Client newsletter August 2018

The trend is your friend

Wairere



This Taste Pure Nature New Zealand logo features Wairere bred ewes on Duncan & Allanah McRae's beautiful Alphaburn Station, Wanaka.

The near future looks bright for sheep and beef farmers. The lamb schedule has never been this high in the autumn and winter. Global demand for red meat is growing, despite all the fears about Chicken Free Chicken and other vegetable "meats". The expanding appetite of China is the main driver of increased prices. It is only several decades ago that seventy million Chinese starved to death. Contrast their appreciation of food with the rich world lobbyists against farming, who have never had a day hungry in their lives. In our rich world bubble, with cheap oil making our lives so easy, we eat better than kings did a hundred years ago, and take food for granted.

It is hard to imagine that fifteen percent of the population of Finland died in 1885 from starvation. There had been a particularly cold spring/summer, and crops failed. At the end of the most recent Ice Age, just 14,000 years ago, the average temperature in New Zealand was 7 degrees. Today it is 12 degrees. Given the option, would Kiwis vote for global cooling, or warming?

The power of a brand

Beef and Lamb is soon to launch the **Taste Pure Nature New Zealand origin meat brand**, which will showcase New Zealand sheep and beef as the antithesis of industrial farming. Most of our consumers know a little about our country, but know nothing about how our food is produced. New Zealand farms "look organic", and our normal farming landscapes are "simply profound!" Our coastal scenery, our mountains, our lakes, our rivers, provide the perfect backdrop to our story. There will be a Farm Assurance Program mandatory for product under this original brand, but one big question: how to guarantee eating quality? However, all the meat exporting companies have signed on. Australia's Meat and Livestock Association, which imposes a bigger levy on producers than Beef and Lamb and gets a matching dollar subsidy from government, is investing \$62 million per year in the meat supply chain, and winning the awareness race with True Blue Aussie Beef and Lamb.

The chief architect of Taste Pure Nature New Zealand, Nick Beeby of Beef and Lamb, spoke at the AgInnovation conference in Palmerston North in early May. He described market development for beef as a "challenge", but said that "lamb has strong potential for demand and value growth."

Farming under attack

Two highlights around the environment have happened this year: Auckland beach goers have had to swim in their own sewage, and the "Wall of wood" has been a log jam in East Coast rivers rather than a wave of prosperity for the New Zealand economy. At last, there is recognition that it is not just farmers who have an effect on the environment.

Despite these events, it seems that our local media are engaged in a concerted campaign to persuade Kiwis to go vegetarian. It is disturbing to read full page spreads such as "New Zealanders eat only 0.9kg of lamb per year." (the correct



Some of 1,800 ram hoggets in a mob at Wairere, June 2018.

estimate is 5.4kg, plus 0.9Kg mutton); and to read opinion such as "let's plant most of our hill country in native trees, so we can enjoy the bird song."

These people have no idea that their standard of living is so dependent on agriculture. It is very easy to pick on one percent of the population and condemn farmers for ruining the environment. And very easy for the Productivity Commission to declare that there should be 1.3 to 2.8 million hectares of new tree planted area. Where's the vision to take New Zealand beyond a short term solution to the Paris Accord?

We have a problem: most people in this country have never been hungry for even one day in their lives. Food security is not on their radar. Only five percent of New Zealand soils are suited to intensive vegetable production, and some of that land is now under threat from housing. In the year to April 2018, 98,000 people came into New Zealand as permanent residents, the most ever in one year. We have to build houses and infrastructure for these extra people, using the increased export income from agriculture. When is our urban population going to become more productive? The "sustainability" of a political party depends on economic growth, while paying lip service to the environment. And the "sustainability" of lobby groups is dependent on creating a cause that people can fund and fight for. It's a power game.

