

LANDCORP FARMING LIMITED  
HALF-YEAR REPORT  
FOR THE SIX MONTHS ENDED  
31 DECEMBER 2024

**PĀMU**<sup>TM</sup>  
FARMS OF  
NEW ZEALAND





## ABOUT PĀMU

Pāmu is the brand name for Landcorp Farming Limited. We are a state-owned enterprise and the largest pastoral farmer in Aotearoa New Zealand managing nearly 360,000 ha over 110 farms across the motu.

Pāmu exists today to enhance the future of agriculture for generations of New Zealanders to come, return land under Treaty of Waitangi settlements, and

produce a financial return. Our purpose is to enrich our land, our people, and the future of food and fibre for Aotearoa New Zealand.

Our shareholders expect us to be profitable and efficient, a good employer with uncompromising animal welfare practices, and to demonstrate and enable environmentally sustainable pastoral farming.

These expectations with our purpose shape our strategy and direction.

The New Zealand Government benefits from its investment in Pāmu through equity growth, dividends and industry benefits such as genetic development, R&D partnerships and industry leadership, e.g. in developing dairy beef systems. Pāmu must finance its operations and capital spend like any other farmer, through retained earnings and debt.

# PĀMU CEO MARK LESLIE AND BOARD CHAIR JOHN RAE HALF-YEAR REVIEW AND FULL-YEAR FY25 OUTLOOK

As a business, Pāmu has gone through a reset to drive performance. Pāmu is currently forecasting a full-year net operating profit (NOP) between \$43 million and \$51 million compared to its forecast in November 2024 of between \$25 million and \$40 million and the budget of \$8 million. Net profit after tax (NPAT) for the full year is forecast to be between \$58 million and \$66 million compared to a loss of \$26 million in FY24.

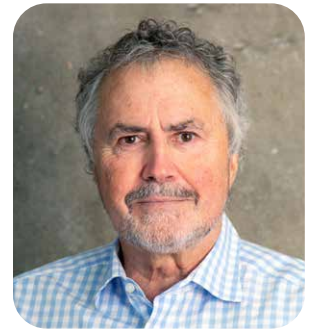
We know farming excellence is the key to unlocking additional potential and provides the mandate for Pāmu to invest in initiatives that support the broader sector. Over the past two years, we've made a concerted effort to progress meaningful investments that support Pāmu, Government aspirations, and the wider New Zealand primary sector. Farm productivity is rising as a result of focusing on core farming principles such as managing soil and animal health, pasture utilisation, and best-practice management. It's been an 18-month journey, and we are seeing momentum with a forecast:

- 2% increase in kilograms of milk solids (kgMS) versus FY24

- 3% increase in the six-week in-calf rate versus FY24 to 71% (on the back of a 3% improvement in FY23)
- increase in dairy beef calves reared from 49% in FY23 to 56% in FY24 and 63% in FY25
- 10% increase in kilograms of carcass weight produced versus FY24

## FINANCIALS | FY24 FIRST HALF-YEAR VS FY25 FIRST HALF-YEAR

Our continued focus on performance, alongside reducing corporate and overhead costs, a gain in livestock valuations, and stronger-than-expected market prices for beef and lamb, has equated to NPAT for the half-year to 31 December 2024 of \$62 million. This is increased from a loss of \$8 million in the prior comparative period, driven by a livestock revaluation gain of \$78 million compared to \$6 million in the prior year. This fair value gain is a non-cash item and reflects stronger market prices for livestock, principally sheep and beef.

