



Client Newsletter  
September 2013

# Wairere

# Opportunity

**Australian lamb production has big potential,  
New Zealand's production is shrinking**



*Two tooth and four tooth Romney ewes at Wairere, mid March 2013. Two tooth scanned 174% (without triplets) after lambing as hoggets. Droughts in New Zealand are not as severe but Wairere has had spells as low as 148mm in six months.*

## Supply/demand rules.

2012-13 was a tough season for lamb producers on both sides of the Tasman. The combination of drought and low prices made it a year for survival rather than profit. But the scene has changed rapidly. A combination of lower lamb supply (five to six million down on last year out of Australia/New Zealand/UK) and a sharply reduced exchange rate, will underpin a much stronger lamb price in 2013-14.



*Two tooth and four tooth Romney ewes at Wairere, mid March 2013. Two tooth scanned 174% after lambing as hoggets. 174 percent (without triplets) Carcase weight is a function of length times depth (not height) times width.*

## Where is the upside?

Compared to New Zealand land is cheap. Across the Tasman, land prices continue to be pumped up by dairy conversions, or land use change to dairy support. At a forecast milksolids price of over \$A7/kg for this financial year, sheep farming cannot compete. Farmers selling out to dairy at land prices of up to \$A6,000/acre are paying \$A 500 – 1,200 per dse for hill country. Hill country is more difficult to farm, and more expensive to run – think aerial fertiliser application, fencing, “spray and pray” feed cropping, mustering, etc. The net result is that the New Zealand sheep industry, which competes with Australian exports, continues to decline.

In summary, Australian lamb producers have advantages of:

- Cheap land. The tax driven competition from forestry has disappeared.
- A strong domestic market. New Zealanders consume only 5% of lamb produced. And 68% of meat in supermarkets is sold on special in New Zealand compared to 22% in Australia.
- Reducing competition in international markets.
- Readily available supplementary feed, often cheap.
- Flat land.

**Ewan Price mobile (417 527 589)**

- Substantial scope for intensification, given an average lambing of 85% and average growth rate of 200g/day.
- A warm climate, which offers annual weather windows of fast lamb growth on the right pasture.

### Room to move.

From an Australian industry perspective there are more farms going backwards than forwards. Degraded pastures are the biggest problem. Costs have increased faster in prime lamb production than in wool or beef systems. One opinion is that the prime lamb industry lacks the structure which has been developed around beef: breeder/backgrounder/feedlot.

One course of action is the traditional Australian approach of lowest cost – do the minimum possible on maximum acreage. The other end of the spectrum is intensification.

### An on-farm feedlot?



*Tony Fleetwood at his lamb feedlot.*

at 35kg. The growth rate increases as the lambs get bigger, to 500-600g/day. Lambs are drafted at 48-52kg for a 23kg carcase average. An American designed feed mixer which holds 6.5t cost \$120,000, but is the key to a system which is easy to run. It takes half an hour to mix a load, enough for a day's feeding of 4,000 lambs, but only ten minutes, twice each day, to feed out.

The feed mix – lucerne hay, lupin, barley and syrup (by-product of ethanol), cost \$280t this year, but has been as low as \$180t. The average lamb eats 1.5kg/day, and the average 60 days on the feedlot cost \$25 per lamb last financial year. The system netted an extra \$50 per lamb last season.

There are other advantages:

- The feedlot insulates Tony against a depressed store market.
- Tony's regular supply of lambs through the season creates a premium with the supermarket buyer.
- The September lambing allows a much higher stocking rate, 12 ewes/hectare rather than 8.
- A large number of lambs are removed from pasture,

which reduces the internal parasite cycle.

Tony's comment: "I'm pushing it too hard with stocking rate, given a poor spring and autumn. A reduction of 10-20% would reduce stress and increase profits. There is also scope to increase numbers on the feedlot and enable replacement ewe lambs to be grown out better in a drought year".