In reality, all that most citizens do to appease their conscience about the environment is putting their rubbish in recycling bins. It's a pity that the Chinese have just decided that they don't want the 110 million tonnes of plastic that New Zealand has been shipping there. And air travel is not included in the Paris Accord. "Don't spoil our fun". Energy security is the other issue which doesn't cross people's minds when they can fill up at a gas station 24/7. But New Zealand's 78 percent self sufficiency is about to decline. How are we going to pay for the increasing percentage of imported energy? The new government pulled out the rug from under the oil and gas industry re new exploration, without consultation. Ballance had plans to build a billion dollar urea plant, but immediately shelved that proposal. Worse still, it may be that we will import urea and other fertilisers from countries with no carbon tax, and undermine local industry.



Wairere rams with Type 1 blood ARR/ARR, resistant to Scrapie, about to fly to Wairere UK in August.

A group of eleven recently returned Nuffield scholars were asked if there is anywhere in the world that farmers are appreciated? "Yes, two places: where there has been recent economic collapse (eg. Ireland), and where there has been recent famine". Let's hope that Kiwis don't have to lose their obesity to appreciate food producers. Rather than a licence to farm, there should be a licence to eat!



Dion and Ali Kilmister, winners of the 2018 Wairarapa Farm Business of the Year.

From 350 to 28,000 stock units in thirteen years!

Dion and Maria Kilmister shifted from the King Country to the Wairarapa in 2005. They took up a lease of a 3,000 stock unit farm, starting with a \$30,000 loan and 70 steers. Dion worked for another farmer for four days per week for the next two years. They shore their own sheep, and Maria reared 400 calves per year for three years. Meantime the farm next door was up for sale, and the lessor bought it. Then he bought part of another adjoining property, to make a 10,000 stock unit block. He was also prepared to apply capital fertiliser. That gave Dion and Maria good scale. But then tragedy struck. Their fifteen year old son Jayden died in a freak accident. And shortly afterwards Maria died of cancer.

Dion battled on. In 2012 he bought a run down, more remote farm in a high rainfall area, which provided a safety net for the drought prone, home lease block. The following year he met Ali, who became Dion's greatest supporter, and later his wife. Ali had no experience of farming, but brought a strong skill base in administration and marketing.

Dion started buying Wairere Tufguy (Texel/Romney) in 2006, and the progeny have been the base for their expansion. In recent times they have bred some of the Tufguy flock to Charolais. The half Charolais progeny are the ewe lambs which are supplied to meet the growing demand for their Homegrown Farm Fresh Meats and Grassfed Girls brands. Check out https:/www. homegrownfarmfreshmeats.co.nz/ or https:/www. facebook.com/Homegrownfarmfresh/

In 2013 the opportunity arose to purchase the home lease block, which Dion managed with the help of a friend, whom he later bought out. Further expansion happened three years later, when the Greater Wellington Regional Council Belmont Farm Park came up for lease. In 2018 a dairy farm was purchased in the Pahiatua area, and decommissioned in favour of running bull beef. Yes, three farms purchased in a six year period! And a lift from 3,000 to 28,000 stock units, and equity growth of 43% per year.

Dion likes to finish all his lambs, and is prepared to sacrifice lambing percentage to do that. But this year, consolidating after rapid growth in sheep numbers to 13,000 ewes, the Wairere Tufguy flocks have scanned 170-176% on the three breeding properties.

A significant innovation has been the development of a management contract with the three main farms.

Expenditure is calculated for the operating expenses of each farm, and that sum is available to the manager. It is then up to him to spend less on machinery maintenance, or do handpiece work or fencing himself, etc. This approach spares Dion and Ali from having to worry about the little details, such as vet bills for dogs, or broken combs while dagging. And it gives each manager freedom to run his own business, and generate a bigger income.

With six farming operations spread over several hundred kilometres, Cloud Farmer is used by the farm managers to keep Dion and Ali well informed.

Congratulations Dion and Ali, on your outstanding achievements to date!

Wairere has supplied rams to 22 out of 28 breeding farm winners of the Wairarapa Farm Business of the Year.



Simon Buckley with AgResearch scientist Dave Leathwick, with full belly crutched ewe hoggets at Wairere, June 2018.