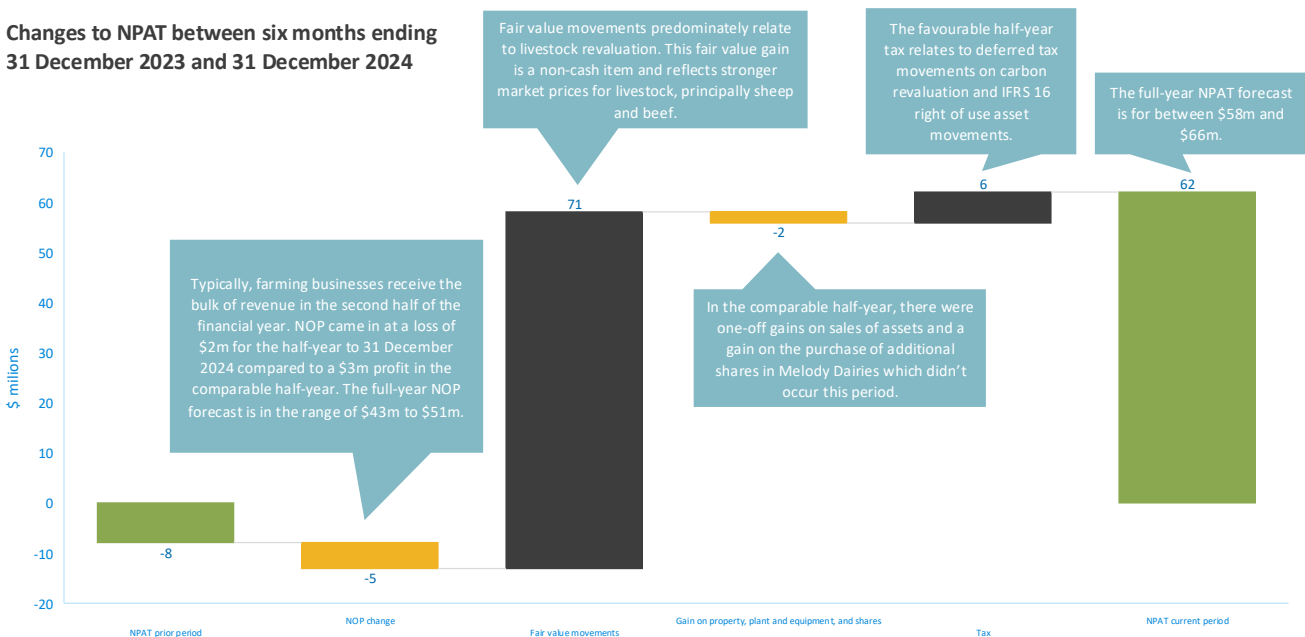


JOHN RAE BOARD CHAIR



MARK LESLIE CHIEF EXECUTIVE

## Changes to NPAT between six months ending 31 December 2023 and 31 December 2024



## HALF-YEAR REVIEW AND FULL-YEAR FY25 OUTLOOK *continued*

NOP or underlying earnings came in at a loss of \$2 million for the half-year to 31 December 2024. This compares to a \$3 million profit in the comparable half-year.

Typically, farming businesses receive the bulk of revenue in the second half of the financial year. We remain optimistic that market dynamics will continue to improve in the medium term, and for this reason, Pāmu has forecast an uplift in full-year NOP.

As always, our business plan seeks to balance short-term financial performance and investing for the future. It positions Pāmu to perform in an environment of global uncertainty and commodity price volatility.

Total income was \$3 million (2%) higher than the prior period due to a \$28 million increase in farm operating revenue (24%), offset by a \$25 million (76%) decrease in income from other business activities.

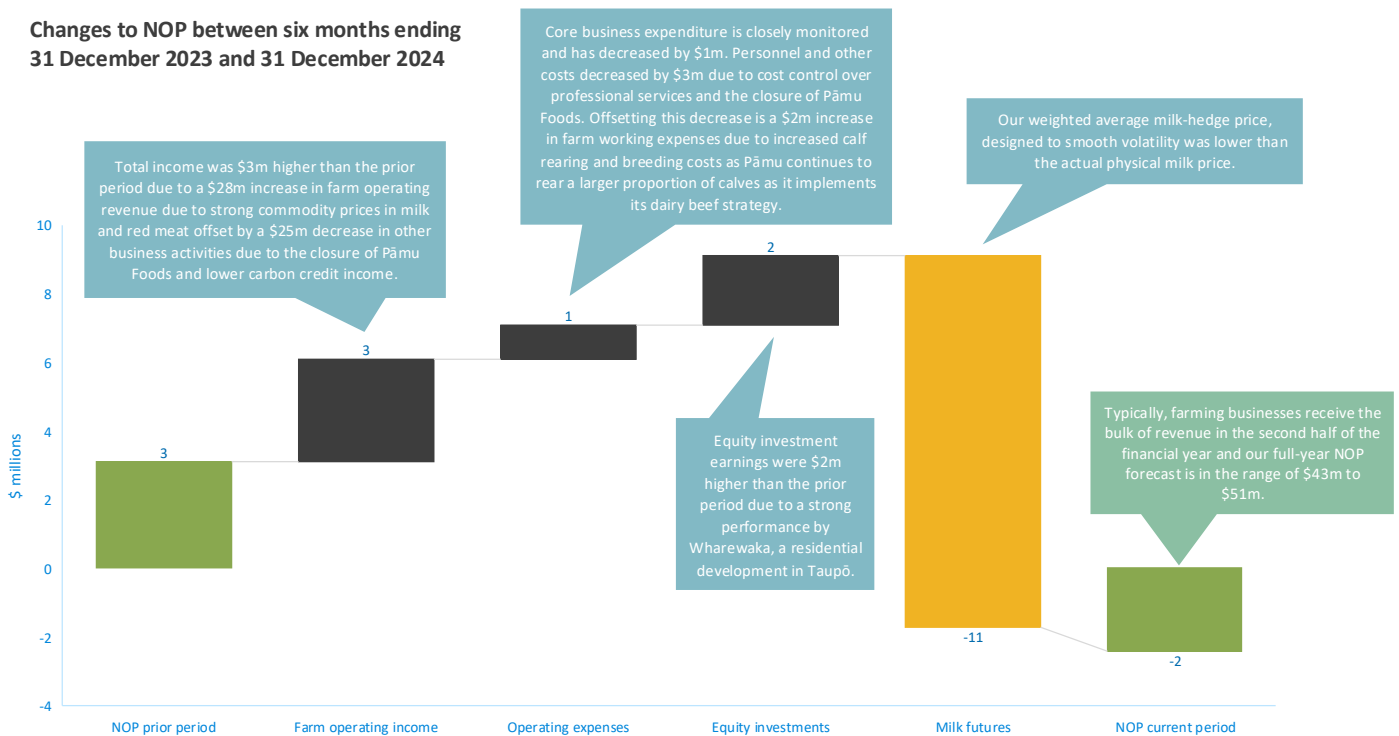
The \$28 million increase in farm operating revenue is due to stronger commodity prices compared to December 2023. Milk revenue was \$24 million (35%) higher than the prior year due to a significant increase in the farmgate milk price from \$7.50 to \$10.00 per kgms. The volume of milk produced was consistent year on year. Livestock revenue was \$4 million (9%) higher due to stronger red meat prices compared to the prior year.

