Miraka has been on a journey of growth, each year building on past experiences and absorbing knowledge from external partners as it strives to achieve its mission of being recognised globally as best in practice for sustainability and innovation. Our purpose has always been to be commercially successful, built on strong relationships, with a focus on quality products and the nurturing of our people. I encourage you to see the benefit for your business, both in terms of prosperity and sustainability, by partnering with us within the Te Ara Miraka farming excellence journey.

RICHARD WYETH / CEO

What is Te Ara Miraka?

Vision

World leadership in sustainable on-farm milk production practices to produce first class raw milk efficiently



Te Ara Miraka (The Miraka Way) is Miraka Limited's Farming Excellence Programme. As the vision states above, it looks to improve efficiency and produce first class raw milk leading to greater profitability to farmers and Miraka, with a lower environmental footprint.

The key drivers to our farmers becoming world class milk producers cover environmental sustainability, animal welfare, food safety, traceability and milk quality assurance. Together, we will become a world leading dairy producer. From the 2016 season, farms will be independently audited by a third party who are accredited under JAS-ANZ to International Standards ISO/IEC Guide 65.

Te Ara Miraka provides our farmers with tools, resources and access to experts to drive greater profitability, stronger communities and improve stewardship of the land.

The Te Ara Miraka model consists of 5 Pou:



DISCLAIMER: While Miraka has made a best endeavour to ensure the relevance and accuracy of the best practice standards detailed within this model, it appreciates that Te Ara Miraka is a journey of growth for all parties and alterations in line with industry understanding is envisaged over time.



People Nga Tangata

It is clear the motivation, engagement and skill set of dairy farm personnel is directly correlated to on farm productivity and ultimately profitability. It is often stated that “your people are your business” and this is also very true for farming businesses

We encourage a proactive focus on staff growth and development through formalised training and mentoring. We believe this ensures a personalised approach to each staff member's needs and existing skills. It is our view that unless this process is formally documented and owned by the employer, commitments are not always adhered to, even if unintentionally. Ultimately this can result in trust being lost, initiating the breakdown in an employment relationship.

Te Ara Miraka will focus on providing the support and facilities farmers need to create this structure, retain employment relations and tenure and ultimately reduce the associated stress on farmers.

We strongly support NZ labour laws and advocate the use of formal timesheets that are reviewed regularly by employers. We feel this ensures NZ law is adhered to and individual staff are provided an optimum work/life balance to facilitate productivity while on farm. A secondary goal is the reduction of the incidence of on farm accidents.

We are also focusing on the need to support our farmers to create an active Health and Safety Policy for each farm; identifying farm specific risks to personnel and farm policies to mitigate these. The above all aid in reducing risk and stress on our supply farmers in their role as employers.

We feel that investment into local rural communities benefits all. This is often in a volunteer capacity. Regions with strong and supportive communities are more likely to become decisive factors when attracting high quality staff and ensuring their families settle. This has a positive impact on staff tenure and therefore productivity. Everybody wins!



PEOPLE
NGA TANGATA

ENVIRONMENT
TE TAIAO

COWS
NGA KAU

MILK
MIRAKA

PROSPERITY
TAURIKURA

Environment Te Taiao

We feel strongly about our role as Kaitiaki or stewards of our land and environment.

We believe this is fundamental to the sustainability of continued milk supply and the prosperity of our farmers, their future generations and therefore of Miraka itself.

Water is a key element within our physical farming environment. Our farmers appreciate that water quality is essential for life, particularly the biodiversity of our waterways

and soils. It is also important to our community for recreation needs, tourism and other supportive businesses.

The important issues facing water quality currently are the negative impact on waterway turbidity, pH, e coli, chlorophyll (nutrient levels), heavy metals, dissolved oxygen and temperature. The criteria within this Pou will focus on the most critical elements influenced by farmers, i.e: nutrient run-off and leaching, sediment run-off, e coli and toxin pollution.

