



10th of November 2017
Monthly Progress Report – October

October Progress Report on SF Lapacho S.A.

Summary: We bought 52 male weaners and 80 female weaners that have already been delivered to La Neruana (in November). The 3 new Gelbvieh bulls have been offloaded and are healthy and well. All cows have been classified according to type, to be introduced to either Gelbvieh or Brahman bulls for the next breeding season. The new bought cows have delivered 62 calves of 74 cows. Charcoal production is running smooth, and fields where wood has been taken out look much cleaner. Two more truckloads of coal have been sold. All water pens to the side of the main corridor have been cleaned completely.

**At the time of writing La Neruana has received another 20mm in November, entering next months reporting.*

Rain

Rainfall:	<u>July 2017:</u>	<u>August 2017:</u>	<u>September 2017:</u>	<u>October 2017:</u>	<u>July '17-June '18: (continuous)</u>
Estancia La Neruana	10 mm	0 mm	0 mm	19 mm	29

Water Supply

First rains have fallen and the farm has received 19mm in October.

Even though the first rains of this season have already arrived we are still relying on the borehole to allow for the main reservoir to get filled up. The whole system has performed well through the dry season.

Cattle

We are very pleased to have bought 52 male weaners and 80 female weaners this month that have already been delivered to the farm. It was not easy to get a good deal in purchasing cattle, but we got them for a very good price of USD 1.57 / life kilo females and 1.67 / life kilo males. In the meantime slaughter prices have reached a new record to USD 3.35 / slaughtered kilo.

The 3 new Gelbvieh bulls have been offloaded and are all healthy and well. All cows have been classified according to genetic type, to be introduced to either Gelbvieh or Brahman bulls for the next breeding season to ensure maximum growth. Calving season of our own cows (the lot that got bought with the farm) will start mid November, or any day now. Of the lot of 74 pregnant cows that have been bought most recently, 62 have delivered calves.

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Classification of cows according to genetic type



New bought weaners (in November)

Charcoal

The fields where wood has been taken out look much cleaner now that the rest of brush have been removed. Charcoal production is running smooth and continues ramp-up with two further trucks having left the farm last month.



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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



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Following the standardized monthly farm report...

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Loma Plata, October 2017		BG/31/10/17			
MONTHLY REPORT					
					Month: October 2017
Rainfall:	<u>July 2017:</u>	<u>August 2017:</u>	<u>September 2017:</u>	<u>October 2017:</u>	<u>July '17-June '18: (continuous)</u>
Estancia La Neruana	10 mm	0 mm	0 mm	19 mm	29 mm
Monthly steer price of FrigoChorti on the: 24th of October 2017					
<i>Current month (final day): exchange rate 5.6000</i>					Past month: 5,566
Price: Grs. 17,800 / US\$ 3.18					Price: Grs. 16.400 / US\$ 2.94
Observations:					
<p>* Cattle: We have purchased 3 young Gelbvieh Bulls We have purchased 132 new weaners entering November accounting</p>					
Financing:	OPEX (Expense):		US\$ 8576.22		
	CAPEX:		US\$ 0.00		
	Sold Livestock (income)		US\$ 0.00		
	Saldo-Coop. Account		US\$ 233.25		
CATTLE	Previous month total		263 head		

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	Bought	3 head
	Died/ recalculated	0 head
	Consumed	0 head
	Sold	0 head
	Born	24 head
	Died (calves)	3 head
	New total	287 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		
CAPEX:		
None		
Documents:		
* <u>ANDE (electricity):</u>		
No further information has been received from ANDE concerning registration of end-user – in process		
* <u>SENACSA (meat board):</u>		
58 calves have been registered as well as the three young Gelbvieh bulls from Mr. Herbert Janz SENACSA conducted a foot and mouth disease investigation; as a result our file at SENACSA was blocked from October 6 to October 25 2017		
* <u>Tractor:</u>		
The tractor title is awaiting a signature from the previous owner to finish transfer of title		

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**Farm:****Workers info:**

- Workers have cleaned the last cattle pens in the main alley and removed a tree off of the perimeter fence
- The workers check the cattle daily or as frequently as possible to ensure health of young calves
- The workers check the water pipe lines, tanque australiano (water reservoir) and the water troughs 2 times daily
- The workers rotate and count the cattle weekly

Mechanics and Machinery:

The generator has been tested in routine check and is functioning well
The tractor and other machinery are in good working order

Water System information:

The new float has been brought back to be modified to suit the trough
The water system functions well
The float at the water trough in pasture 2E has been replaced with a spare from the farm as it broke due to corrosion

Cattle report:

The bull calves have been castrated and vaccinated with an antiparacite vaccine.
The new bulls have been vaccinated with antiparacite vaccine and have received the SFL brand.
The pasture looks excellent with strong 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**

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3. **Good**
4. **Average**
5. **Weak**
6. **Unacceptable**
7. **Not usable due to resowing**

Other/ Diverse:*** Charcoal production:**

The charcoal production is going good; there have been two semi truckloads of charcoal that have left La Neruana for the market

A fifteen-meter area has been cleared between the furnaces and the pasture to ensure fire safety
Heinz Penner (charcoal contractor) has received authorization to extract permits for charcoal production

Pastures are already looking cleaner where brush rests have been collected for charcoal production

Report on Projects:

None

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Foreseen Activities for the Near Future

- Charcoal Production to continue ramp-up
- Most of our attention will focus on calving season starting mid-November
- As the rain season is intensifying we will start using the main reservoir, the most difficult months (with little to no rain) are now behind us and grass re-growth (and with that condition of cattle) will improve significantly



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

Lennart Stahr

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