

January 2009



Client Newsletter

Make hay while the sun shines.

The lamb schedule has held up in January, a rare event, despite large areas of New Zealand being pinched by early summer dry. The store lamb price has responded in kind, and actually increased with significant rains in some regions. Works ewes are selling well (50% above last season), and breeding stock is meeting strong demand.

The huge drop in milk solids price has assisted in a realignment of the New Zealand exchange rate to a level which is more workable for sheep farmers.

There are worse sectors than food production to be in during a global depression.

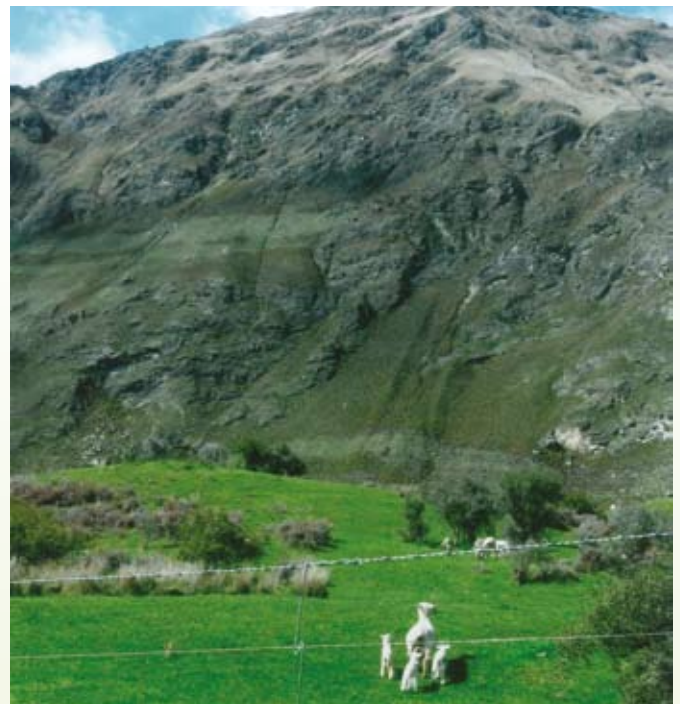
High performance or cost crunching?

How much scope is there for cost crunching? New Zealand farmers do not enjoy the scale of West Australian farms, where large areas of crop and large numbers of sheep are run by one man. But there is still scope to make sheep farming simpler. Wool creates work.

Where to with wool?

Wool prices are just about at their lowest real price ever. Would it be better to have a "shedder" type sheep – no dagging, no crutching, no shearing, no dipping, no capital tied up in a woolshed? Sheep without wool would be easier to run parttime or with large numbers per fulltime stockman. However, the genetic base of Wiltshires and Dorpers is small. Breeding three generations towards one or other of these breeds, or a combination, would take more than ten years, and leave only one-eighth of Romney, the big genepool, in the mix. The big genepool has had all the hard work done on fertility, constitution and growth rate.

It would be preferable to reinstate the value of wool and pelts/woolskins. One option we will be breeding towards



Don and Duncan McRae's Alphaburn station, Wanaka.

is an easycare Texel cross, with less belly wool, and staple length suitable for shearing once per year. This type will be fairly bare around the backside, and require minimal dagging.

Jeremy Moon of Icebreaker spoke to our Wairarapa Romney Improvement Group in early January. He believes that a much better marketing job can be done with NZ crossbred wool. But it will take time to develop a brand. Icebreaker is very particular about the specifications of the wool it uses. Key experts from other businesses, e.g. Nike, were consulted, in order to get the approach to consumers right. Promotion is focused on getting influential people to do the job, e.g. tour guides at ski resorts. Word of mouth

It's not too late... for those who haven't booked ram sires

(Selling from 16 February 2009 onwards)

Name _____

I would like to book _____ Wairere _____ at \$ _____

Romney

Multiplier (3/8 Texel 3/8 Rom 1/8 EF 1/8 Finn)

Earlylamb (1/4 Poll Dorset 1/4 EF 1/2 Rom)

Muscle (1/2 Texel 1/4 EF 1/4 Rom)

Prices • \$1,000 • \$700 • \$500

Ram lambs should tup one hundred ewes each.

TefRom (1/4 Texel 1/4 EF 1/2 Rom)

FuTuRo (1/4 Finn 1/4 Texel 1/2 Rom)

Dominator (blackface terminal composite)

Midimicron (1/2 Dohne 1/2 Rom)

is the best way to sell, and the strategy of having many product champions wearing Icebreaker has steadily increased sales.