### Growing more and better quality feed.

Higher rainfall areas allow a system of pasture renewal accompanied by brassicas and other short term feed options. One operation that Ewan Price and I visited in early July was turning over almost a quarter of the farm each year, and using both summer and winter crops to allow a stocking rate of over ten ewes and hoggets, plus trading cattle per hectare. The summer crops allowed September lambing, with lambs finished even through the 2013 drought, and the background of good fertiliser input and quality pasture helped ewes scan well for the 2013 lambing. The system requires silage feeding through the summer to the autumn break.

But the high output of kilograms of lamb per hectare, plus the resilience of the system to extreme seasons, demonstrates that there is scope for profitable intensification across Australia's prime lamb belt.

### The right sheep on the right feed.

Ram breeder Tom, Bull, near Holbrook in southern New South Wales, has evolved a system around winter lambing on a pasture mix of Phalaris and sub clover. Phalaris has proved persistent for over twenty years, and lamb growth rates of 300 – 400 grams/day are being achieved from high percentages: 153 from ewes this year, and 110 from hoggets. The warmer climate and sub clover dominance in Australia allow lamb growth rates which are achievable in only small areas of New Zealand.

Mixed age ewes are lambed in June, two toothers in July, hoggets in August. Weaning starts in October. And most surplus lambs are sold at top trade weights by early December.



*Ewan Price and Tom Bull at Holbrook, early July 2013.*

The original White Suffolk base has been extensively overlaid by New Zealand composite genetics.

Tom describes his ideal ewe as deep-bodied with short legs and good fat cover – “a silage wagon on her back”. This ties in with Australian supermarket demand for 22kg lambs at fat score 4 to guarantee intramuscular fat, which in turn guarantees good eating quality two days after slaughter. These physical characteristics make maternal sired lambs just as suitable for supermarkets as terminal sired.

Tom’s success has come together with improving soil fertility, with P levels improved from 8 to 35. Subdivision has also been important, with six hectare paddocks allowing a mob of 2,000 ewes to control Phalaris dominant pastures. Cows are bought in each year to help control pasture also. The hot summer is covered with barley feeding, which also concentrates sheep in mobs, easier to handle if bush fires threaten. The intensification of the system allows a stocking rate of 4,000 ewes and 100 cows on 1,800 acres, in a 24 inch rainfall.

## The ideal sheep?

The Border Merino has been the easy option for prime lamb farmers. The system has three advantages:

- Simplicity, with replacements bred and reared off farm.
- The opportunity to mate all ewes to terminal sires, maximising hybrid vigour.
- Woolskin value is at the upper end.

But the system has significant disadvantages:

- There is no control over the genetics.
- The price of Border Merino replacements can get scary.
- The Border Merino is too big and inefficient relative to output
- The cross is also rated as soft in constitution and prone to foot problems.

Over the last twenty years there has been an adoption of New Zealand genetics, starting with the Coopworth. That trend is fast gathering momentum with the import of New Zealand composite and Romney genetics.

## Prediction: The prime lamb system will steadily move towards self-replacing flocks dominated by New Zealand maternal genetics.

### What is the best genetic combination for you?

That decision should be determined by the state of development of your property (soil fertility, pasture quality) and your flock. “Horses for courses” .

- Coopworths are a productive breed (half Border Leicester, half Romney, interbred), suited to good, fertile land and good management. The breed is declining faster than the drop in sheep numbers, because of the purchase of better quality land for dairy cows.
- Perendales (half Romney interbred) have been imported, but in my opinion they are a one shot charge, at max. Perendales are too small to suit the desired carcass weight in Australia, and tend to have a lower scanning percentage. Wairere and several other major ram breeders have trialed Perendales crosses, but been disappointed in both growth rate and scanning percentage of the resultant crosses.
- Composites have a place on well developed farms with good feeding management. The first outcross to the right composite can give you a significant lift in productivity. Most New Zealand composites use the high lambing potential of Finn and/or East Friesian genetics and the carcass and constitution of the Texel on a Romney base. In New Zealand the majority of farmers who used composite rams have reverted to using the mainstay Romney breed to restore constitution, uniformity and longevity.
- Romneys have been the dominant dual purpose breed in New Zealand for over a hundred years. The Wairere Romney, performance recorded in commercial conditions on second class hill country since 1967, has the constitution sound feet, and productivity to complement the Border Merino or Merino, or form part of a new stabilised Australian prime lamb composite.

