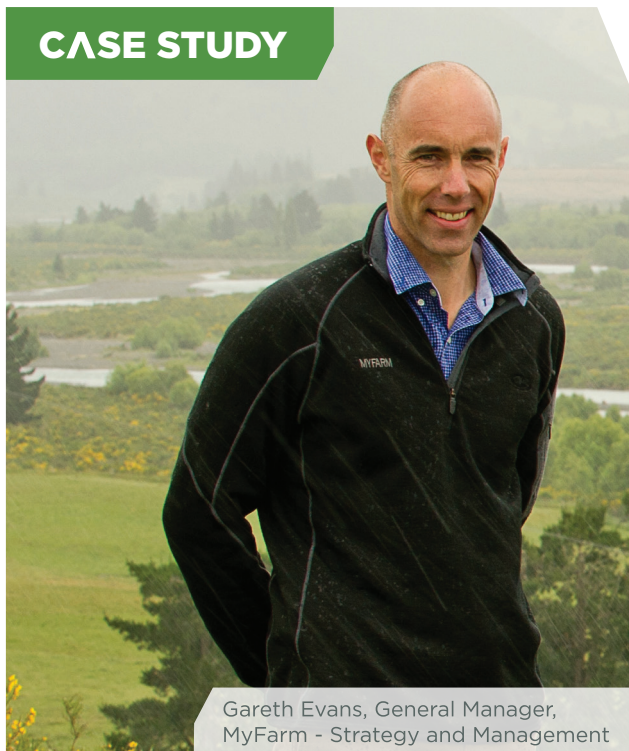


CASE STUDY



Gareth Evans, General Manager,
MyFarm - Strategy and Management

SINGLE POINT OF TRUTH FOR DAIRY INVESTORS

Bringing together the best land, management and investors has seen the farm investment and management company MyFarm grow from strength to strength in recent years.

Today, MyFarm manages 50 dairy and sheep and beef farms in New Zealand, covering more than 14,500ha and milking over 32,000 cows and finishing up to 25,000 lambs.

General manager Gareth Evans who heads up MyFarm's management business says as the farm investment grows, so too does the need for timely and accurate production and financial performance reporting to its many farmer and non-farmer shareholders.

ONE TOOL TO RULE THEM ALL

Gareth said when he joined MyFarm in 2008, farmers on each property were using a range of different tools and supplying a range of different data for planning and reporting results to the operations and investment teams. Someone at MyFarm had to translate the information from the farm into a format in order to give it to shareholders.

"From emails to spreadsheets, faxes and paper reports – we had it all. We identified early on that we needed to evolve our systems and processes so that everyone was using one that was suited to a corporate farming operation. Most importantly the reports needed to be visual and in a format that shareholders could easily digest and understand."

In particular, addressing the gap between setting budgets and reporting on performance, and finding a solution that could most accurately report on what was happening on the farms in real time – not just what happened last season – was a priority.

"FARMAX is a robust piece of farm management software based on powerful science..."

After looking at a range of options, Gareth said it was the pastoral farming decision support tool FARMAX that ticked most of the boxes for MyFarm.

"FARMAX is a robust piece of farm management software based on powerful science that has been thoroughly tested and validated. Its ability to bring together planning with what is actually happening means that its 'engine' can help you forecast, reforecast and continually refine your plan."

He said in addition to its many reporting features, FARMAX's unique modelling capabilities gave it a distinct advantage over other options.

"You can't get this level of analysis with any sort of spreadsheet or simple recording software. FARMAX was also very happy to work with us to customise the system for MyFarm's structure, and the HelpDesk support for everyday users is brilliant for our farmers."

DECISIONS BASED ON FACTS, NOT FEELINGS

Implementing FARMAX across MyFarm's operations is a continuing journey for the company. Three years on, Gareth said FARMAX has become the primary farm monitoring and reporting tool for MyFarm's 50 farmers.

All MyFarm farm managers and business leaders have received a number of free training sessions, which are ongoing. A system has also been set up for sharing files easily between key people in the organisation. At a minimum it is used for planning feed budgets and creating standard consolidated monthly management reports.

"The goal is that our farm business leaders will use FARMAX to test different scenarios to assess the impact on the farming system. For example in this



current environment where we have a strong milk price, what will happen if we put more feed in the system or increase our stocking rates? FARMAX can tell us the impact of those changes on milk production, profitability, body condition and pasture cover at the end of the season.

“Strategically, FARMAX also links our farms’ physical information and performance with the financial plan, and on a regular basis we can dig really deep and access an impressive level of information about what is actually going on at the farm.”

MODELLING A GOOD INVESTMENT

MyFarm is also using FARMAX’s powerful modelling capabilities to assess new farm investment opportunities and has become a part of the company’s due diligence process for new conversions and investments.

“Over time we see FARMAX becoming the single point of truth for our farms. Because we can build a model of a farming system within the programme and then test different scenarios, it will become increasingly useful for assessing feasibility and profitability.”

GARETH’S TOP FOUR FARMAX BENEFITS:

- 1. Linking financial modelling with physical farm performance:** This is critical for the farm management team and FARMAX gives us the ability to transfer the farms’ physical performance into our financial modelling.
- 2. Benchmarking:** FARMAX gives MyFarm the ability to establish benchmarks for both geographical and ownership clusters of farms. It helps us gauge how much potential there is to increase our performance and build a picture and understanding of how all the farms are performing.
- 3. Ownership and accountability:** FARMAX gives our farm managers ownership of their farm planning, implementation, monitoring and reporting.
- 4. Planning and forecasting:** Brings together the farm and feed budgeting process with the entry of the actual information and activity so that you can confidently reforecast and refine your plan.