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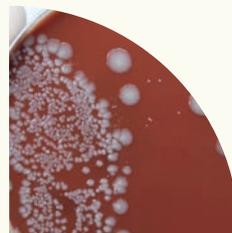
Sediment Run-off



Nutrient Run-off and Leaching



E Coli Pollution



Toxin Leaching



Soil structure is also critical to the ongoing performance of pasture production and is therefore a key driver of cost efficient feed production. Mitigation of the negative effects of stock pressure on soil quality should be considered by Miraka farmers.

We encourage all our supplier farmers to be proactive in the management of their farm environment in order to minimise any negative footprint. Ideally this would be in the form of an active Environmental Management Plan, identifying on-farm policies to avoid, and actions to mitigate, risks to the farm environment from normal farming practices. We will support farmers in need of guidance towards best practice through access to industry experts and templates.

PEOPLE
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COWS Nga Kau

Not surprisingly, Animal Welfare is a significant concern for not only Miraka but also for our customers across the globe. It is strongly aligned to our values of Integrity and Kaitiakitanga. In addition to obvious cow welfare expectations, we encourage farmers to appreciate the link between cow stress and productivity. Like all living things, cows flourish within optimum farm conditions such as those detailed within the five freedoms (freedom from thirst/hunger, from discomfort, from pain, from disease and to display normal behaviour).

Miraka advocates for a proactive approach to cow health through an annualised animal health plan created with a veterinarian. This avoids reactive and often hasty decisions

and usually provides better control over a farm's animal health spend.

We view it as important to monitor the performance of individual cows to drive feed conversion efficiency and ultimately profitability. Miraka believes in a competitive environment in which to drive efficiencies. This extends to each herd, as each mouth competes for the same blade of grass.

Creating an ideal environment for cows to produce milk solids involves proactive management of nutrition, grazing, reproduction and the minimisation of climate extremes to name a few. In order to achieve an optimum industry-recognised 6 week In-Calf rate, a farmer must optimise all of the above throughout the year. The outcome being an ideal mean calving date, the benefit, extended mean lactation length across the herd and greater days in milk. We are focused on supporting farmer needs to drive performance in this area in conjunction with industry partners.

Overall, we are encouraging a proactive focus on creating the optimum environment, physically, nutritionally and socially for cows to perform at their best within each farm environment.



PEOPLE
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ENVIRONMENT
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MIRAKA

PROSPERITY
TAURIKURA

Milk Miraka

Meeting the quality assurance demanded by our customers is fundamental to our success. We strive to provide the safest possible source of nutrition to consumers. The future of Miraka as a leading processor of dairy is dependent on its ability to ensure the safety and quality of its products. Miraka therefore prides itself in driving the behaviours that result in optimum raw milk quality leading to world class products.

We do this by financially incentivising farmers for premium quality milk with the net effect of banding our purchase price for raw milk based on the quality supplied. Our expectation of quality raw milk is typically within tighter parameters than other processors.

We then provide guidance to farmers through industry experts to support them to achieve their milk quality goals.



PEOPLE
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ENVIRONMENT
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Prosperity Taurikura

The prosperity of our farmers, resulting from Te Ara Miraka, has been an overriding motivation behind this Miraka initiative. Profitable dairy businesses that can grow and prosper are fundamental to the success and profitability of Miraka as a company.

In addition, Miraka recognises the importance of the local community in which it operates. We desire our own community to thrive and prosper through providing employment opportunities and supporting our dairy farming communities meet their needs.

We encourage farmers to take the approach that a profitable dairy business should monitor costs in relation to past and forecast production in order to retain better control of the net outcome of their business. As a result, our farmers take a proactive approach to cash flow and equity monitoring within their businesses. They understand that this is critical to achieving the best possible end result within any financial climate.