Triple drench resistance

This is rearing its head around the country, the tip of an iceberg right now, but bound to accelerate fast. The South Island is on a slower path to drench resistance, because of colder temperatures. When air temperature drops below an average of 10 degrees, the development of parasite eggs on the pasture slows down and then stops.

Wairere found triple drench resistance in April this year. We called in AgResearch guru Dave Leathwick as a consultant on the best way forwards. Here is his advice, based on decades of research around internal parasites.

- 1. For rams going off Wairere, ensure a quarantine drench with Startect or Zolvix Plus. "As you haven't used these drenches before, and as clients' purchase of rams is around 0.2 percent of their overall sheep numbers, there should be virtually zero chance of passing on Triple drench resistance".
- 2. Wairere has been doing a lot of things right....not drenching mixed age ewes since 2005, and drenching a quarter or all two tooths (all lambed as ewe hoggets) just four times in thirteen years. That should provide adequate refugia, with no need to leave some lambs undrenched (always difficult where individual sheep are recorded, and compared for growth rate and thrift). But it's important that the ewes and younger stock graze the same pastures throughout the year (in rotation).
- 3. Wairere had been doing some things wrong:
- Importing 3,500 sheep per year: some of the two tooth rams for sale, ram lambs for sale in the autumn, sire rams after mating off-farm, and some leased ram lambs. They had been quarantine drenched with Triple.



One of two mobs of ewes on a daily break at Tom Costello's property, North Canterbury (see article page 6).

- Running a very high ratio of lambs/hoggets through both the summer and winter, coupled with a cattle to sheep ratio under twenty percent.
- Not using an "exit" drench. This is a confusing term, inferring that a different drench family is used in early winter, at the end of the season's drenching program. The correct term is "knockout" drench, best delivered as the third or fourth drench (March), to knock out a growing population of resistant worms in lambs before there is a big population on the pasture. Dave has modelled this practice, and shown a significant benefit in reducing selection for resistant worms.
- 4. How will Wairere change its management?
- a) Cull savagely at weaning, so that fewer lambs are carried through the summer/autumn/winter. Reduce to 4,500 lambs on our 1070 hectares of hill country.
- b) Wean hoggets always before Christmas. Mating was earlier this year, starting 24th April. This year will be a test of how the hoggets will thrive with no drench, given past practice of an Extender capsule before lambing.
- c) Mate fewer ewe hoggets, say 2,300 rather than 2,600-2,950. Over mating has enabled us to keep up to 2,100 in lamb, but the big number of ewe and ram lambs competing for feed has meant lower mating weights. We may have to relax a little on the compulsory pregnancy, opting instead for keeping only those which are harness marked by rams, and some of those may pregnancy

test dry, if we are to keep our numbers up for selection purposes.

- c) Increase ewe numbers to make up for fewer lambs through the summer. In wet winters like this one, and last, more adult sheep appeal rather than more cattle, especially as the ewes offer a source of refugia....the more refugia the better. Dave thinks that there has been and will be sufficient refugia from ewes, without leaving some lambs undrenched.
- d) Quarantine drench ALL sheep going off Wairere, with Startect or Zolvix Plus. Any quarantine drench on stock leaving the property will not affect parasite resistance to that drench at Wairere.
- e) Our previous attempts at trying to minimise drenching of young stock by spacing out the drench interval to more than 28 days is creating a conflict, because that promotes the buildup of worm eggs and larvae on the pasture. Dave is not a fan of taking FEC samples to determine when to drench lambs. "Stay with the 28 day drench interval to slow down the buildup of parasite eggs and larvae on pasture."
- f) Do a FECRT (faecal egg count reduction test) in February for the next two years to monitor drench resistance status. If we do things right it may be possible to go back to some use of Triples in the future. Regardless, we need to know what is happening.

g) The Carla saliva test costs \$10, and it would be worth

testing all high ranking ram lambs in the autumn. This tests for a lamb's natural resistance to internal parasites. The earlier that they build resistance, the better.