The \$25 million decrease in revenue from other business activities reflects lower year-on-year carbon credit income

(\$22 million) and the absence of income from the Pāmu Foods division, which was closed last year (\$3 million revenue in the prior period).

Core business expenditure is closely monitored and has decreased by \$1 million. Personnel and other costs decreased by \$3 million (5%) due to the closure of Pāmu Foods together with cost control over professional services. Offsetting this decrease is a \$2 million (3%) increase in farm working and maintenance expenses due to increased calf rearing and breeding costs as Pāmu continues to rear a larger proportion of calves as we implement our dairy beef strategy and maximise internal supply. Milk futures are a risk management tool that Pāmu uses to smooth volatility.

### Changes to NOP between six months ending 31 December 2023 and 31 December 2024



## STRATEGY PROGRESS

In addition to running a profitable business, Pāmu is committed to making a positive impact on the primary industry and Aotearoa New Zealand. This includes being a safe and responsible employer and advancing innovative solutions through research and development, including supporting Government objectives to reduce net greenhouse gas emissions, as well as playing a role in the doubling of export earnings over the next decade.

At Pāmu, we play an important role in social good activities and industry leadership as illustrated in the following examples.

- **Pathways to farm ownership** – Pāmu provides a range of pathways to develop talent to benefit New Zealand's agricultural sector. Investing in leadership and on-farm training has been under way at Pāmu for some years. In January 2025, the Pāmu Apprenticeship Scheme commenced with the first cohort of nine young people beginning their journey into farming. We have now secured our first four farming couples as part of our new contracting/sharemilking option for dairy teams. This is a great opportunity for those with ambition to build equity and progress towards farm ownership.

- **Dairy beef and Silver Stabilizer breed** – Pāmu has made significant progress in the large-scale use of dairy beef to utilise surplus dairy calves. We have increased the percentage of calves reared from 56% in FY24 and forecast 63% in FY25. As part of this initiative, Pāmu has developed the Silver Stabilizer breed, which meets the needs of dairy farmers, calf rearers, beef finishers, and processors. Pāmu has partnered with LIC to commercialise these genetics for dairy farmers.

- **Genetics** – Pāmu subsidiary Focus Genetics is developing low-methane beef and sheep cattle. The Sheep of the Future research programme is developing sheep with greater tolerance to hot weather aligned to climate scenarios, lower emissions, and parasite resistance while maintaining meat quality traits.



Growing safe and capable people – Pāmu apprentices



Silver Stabilizer dairy beef breed



Genetics – low-care Sheep of the Future

## HALF-YEAR REVIEW AND FULL-YEAR FY25 OUTLOOK *continued*

- **Climate mitigation and adaptation** – In FY24, net GHG emissions from Pāmu were reduced 22.5% below the FY21 baseline well ahead of the 6.24% target. Key contributors to the change were increased data accuracy, changes in land use on livestock farms, change in stock units and class (20% decrease in GHG emissions against baseline), and a continuing focus on farming excellence resulting in a reduction of fertiliser emissions (19%) and feed and supplements emissions (22%). Divested farms are not factored into emission reduction calculations.