PEOPLE
NGA TANGATA

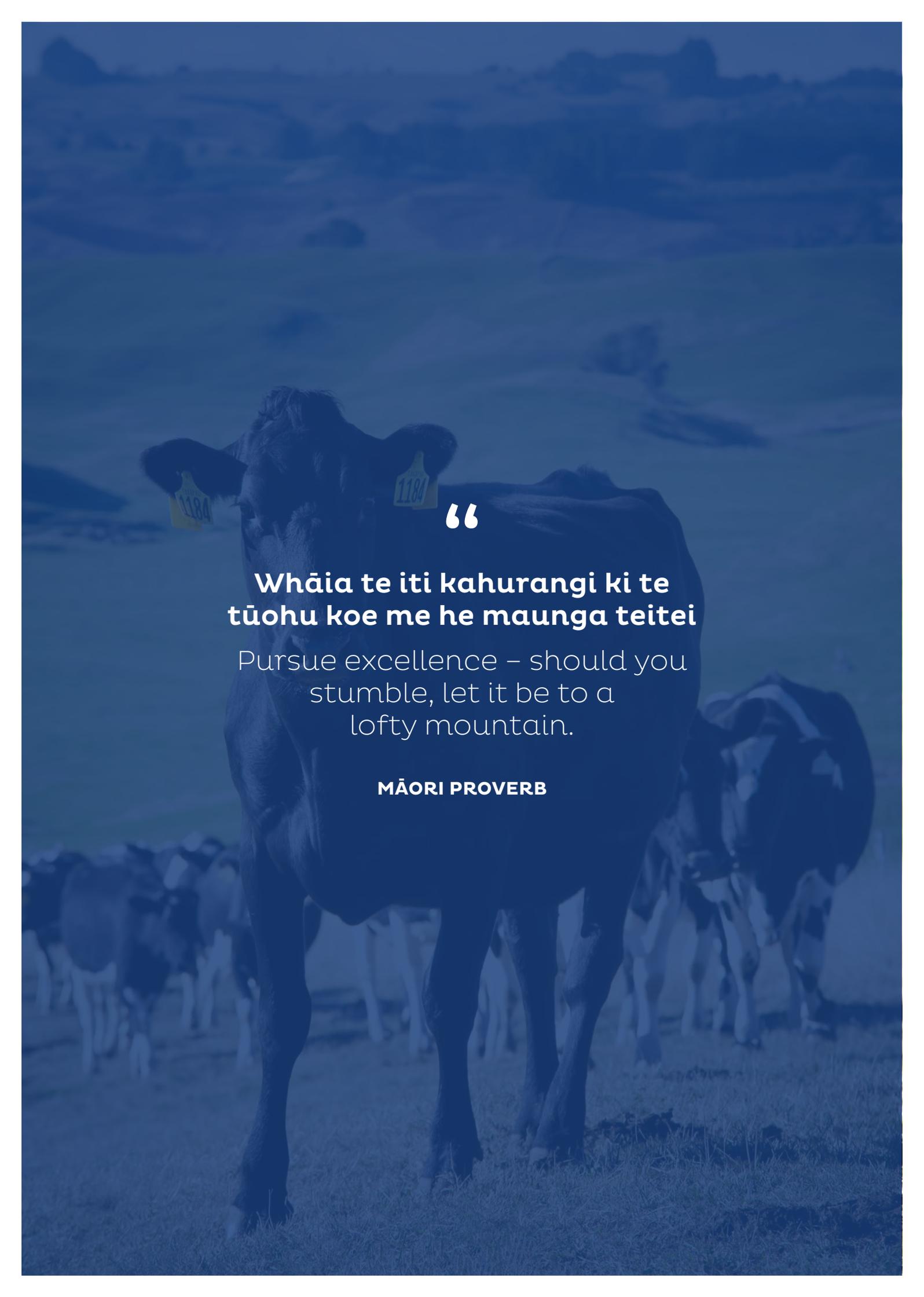
ENVIRONMENT
TE TAIAO

COWS
NGA KAU

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MIRAKA

PROSPERITY
TAURIKURA





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**Whāia te iti kahurangi ki te
tūohu koe me he maunga teitei**

Pursue excellence – should you
stumble, let it be to a
lofty mountain.

MĀORI PROVERB

CALL US

MILK SUPPLY TEAM

Phone 07 376 0075

or 0800 MIRAHA

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EMAIL US

HOW CAN WE HELP?

If you need any help with this document
please email: eileen@miraka.co.nz

MIRAKA.CO.NZ

