

2 September 2010

Dear Shareholder

**NZ Farming Systems (NZN) recommends acceptance of
Olam offer in respect of at least part of shares held**

As advised earlier this week, your Board has engaged with both Olam and the potential new investor in an effort to reach a conclusion in the best interests of all shareholders.

Having regard to recent events, particularly the increase in Olam's offer price from 55 cents to 70 cents per share, the withdrawal of Union Agriculture Group's proposed takeover offer, and assurances given by Olam in respect of capital raising and farming operations, your Board (*) now recommends that shareholders accept the Olam offer in respect of at least part of their shareholding by the closing date of 24 September 2010 (unless extended), in order to ensure that Olam secures the minimum 50.1% required. In our previous communications to shareholders, Directors advised shareholders that events may change, and this changed recommendation is made in light of the significant increase in the price of Olam's offer and the following factors:

Olam will be a strong and committed cornerstone shareholder for NZS, and has the financial capacity and resources to support the growth of NZS through to completion of the farm development program;

Shareholders have received the Independent Adviser's Report prepared by Grant Samuel to evaluate the Olam offer. The valuation range in that Report is 64.9 cents to 79.2 cents per NZS share, and Olam's revised offer of 70 cents per share lies comfortably within that range.

Based on discussions with Olam your Directors are now satisfied that Olam can provide the funding certainty required in supporting the capital needs of NZS in a manner that is fair and equitable to continuing shareholders, and accordingly your Directors have discontinued their initiatives in respect of a new investor. Olam has also assured your Directors that it is committed to the existing strategy of intensive pastoral-based dairying and will keep an open mind on the potential returns from NZS' farms in the East of Uruguay.

In respect of their own holdings in NZS, Directors would note that the circumstances of each Director are different and not uniform. Accordingly, some Directors may elect to sell some or all of their shares into Olam's offer, and other Directors may elect to retain all their shares.

Regards

A handwritten signature in black ink, appearing to read 'John Parker', with a stylized flourish at the end.

John Parker

(*) Keith Smith, who is also a director of PGG Wrightson Limited (whose related company PGG Wrightson Investments Limited has entered into a pre-bid agreement with Olam), abstained from voting on this recommendation, as from the previous recommendation in regard to the offer.