- **Methane measurement** – Pāmu has invested in a facility at St Kilda near Taupō to provide measurement data for feed efficiency and methane selection for beef and dairy beef genetics for both Pāmu and wider industry use. It also offers capacity for third-party research such as testing methane mitigation technologies with the likes of Fonterra and opportunities with AgriZero<sup>NZ</sup> partners to facilitate the path to commercialisation.

- **Valuing natural capital** – Pāmu, like many farmers, has significant areas of natural vegetation that contribute to the overall farm environment. We continue to work with organisations in New Zealand and Australia to value biodiversity, which will allow the potential recognition of natural capital on the balance sheet and support a biodiversity credit system or the flow of nature-related funding in areas where land-use change may be required, which will benefit all farmers.



Climate mitigation and adaptation



Methane measurement at St Kilda



Valuing natural capital with the next generation at an Eyrewell planting day

- **Health and safety** – Pāmu is committed to taking a leadership position in health and safety and shares these learnings with the sector through various forums including Safer Farms.

- **FarmIQ and FARMAX software** – Pāmu owns and uses these as comprehensive farm management and scenario modelling tools to support performance and compliance management. More broadly, the software is utilised by 4,800 farmers to support farm management decision making, developing farm environment plans, and meeting processor audit requirements (for assurance and premiums such as NZFAP+).

- **Spring Sheep** – A scaled sheep milking industry provides a significant opportunity to support Government’s aim to double export earnings over 10 years while reducing our environmental footprint. As a 50% JV partner, we have developed a growing business including a fit-for-purpose processing site (Melody Dairies joint venture), which is set to grow significantly over the next five years.



Health and safety



FarmIQ and FARMAX software



Spring Sheep

## BOARD CHANGES AND STRATEGY REVIEW

Pāmu welcomed new Directors John Rae (Chair) and Sarah Paterson to the Board on 1 August 2024 and farewelled Director Jo Davidson in November 2024.

Though we've made significant positive progress in areas of strategic focus, the world continues to change at pace.

Our next stage is the continued acceleration of performance and emphasising our role in supporting the broader ambitions of New Zealand through the delivery of innovative and sustainable agriculture solutions for future generations. To ensure we are focused on the right things and investing in the right places, we are reviewing our strategy to ensure it is still fit for purpose.

The fundamental opportunity for Pāmu is to execute farming excellence at scale. Delivering on this opportunity will increase total shareholder return through a cash dividend and equity growth while we play a role in lifting the overall performance of New Zealand agribusiness as a significant contributor to the national economy.

We thank our people for their continued hard work and commitment to ensuring Pāmu succeeds and prospers for future generations.

**John Rae**  
Board Chair

**Mark Leslie**  
Chief Executive









The fundamental opportunity for Pāmu is to execute farming excellence at scale.



# Financial statements and notes

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# Statement of profit or loss and other comprehensive income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Income</b>				
Farm operating	3	144	228	116
Other business activities		8	54	33
		152	282	149
<b>Operating expenses</b>				
Farm working and maintenance		76	118	74
Personnel and other		53	108	56
Fair value loss on milk futures		11	1	-
		140	227	130
Profit/(loss) from equity accounted investments		-	(5)	(2)
Depreciation		(14)	(30)	(14)
<b>Net operating profit/(loss)<sup>1</sup></b>		<b>(2)</b>	<b>20</b>	<b>3</b>
Gain/(loss) on sale of property, plant and equipment		-	2	1
Impairment of assets		(1)	(5)	(1)
Net finance expenses		(13)	(26)	(13)
Fair value gain/(loss) on financial instruments		(3)	(2)	(2)
Discount on purchase of shares		-	2	1
Fair value gain/(loss) on biological assets		78	(15)	6
Fair value gain/(loss) on property, plant and equipment		-	(4)	-
<b>Net profit/(loss) before tax</b>		<b>59</b>	<b>(28)</b>	<b>(5)</b>
Tax benefit/(expense)		3	2	(3)
<b>Net profit/(loss) after tax</b>		<b>62</b>	<b>(26)</b>	<b>(8)</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the company		62	(24)	(8)
Non-controlling interest		-	(2)	-

<sup>1</sup> Net operating profit is a non-GAAP measure. However, Landcorp considers it to be an appropriate measure of returns from core activities. Net operating profit does not have a standardised meaning and should not be viewed in isolation nor considered a substitute for measures reported in accordance with NZ IFRS as it may not be comparable to similar financial information presented by other entities. Net operating profit does not include gains on sale of property, plant and equipment, impairment, financing costs, fair value movements on financial instruments, and biological assets.

The accompanying notes form part of these financial statements.

## Statement of profit or loss and other comprehensive income (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Fair value gain/(loss) on land and improvements	-	(137)	-
Fair value gain/(loss) on share investments	6	1	(1)
Fair value gain/(loss) on carbon credits	8	3	16
Tax benefit/(expense) recognised in equity	(4)	3	(1)
<b>Total comprehensive income</b>	<b>72</b>	<b>(156)</b>	<b>6</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company	72	(154)	6
Non-controlling interest	-	(2)	-

The accompanying notes form part of these financial statements.

