



November Progress Report on SF Lapacho S.A.

Summary: Our newly bought 51 male weaners and 80 female weaners have successfully been delivered to La Neruana. An additional 34 calves were born last month and we have now reached a total herd size of 451 head. The raining season is entering late this year with only 48 mm so far, but with more than enough grass reserves and strong re-growth this is not an issue. We are also still very early in the season. Four more truckloads of coal have left the property.

Rain

Rainfall:	<u>August</u> <u>2017:</u>	<u>September</u> <u>2017:</u>	<u>October</u> <u>2017:</u>	<u>November</u> <u>2017:</u>	<u>July '17-June</u> <u>'18: (continuous)</u>
Estancia La Neruana	0 mm	10 mm	19 mm	19 mm	48



Water Supply

The large reservoir is still mostly dry and we continue to rely on the borehole. The system continues to perform without any issues.

Traditional Values. Innovative Concept.



Southern Farmlands

Cattle

The bulls have been introduced to the appropriate cow herds. We now have a total of 88 new calves, all new born calves are being castrated at four weeks old. Weaners have been moved to the back pastures (system 6 and 7). We are very satisfied with the growth and condition of all cattle.



Traditional Values. Innovative Concept.

Blanco Acevedo 1720
Montevideo 11500 Uruguay
Tel/Fax +598 2 604 3107
www.southernfarmlands.com

Avenida Central 27
Loma Plata, Chaco, Paraguay
Tel. +595 492 252 223
info@southernfarmlands.com



Southern Farmlands

Charcoal

The 11th load of coal has left Neruana, 6 of which have been paid by the contractor so far. Production will be closing mid-December until after New Year as workers are taking their break off over Christmas. We are evaluating to put more ovens to speed up production, as this will not have any negative impact for us but raises the monthly income from this activity.



Pastures

The pastures are turning green from the first rains and we eagerly hope to get more soon before drying again. Overall the pasture reserves are more than enough because of the still light load of cattle per hectare. Especially the back pastures (system 5,6 and 7) have barely been used this year, which is why we are moving herds here. All herds are strictly being rotated once a week between pastures.



Traditional Values. Innovative Concept.



Blanco Acevedo 1720
Montevideo 11500 Uruguay
Tel/Fax +598 2 604 3107
www.southernfarmlands.com

Avenida Central 27
Loma Plata, Chaco, Paraguay
Tel. +595 492 252 223
info@southernfarmlands.com



Southern Farmlands

Following the standardized monthly farm report...

 Southern Farmlands Traditional Values. Innovative Concept.		 Southern Connections Agro Consulting & Management			
Loma Plata, November 2017		BG/31/11/17			
<u>MONTHLY REPORT</u>					
		Month: November 2017			
Rainfall:	<u>August 2017:</u>	<u>September 2017:</u>	<u>October 2017:</u>	<u>November 2017:</u>	<u>July '17-June '18: (continuous)</u>
Estancia La Neruana	0 mm	10 mm	19 mm	19 mm	48 mm
Monthly steer price of FrigoChorti on the: 22nd of November 2017					
<i>Current month (final day): exchange rate 5.590</i>				Past month: 5,600	
Price: Grs. 17,600 / US\$ 3.15				Price: Grs. 17.800 / US\$ 3.18	
Observations:					
We have received another 19mm of rain, pastures are starting to grow.					
* Cattle:					
We have purchased 131 new weaners from Chortizer					
Financing:	OPEX (Expense):		US\$ 1,592.88		
	CAPEX:		US\$ 0.00		
	Sold Livestock (income)		US\$ 0.00		
	Saldo-Coop. Account		US\$ 230.67		
CATTLE	Previous month total		287 head		
	Bought		131 head		

Traditional Values. Innovative Concept.

Blanco Acevedo 1720
Montevideo 11500 Uruguay
Tel/Fax +598 2 604 3107
www.southernfarmlands.com

Avenida Central 27
Loma Plata, Chaco, Paraguay
Tel. +595 492 252 223
info@southernfarmlands.com



Southern Farmlands

	Died/ recalculated	1 head
	Consumed	0 head
	Sold	0 head
	Born	34 head
	Died (calves)	1 head
	New total	451 head
	Pregnancy rate-June 2017	N / A
<u>Office work</u>		
Spreadsheets on file and various responsibilities:		
*Receipts were copied and the originals have been sent to Laura Rovira the accountant with the farm staff salary lists		
* <u>ANDE (electricity):</u> We are still getting free electricity as no further information has been received from ANDE concerning registration of end-user – in process		
* <u>SENACSA (meat board):</u> The new weaners and new born calves will be on the December SENACSA registry		
* <u>Tractor:</u> The tractor title is completed and in our name		
<u>Farm:</u>		
Workers info:		
<ul style="list-style-type: none">- Workers have cleaned cattle pen 5A and 5C, only 2 remaining pens to be cleaned of brush- The workers check the cattle daily or as frequently as possible to ensure health of young calves- The workers rotate and count the cattle weekly		

Traditional Values. Innovative Concept.

Blanco Acevedo 1720
Montevideo 11500 Uruguay
Tel/Fax +598 2 604 3107
www.southernfarmlands.com

Avenida Central 27
Loma Plata, Chaco, Paraguay
Tel. +595 492 252 223
info@southernfarmlands.com



Southern Farmlands

Mechanics and Machinery:

The clutch on the tractor was slipping, this has been fixed by us on our last visit
The back-up electric generator is spilling fuel at the carburetor – to be repaired this month

Water System information:

The water system functions well without any issues in the past month

Cattle report:

The new weaners have been dehorned and vaccinated with anti- parasite
Cattle have been vaccinated against rabies, black quarter virus, anti-parasite and leptospirosis
The pasture looks excellent with regrowth after our first rains of the season, classified number 2
The cattle look good, classified number 2

Range for Cattle and Pasture report: (if number 5 or 6, give an explanation)

1. **Excellent**
2. **Very good**
3. **Good**
4. **Average**
5. **Weak**
6. **Unacceptable**
7. **Not usable due to re-sowing**

Other/ Diverse:

* Charcoal production:

The charcoal production is advancing well; there have been four semi truckloads of charcoal that have left La Neruana for the market

Contract workers are leaving mid-December until early January

Report on Projects:

None

Foreseen Activities for the Near Future

Traditional Values. Innovative Concept.



Southern Farmlands

- We are evaluating the possibility of constructing more charcoal ovens to speed up the process and grow the income from this activity



Thank you for your participation and confidence!
We are always available to discuss any questions.

Lennart Stahr

Traditional Values. Innovative Concept.

Blanco Acevedo 1720
Montevideo 11500 Uruguay
Tel/Fax +598 2 604 3107
www.southernfarmlands.com

Avenida Central 27
Loma Plata, Chaco, Paraguay
Tel. +595 492 252 223
info@southernfarmlands.com