- 5. Dave made a number of other interesting observations:
- Breeding for resilience is counter productive when taken to extremes, because reducing drenching without a lower FEC allows a bigger and bigger infestation of parasites on the pasture. It would be better to select for highly productive resistant rams, but they are rare, and the whole breeding process would take decades.
- It may be better for both feed and management to bring weaning forwards rather than drenching before weaning. For a September lambing, weaning in early December is a good compromise.
- FEC samples don't actually reveal much information. Samples need to be cultured to reveal which worm species are causing harm. Some worm species cause harm and some not so much, you need to know what's there.
- When doing a FEC reduction test, test single actives rather than combinations. However, both Startect and Zolvix Plus are combinations of a new active with Abamectin (and Matrix has Abamectin too). Too much Abamectin is toxic, whereas Zolvix by itself can be used at thirty times the dose and not kill animals.
- Stay away from Moxidectin and Bionic capsules. Moxidectin has a tail which encourages resistance (i.e. resistant larvae can establish and susceptible ones can't). Bionic capsules force worms which are resistant to both actives to mate with other similar worms, encouraging multiple resistance. Bionics are not 'combinations' in the way that we talk about using combos to slow the development of resistance. They are the opposite and encourage multiple resistance. If you must use a capsule, use Extender.
- Don't have a specialist lamb grazing block, if you want to defer resistance well into the future.
- Capsule use disadvantages treated ewes (and hoggets) because the immune system becomes degraded, and a proportion of the advantage of a higher weaning weight is lost before the next mating.
- The actives used in drenches can often be purchased cheaply, but quality can be poor. Not all drenches are equal even if what is on the label appears identical.
- There is no significant difference between Startect and Zolvix Plus for quarantine purposes.
- There are many other reasons for lower performance, including feed quality, and deficiencies in trace elements like copper, cobalt, or selenium.

A Scottish visitor

Comments by James Logan, a Scottish farmer who lambs 2,800 ewes, and has used Wairere rams for four years.

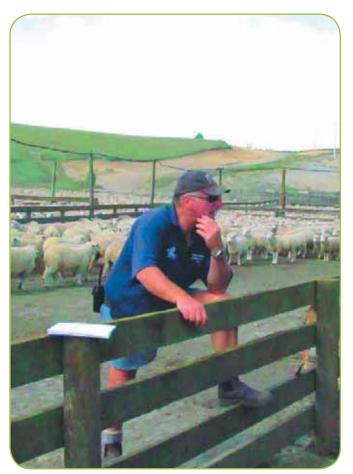
"I was delighted to see our genetics working so well on their home turf at Wairere. I was very impressed with the volume and width of your sheep which I see as a must, both for "doability" and marketability. It was good to hear that your ewes are scanning and rearing such high numbers. On our travels we often heard negative comments about the fecundity of the Romney breed, which hasn't been backed up by our own experience. (Wairere scanned 178% this year, 181 in 2017, triplets not counted.) Our lowest lamb mortality is now amongst our Romney cross ewes where in 2017 we lost under 5% from those scanned with twins and even lower amongst the singles. The heavy birth weights that I mentioned, twins at 6 – 6.5 kg, I think can definitely be attributed in part to the Romney genetics but also to the Texel influence in the base ewe flock. These heavy birth weights are noticeably easier born from the ewes with a Romney influence.

Several things impressed me during our trip. On the sheep side I'd say that the genetics were the most impressive, with very large numbers of ewes being able to be "herded" by one man, generally without too much of a drop off in animal welfare. There must be further lessons to be learned from this here in the UK.

The investment in handling facilities was generally also on another level to the norm over here, and again allowed great efficiencies in labour.

Allied to that, the investment in lime and fertiliser seemed much more consistent than here, where the emphasis seems to be on nitrogen applications.

Most of all the flexible and opportunistic nature of the best farmers we met was the biggest lesson that I've brought home. Every business has its own constraints and challenges and the way these were met head on and manipulated to give the best rather than the easiest outcome was quite refreshing".