## Statement of movements in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
<b>Balance at 1 July 2024</b>	125	713	2	779	2	1,621
Net profit/(loss) after tax	-	62	-	-	-	62
Fair value movements	-	-	6	8	-	14
Tax benefit/(expense) recognised in equity	-	-	(2)	(2)	-	(4)
Realised gain/(loss) on carbon credits sales	-	1	-	(1)	-	-
Issue/(acquisition) of shares	-	1	-	-	(1)	-
<b>Unaudited balance at 31 December 2024</b>	125	777	6	784	1	1,693

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
<b>Balance at 1 July 2023</b>	125	729	1	917	-	1,772
Net profit/(loss) after tax	-	(24)	-	-	(2)	(26)
Fair value movements	-	-	1	(134)	-	(133)
Tax benefit/(expense) recognised in equity	-	-	-	3	-	3
Realised gain/(loss) on carbon credits sales	-	7	-	(7)	-	-
Net transfers under Protected Land Agreement	-	1	-	-	-	1
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	4	4
<b>Balance at 30 June 2024</b>	125	713	2	779	2	1,621

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
<b>Balance at 1 July 2023</b>	125	729	1	917	-	1,772
Net profit/(loss) after tax	-	(8)	-	-	-	(8)
Fair value movements	-	-	(1)	16	-	15
Tax benefit/(expense) recognised in equity	-	3	-	(4)	-	(1)
Realised gain/(loss) on carbon credits sales	-	5	-	(5)	-	-
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	4	4
<b>Unaudited balance at 31 December 2023</b>	125	729	-	924	4	1,782

The accompanying notes form part of these financial statements.

# Statement of cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers:			
Livestock	42	113	37
Milk	76	117	59
Other receipts from customers	10	31	14
Net cash from milk hedging	(11)	9	10
Payments to suppliers	(82)	(174)	(91)
Payments to employees	(42)	(77)	(38)
Interest paid	(8)	(13)	(4)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>(15)</b>	<b>6</b>	<b>(13)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of land and improvements and other property, plant and equipment	2	3	2
Proceeds from sale of carbon credits	12	41	41
Proceeds from sale of share investments	-	2	2
Purchase and development of land and forestry	(11)	(27)	(15)
Purchase of other property, plant and equipment and intangibles	(10)	(24)	(15)
Net cash acquired on the purchase of subsidiary	-	-	1
Purchase of shares and net interests in joint venture investments	(5)	(12)	(7)
<b>Net cash inflows/(outflows) from investing activities</b>	<b>(12)</b>	<b>(17)</b>	<b>9</b>
<b>Cash flows from financing activities</b>			
Net borrowing receipts/(repayments)	(2)	30	17
Net proceeds from carbon repurchase agreements	37	-	-
Payment of lease liabilities	(9)	(17)	(8)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>26</b>	<b>13</b>	<b>9</b>
<b>Net change in cash and cash equivalents</b>	<b>(1)</b>	<b>2</b>	<b>5</b>
Cash and cash equivalents at beginning of year	4	2	2
<b>Cash and cash equivalents at end of year</b>	<b>3</b>	<b>4</b>	<b>7</b>

The accompanying notes form part of these financial statements.

## Reconciliation of profit and operating cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Net profit/(loss) after tax</b>		62	(26)	(8)
<b>Non-cash items</b>				
Non-cash livestock growth and ageing	3	(21)	(5)	(16)
Non-cash forestry growth		-	(1)	-
Carbon credits allocation		-	(22)	(8)
Depreciation		14	30	14
Fair value movements		(75)	21	(4)
Interest expense on lease liability		6	12	6
Asset impairment		1	5	1
Equity accounted investment earnings		-	5	2
Tax expense/(benefit)		(3)	(2)	3
<b>Adjusting items</b>				
Milk futures settlement		(1)	(3)	11
Equity accounted investment distributions		2	6	2
Gain/(loss) on sale of property, plant and equipment		-	(2)	1
Discount on purchase of shares		-	(2)	(2)
Gain on sale of carbon credits		(3)	(16)	(16)
Movements in working capital		3	6	1
<b>Net cash inflows/(outflows) from operating activities</b>		<b>(15)</b>	<b>6</b>	<b>(13)</b>

The accompanying notes form part of these financial statements.