### Client Success Stories:

**Rob and Jean Forrester**, north Canterbury, have recently been announced winners of the New Zealand Ewe Hogget Competition – the first ever winners with composite sheep. A tailing percentage of 133 out of the ewe hoggets impressed the judges. That added to 160 percent out of the ewes.

Rob and Jean focus on getting seventy percent of lambs away before Christmas from an August lambing for ewes,



*Rob and Jean Forrester*

and September for ewe hoggets. Average lamb carcass weight was 17.4kg in 2012-13. “High lamb growth rate compresses the lamb finishing work to spring/early summer. That gives us a break in February – early March, which is much appreciated”.

“Being involved with the New Zealand Ewe Hogget Competition has been a great learning and benchmarking exercise. That, and changing to Wairere composite rams ten years ago, has really improved our business and lifestyle”.

Rob and Jean took advantage of the inflated ewe prices in January 2012 to sell down five hundred ewes, and make a capital contribution to building a new house. They replaced the ewes with extra ewe hoggets, which lambed at 133%, not too far below what those ewes would have done. And strong earning capacity has allowed purchase of extra land this year too.



*Rob and Jean Forresters' winning ewe hoggets*

## Wairere Smartsheep, a new development

Recent brand developments in New Zealand have seen significant premiums (\$A9-10.50/kg) paid for 21-25 micron contracted to Smartwool, and around \$A6/kg for three years contracted supply of Merino or Half Merino lamb

contracted to Silere. These premiums have encouraged the Wairere Merino breeding program in 2013 involving 300 performance recorded Wairere Romney ewes mated to superfine Nine Mile Merino rams (scanned 193%, over half being two tooth, and mated at a ratio of 1:100 to two tooth Merino rams); and 300 Nine Mile annual draft ewes mated to top Wairere rams (scanned 163%).

Lambing starts 12th October.

The program is tapping into Gordon Lucas and Jayne Rive's decade long program to put more fat, muscle and grunt into the superfine Nine Mile Merino stud. That translates into better lambing percentages and faster growing lambs. Nine Mile's 5,200 ewes lambed (mid October to early November) 117% from the mixed age and 107% from two tooth in 2012; 530 of the male lambs were finished at an average weight of 19.1kg by the first week of May. Those lambs clipped 2.6kg of 16 micron wool. More of the cryptorchid lambs could have been killed pre winter, but the option was taken to winter for the higher schedule prices in the spring, plus a bigger clip of superfine wool. An additional 400 were retained as ram lambs for potential sale as two tooth rams.

Wairere Merino is also making use of Merino New Zealand's resources, including Mark Ferguson's intimate knowledge of Merino breeding programs in Australia.

The Wairere Merino flock will be grown rapidly to 2,000 plus Halfbred ewes, providing fully performance recorded Smartsheep rams for commercial farmers.

## It's all about feeding

The most important lesson which Wayne Dodsun learned from dairy farming is to feed stock well. Now a "retired" sheep farmer near Heywood, Wayne's emphasis on feeding has enabled him to weather the drought without a big reduction in lambing percentage. The mixed aged ewes on the home block, which is a lot drier, lambed at 150%, down 20% on last year. The ewes on his other block which has an annual rainfall of over 900ml, and which is relatively green all year round, lambed at 175%.



*Wayne Dodson's Wairere Romney/Border Merino ewe hoggets with lambs.*

Wayne's ewe lambs are joined on the green block, then taken back home for lambing, where they lambed at 120%, but should do another 10%. Last year they lambed at 150%.

Wayne feeds his ewes on the home block silage in the dry. And pellets are feed to the ewe lambs to get them to a good joining weight.

*Here's looking forward to a much better season than last year  
Ewan and Derek*

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