Mel Bolton at Erewhon, near Taihape. (See article over the page)

Mel Bolton, Erewhon Station, Taihape.

Take 17,500 Wairere Romney ewes at 150 percent and 5,000 hoggets at 73 percent, convert those percentages into works lambs at over 17kg, and you have a very profitable business. Or convert them into surplus ewe lambs sold for breeding, and you have happy purchasers. Mel runs Erewhon with four shepherds and two fencer/generals, wintering 3,500 cattle and finishing 500 - 700 steers in total. "We get great weights and yields with the cattle." At an average altitude of 700 – 1,000m, Erewhon has a South Island type climate. But there is a significant area of easy country for feed crops. And the lambs were finished on a mix of new grass, feed crops and Italian. Mel: "I'm very pleased with the way things are going. The two tooths lambed mid 140s last spring. Wairere is working really well for us."



Jeremy and Geoff with their big weaners, Victoria Australia.

All gone at weaning.

Geoff Meyer/Jeremy King, Victoria, Australia

Achieving a high percentage of lambs POM is a target for both Australian and New Zealand farmers, but achieving 98 percent of calves POM at ten to eleven months old is most unusual. At Garvie Downs, a 660 hectare farm at Bessiebelle, the 120 cows are mated to Limousin bulls for a late February drop. The calves were all slaughtered around Christmas 2017 at ten months old, averaging 278Kg, with two mismothered calves left behind.

Garvie Downs has been running 2,600 Border/Merino ewes, purchased at Naracoorte in November. The move to Wairere rams and a self-replacing flock has been prompted by several issues: the annual outlay of around \$150,000 for replacement ewe lambs, and the importing of feet and animal health problems. "The new closed flock policy with the Wairere cross will require less drenching, have better mothering ability, and have largely black feet", says Jeremy, "judging by feedback from long term Wairere clients".

Tom and Anne Costello, North Canterbury.

Wairere is fortunate to belong to the largest farm discussion group in NZ, courtesy of hundreds of clients throughout the land. In May this year, Pierre Syben organised a small group of Wairere Australian clients to visit some of our standout ram buyers in North Canterbury and Wairarapa.

Tom's financial figures topped a group of farmers brought together several years ago by the Red Meat Profit Partnership. Tom farms 3,000 Romney ewes, 700 hoggets and 200 Friesian bulls on 580 hectares near Hawarden. He puts his success down to having the right strain of sub clover (Leura) on his driest soils, and shelter belts at 140m intervals on that dry country to reduce the effects of wind and extend the spring by three weeks. In 1994 Tom visited a number of research stations in Victoria, NSW, and Western Australia. He brought back a variety of strains of sub clover to trial. His curiosity and willingness to experiment continues to this day. Last spring he direct drilled fodder beet for the first time, at a total cost of \$1,000 per hectare, and grew a magnificent 20-25 tonne crop.

Lambing has been 152-163 percent for twelve of the past thirteen years, with a dip to 137 in the first year of three consecutive droughts, and when the clover root weevil was at its worst. Tom targets 3,000 lambs to draft POM, usually at 17.5kg, before Christmas, with ewe lambs weaned early. The ewe hoggets lamb at 60-80 percent. Bulls go off at two years old, at 350-380kg, and enjoy most of the grazing available from 35 hectares irrigation out of 580 total.



Tom Costello with his fodder beet crop, direct drilled for a total cost of \$1,000 per ha.

Parting thoughts

Where's the future of New Zealand headed when we can't find enough New Zealanders to work in our key export industries? Agriculture is New Zealand's "centre of excellence". We need to promote grass fed lamb and beef as health food, much healthier than chickens that eat antibiotics in their food every day, or the GM crop ingredients in some artificial "meats". The nation's health is deteriorating as people eat more and more manufactured food. Eating pure New Zealand beef and lamb is the best way forwards for a healthier New Zealand!

It looks as though 2018-19 is going to be a peak year for sheep farming returns.

Here's wishing you excellent lamb survival and a great year ahead.

and the Wairere team

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