# Statement of financial position

AT 31 DECEMBER 2024

	Note	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Assets</b>				
Cash and cash equivalents		3	4	7
Accounts receivable	4	42	37	36
Inventories		16	18	14
Property held for sale		3	3	3
Derivative assets		1	4	3
Livestock	5	363	264	290
Forestry, carbon and orchard assets	6	113	111	109
Equity accounted investments		14	17	28
Shareholder loans to equity accounted investments		13	9	-
Share investments	7	34	28	26
Other assets		8	8	11
Leased assets	9	218	223	229
Property, plant and equipment	8	1,481	1,473	1,607
Deferred tax asset		-	1	-
<b>Total assets</b>		<b>2,309</b>	<b>2,200</b>	<b>2,363</b>
<b>Liabilities</b>				
Accounts payable and accruals		23	17	20
Carbon repurchase payable		37	-	-
Employee entitlements		8	10	10
Bank loans	10	207	209	197
Lease liabilities	9	257	259	262
Deferred tax liability		-	-	8
Redeemable preference shares		84	84	84
<b>Total liabilities</b>		<b>616</b>	<b>579</b>	<b>581</b>

The accompanying notes form part of these financial statements.

## Statement of financial position (continued)

AT 31 DECEMBER 2024

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Shareholders' funds</b>			
Share capital	125	125	125
Retained earnings	777	713	729
Share revaluation reserve	6	2	-
Asset revaluation reserve	784	779	924
<b>Total shareholders' funds</b>	<b>1,692</b>	<b>1,619</b>	<b>1,778</b>
<b>Non-controlling interest</b>	<b>1</b>	<b>2</b>	<b>4</b>
<b>Total equity</b>	<b>1,693</b>	<b>1,621</b>	<b>1,782</b>
<b>Total equity and liabilities</b>	<b>2,309</b>	<b>2,200</b>	<b>2,363</b>

Landcorp's Board of Directors authorised the financial statements for issue on 28 February 2025.

Signed on behalf of the Board



**John Rae**  
Chair  
28 February 2025



**Paula Savage**  
Chair of Audit and Risk Committee  
28 February 2025

The accompanying notes form part of these financial statements.



# Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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## NOTE 1: BASIS OF ACCOUNTING

### REPORTING ENTITY

The condensed consolidated interim financial statements presented are those of Landcorp Farming Limited (“Landcorp”) and its subsidiaries, joint ventures and associates (together “Pāmu” or the “Group”). Established under the State-Owned Enterprises Act 1986 and registered under the Companies Act 1993, Landcorp is a profit-oriented company incorporated and domiciled in New Zealand. The ultimate shareholder of the Group is the Crown.

Pāmu is primarily a pastoral farming company with a growing focus on exploring alternative uses for land in its portfolio, including additional forestry and horticulture, and a foods business marketing premium deer products. Subsidiaries and associates are involved in land development, land management, farm technology, and developing genetically superior sheep, cattle, and deer breeds.

### BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These financial statements are unaudited and do not include all of the information and disclosures required in the annual financial statements. Accordingly, these financial statements should be read in conjunction with the annual report for the year ended 30 June 2024. Accounting policies used are consistent. Where necessary, comparative information has been reclassified to achieve consistency with the current period's presentation.,,

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## NOTE 2: SEASONALITY OF OPERATIONS

Pāmu's operations are seasonal and are largely a function of the annual farming cycle. The six months from July to December covered by these financial statements primarily reflect the cessation of winter and commencement of spring conditions when the majority of livestock births occur.

### Statement of profit or loss

The overall half-year net profit after tax is seasonal and reflects the following:

- Pāmu's sheep, beef, and deer operations follow a cycle where the bulk of livestock is reared in spring and conditioned for sale over the late summer and autumn period. This means that a large portion of Pāmu's livestock income is not generated until the second half of the financial year. The sale prices for processed livestock will be a function of market conditions at the time of sale and will reflect the prevailing impact of international commodity prices, exchange rates, and any local climatic considerations.
- Harvested feed, comprising hay, silage, and baleage, is generally harvested in late summer, during the second half of the financial year, and consumed in winter and early spring, in the first half of the financial year. Consequently, the six months to 31 December 2024 reflect the cost of the seasonal consumption of this feed. The second half of the financial year will reflect the benefit of rebuilding feed stocks for consumption early in the following financial year.
- Under NZ IFRS, Pāmu revalues livestock at each balance date and includes the revaluation gain or loss within profit or loss. The value of livestock will reflect market conditions at the time and is likely to change between balance dates. Hence, any profit or loss arising from livestock revaluations at 31 December 2024 may not reflect the market conditions prevailing at the financial year end.

### Statement of financial position

Pāmu's Statement of Financial Position at 31 December 2024 reflects the following seasonal factors:

- Term debt is seasonal as much of Pāmu's revenue is not received in cash until the second half of the financial year. This reflects both the timing of livestock sales and the date at which milk solids revenue is received.
- Inventories of harvested feed reflect the seasonal consumption/production cycle.

## Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### NOTE 3: FARM OPERATING REVENUE

Farm operating revenue is derived from the sale of livestock, milk, and other agricultural produce such as wool and forestry logs.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Livestock	50	103	46
Milk	93	120	69
Wool and velvet	1	3	1
Forestry	-	2	-
<b>Total farm operating revenue</b>	<b>144</b>	<b>228</b>	<b>116</b>

**Livestock revenue** – Livestock revenue is recognised following delivery to customers. Sales contracts either fix prices in advance or allow livestock to be sold at the prevailing spot rate. Each year, the Board approves a standard value for each livestock class. Changes in the value and volume of livestock arising from purchases, sales, births, deaths, and ageing are determined using standard values.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Sheep	16	32	15
Beef	28	56	23
Dairy	3	5	3
Deer	3	10	5
<b>Total livestock revenue</b>	<b>50</b>	<b>103</b>	<b>46</b>

#### Cash items

Livestock sales	41	115	38
Livestock purchases	(12)	(17)	(8)

#### Non-cash items

Birth of animals	21	32	23
Growth of animals	30	76	29
Livestock losses	(6)	(13)	(6)
Book value of livestock purchased	5	12	5
Book value of livestock sold	(29)	(102)	(35)
<b>Total livestock revenue</b>	<b>50</b>	<b>103</b>	<b>46</b>

**Milk revenue** – Milk revenue is recognised following collection by the milk processor using the processor's most recent forecast price and dividend payments made during the year.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Milk revenue	91	118	67
Dividends	2	2	2
<b>Total milk revenue</b>	<b>93</b>	<b>120</b>	<b>69</b>

## Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### NOTE 4: ACCOUNTS RECEIVABLE

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Trade debtors	4	6	6
Milk income receivable	35	21	27
Other receivables and prepayments	3	10	3
<b>Total accounts receivable</b>	<b>42</b>	<b>37</b>	<b>36</b>

### NOTE 5: LIVESTOCK

Livestock are recorded at fair value less estimated point-of-sale costs. Changes in the value and volume of livestock arising from purchases, sales, births, deaths, and ageing are recognised within revenue in the Statement of Profit or Loss and Other Comprehensive Income. Changes in value due to general livestock price movements are recognised in the Statement of Profit or Loss and Other Comprehensive Income within Fair value movement in biological assets. Livestock valuations at 31 December 2024 were provided by independent valuers. These market values reflect livestock of similar weight and age throughout New Zealand.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
<b>Livestock value at start of year</b>	<b>264</b>	<b>268</b>	<b>268</b>
Birth and growth of animals	51	108	52
Livestock losses	(6)	(13)	(6)
Book value of livestock purchased and sold	(24)	(90)	(30)
Fair value gain	78	(9)	6
<b>Balance at end of period</b>	<b>363</b>	<b>264</b>	<b>290</b>

Livestock numbers comprise:

	Unaudited 6 months ended 31 Dec 24	Audited 12 months ended 30 Jun 24	Unaudited 6 months ended 31 Dec 23
Sheep	640,629	371,273	625,522
Beef	131,839	101,615	112,563
Dairy	59,044	51,783	58,618
Deer	32,499	43,033	34,322

Livestock numbers are subject to seasonal variation, with numbers increasing through spring due to the birth of animals. Livestock on hand in December contains a greater proportion of trading stock, which will be sold later in the financial year.

## Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### NOTE 6: FORESTRY, CARBON AND ORCHARD ASSETS

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Carbon credits	44	45	44
Forests	65	62	62
Orchards	4	4	3
<b>Total forestry, carbon and orchard assets</b>	<b>113</b>	<b>111</b>	<b>109</b>

### NOTE 7: SHARE INVESTMENTS

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Share investments at fair value through profit or loss	2	2	2
Share investments at fair value through other comprehensive income:			
Fonterra Co-operative Group Limited	20	14	12
Waimakariri Irrigation Limited	10	10	10
Other	2	2	2
<b>Total share investments</b>	<b>34</b>	<b>28</b>	<b>26</b>

The Group is required to hold certain shares and investments in co-operative companies to facilitate farming operations. Shares are held as a consequence of business operations and are not held for trading. Share investments are initially recognised at cost and subsequently revalued to fair market value. Pāmu has elected to account for fair value changes through Other Comprehensive Income except in cases where the shares can be redeemed at par value from the issuer. In such cases, any value change will be accounted for through the Statement of Profit or Loss. Any dividends from share investments are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Pāmu's policy is to review the fair values of land and improvements annually. If there is a material change in fair values, a revaluation is performed. Pāmu classifies its properties within four portfolios being North Island Livestock, North Island Dairy, South Island Livestock, and South Island Dairy. At a minimum, a revaluation of each portfolio is performed every three years. In June 2024, a valuation was performed for North Island Livestock and South Island Dairy. For North Island Dairy and South Island Livestock, the last valuation was performed in June 2022 and therefore a valuation will be completed for June 2025.

The Statement of Financial Position at 31 December 2024 does not reflect any changes in the market value of land and improvements since the last valuation. Directors continually monitor activity in the rural property market to identify any indication that values have moved significantly.

## Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### NOTE 9: LEASES

Leased assets and liabilities are initially recognised in the Statement of Financial Position at the present value of remaining unpaid lease payments discounted by Pāmu's incremental borrowing rate. Thereafter, leased assets are depreciated over the life of the lease and lease liabilities reduce as lease payments are made. After commencement of a lease, any subsequent changes to the lease payments are reflected as a lease remeasurement adjustment.

Leased assets are largely made up of farm land in Wairākei, north-east of Taupō. The lease was entered into in 2004 and expires in 2049. The lease requires Pāmu to convert what was previously forestry land into pastoral farming land. At 31 December 2024, approximately 12,580 hectares had been leased. A total of 12,611 hectares of land is expected to be leased by the conclusion of the lease term. Other leases are also held for office buildings and telecommunications equipment. The Wairākei right of use asset is tested annually for impairment and the carrying value is adjusted accordingly if required.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Opening balance	279	274	274
Lease remeasurement adjustment	1	(1)	5
Additions	-	6	-
Balance at end of year	280	279	279
Accumulated depreciation			
Opening balance	(56)	(45)	(45)
Depreciation	(6)	(11)	(5)
Balance at end of year	(62)	(56)	(50)
<b>Total leased assets</b>	<b>218</b>	<b>223</b>	<b>229</b>

The undiscounted maturity analysis of lease liabilities is as follows:

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Lease payments:			
Less than one year	18	18	17
Two to five years	73	73	71
More than five years	338	347	362
	429	438	450
Interest expense on lease liability:			
Less than one year	(12)	(12)	(12)
Two to five years	(44)	(45)	(46)
More than five years	(116)	(122)	(130)
	(172)	(179)	(188)
<b>Total lease liabilities</b>	<b>257</b>	<b>259</b>	<b>262</b>

## Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### NOTE 10: BANK LOANS

Cash advance facilities available to Pāmu at 31 December 2024 were \$315 million (Jun 24: \$315 million, Dec 23: \$315 million). Bank loans are the drawn components of these bank cash advance facilities. Facilities may be borrowed against or repaid at any time by Pāmu and are subject to a negative pledge agreement, which means that Pāmu may not grant a security interest over its assets without the consent of its lenders. Facilities are either on a daily floating interest rate or a short-term fixed rate and therefore carrying value approximates fair value.

	Unaudited 6 months ended 31 Dec 24 \$m	Audited 12 months ended 30 Jun 24 \$m	Unaudited 6 months ended 31 Dec 23 \$m
Within one year	90	110	72
Two to five years	117	99	125
<b>Total bank loans</b>	<b>207</b>	<b>209</b>	<b>197</b>

### NOTE 11: DIVIDENDS PAID

There was no final dividend for the 2023/24 financial year (2022/23: nil).

### NOTE 12: CONTINGENT LIABILITIES

At 31 December 2024, Pāmu had no contingent assets or liabilities.

### NOTE 13: CAPITAL COMMITMENTS

At 31 December 2024, Pāmu had \$0.9 million of capital commitments (Jun 24: \$1.7 million, Dec 23: \$0.7 million).

# Directory

## CORPORATE AND REGISTERED OFFICE

Level 2  
15 Allen Street  
PO Box 5349  
Wellington 6140

## WEBSITE

[www.pamunewzealand.com](http://www.pamunewzealand.com)

## FURTHER INFORMATION

If you would like more information on anything contained in this report, please contact:

Kara Tait  
Head of Communications  
and Government Relations  
[taitk@pamu.co.nz](mailto:taitk@pamu.co.nz)

## DIRECTORS

John Rae, Chair  
Nigel Atherfold, Deputy Chair  
Dr Tanira Kingi  
Desiree Mahy  
Dr Claire Nicholson  
Sarah Paterson  
Nick Pyke  
Paula Savage

## LEADERSHIP TEAM

Mark Leslie  
Chief Executive  
Will Burrett  
Chief Operating Officer  
Annabel Davies  
Chief Sustainability and Risk Officer  
Bernadette Kelly  
Chief People, Safety and Reputation Officer  
Tammy Lemire  
Chief Technology and Digital Officer  
Steven McJorrow  
Chief Financial Officer  
Alistair McMechan  
Chief Legal Officer  
Andrew Sliper  
Chief Investment Officer

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