Crossbred wool farmers will soon be faced with the decision of staying with the current system of selling wool, or backing Wool Partners. "If it ain't broke, why fix it?" **But it is broke.** The negative attitude at the Council of Wool Exporters is not a constructive approach to the future of our product.

What are our biggest competitors doing? Australia

Australian lamb exports tend to be the price – setter outside the EU, with New Zealand being the follower. The Australian domestic market has taken around 55% of production over recent years. Australian lamb exports are forecast to decline by 7% in 2008/9 (and officials are usually behind in predicting changes), the first decline since 2002 -03. Overall sheep numbers are expected to decline again, by 4%.

Merino numbers are dwindling, and the value of the national wool clip has declined from \$A6bn to \$A2bn. Many Merino farmers are mating a high proportion of ewes to terminal sires, and not breeding sufficient replacements to maintain status quo.

Better rainfall and cheaper grain will encourage farmers to stay with sheep this season, especially with the shine off cash cropping, the effect of recent droughts on beef production, and sharply lower returns for dairying.

The New Zealand Lamb Company, which sells in USA and Canada, is the largest importer and supplier of Australian lamb into North America. There must be scope for further market strategy along these lines.

Talking to large scale rambreeder Tom Bull of New South Wales, he thinks that Australia is in irreversible flock decline. Commercial farmers are starting to move to a self-replacing composite, as Border/Merino numbers dwindle. He is breeding for "heavy bone, heavy muscle, tight skin", with White Suffolk making up 40-50% of the mix, the remainder being a balance of Texel, East Friesian and Finn. Australian lambs average 20.5kg carcass weight and North American exports at 24 -26kg receive a premium. "The pressures on sheep in Australia are different to New Zealand, it doesn't get really cold here. Australian farmers need a culture change to reduce stocking rate, and achieve better performance – both number of lambs and growth rate. There is a following for 'shedder sheep', but the value of wool and woolskins need to be acknowledged. Woolskins have averaged \$12 per lamb over recent years, so \$18 per ewe at 150%, and \$10 for wool per year, so \$28 total per ewe."

"Dorper crosses need shearing for three generations anyway, and the wool has no value. Dorper offspring can't handle green grass, because of feet problems. The ewes won't get up and milk, so the lambs starve."

"Lamb price at New Year was \$A4.50/kg plus skin value of \$6, so very good for the time of year".

Ireland and the U.K.

In Ireland, there has been a big move away from early lambing. So big that industry forecasts point to a drop of 1.5m head before mid – season lambs come on stream. This should extend the window for New Zealand lamb at premium prices, as sheepfarmers in the U.K. also abandon high cost early production and favour timing which suits seasonal grass growth.

One prediction has U.K. lamb prices at £100/head by March.

Did you know

from a conference "Horizons in Livestock Sciences", in Christchurch, October 2008.

- 75% of the world's food is grown under irrigation.
- Without nitrogen fertiliser we would feed only 3 billion of the world's current 6.7 billion population.
- In 2006, UK citizens spent only 9% of disposable income on food.
- There are the same number (1.6 million) of middle income households in New Zealand as in China.
- The GDP of Eastern Europe is equal to that of China, yet we don't hear much about it as a potential market.
- Brazil fuels 50% of its vehicle fleet from 1% of its arable land, via sugar cane ethanol.
- In 2001, the trillion dollar U.S.A. food industry was divided , 400 billion to restaurants, 500 billion to manufacture/distribution/retail, 70 billion to food supplements, and **just 45 billion** to farmers for the raw materials.

The rambreeder's dilemma.

Commercial farmers often say that they would like to buy rams from a high performance flock which is easy care, with the lambs requiring very minimal or no drenching. But they also like to see a well grown ram to buy. This clash between the ideal and reality is exacerbated in difficult conditions.

In 2008, our policy of mobstocking rams with minimal drenching ran into trouble by March. There was no quality feed on our hill country to allow recovery from parasites, until late May. As a result two tooth rams were lighter than normal in November 2008. The year was a good sort out for constitution, but smaller rams can mean that a potential new client goes elsewhere, where the sheep are bigger because they have been better fed, and drenched more often.



Pete Smith and daughter Jess with Dominator ewe hoggets and lambs

The application of 32kg N per hectare in late April grew just enough grass for Wairere to get back to normal stock numbers by June 30th, with 10,200 sheep and 420 cattle on 1070 effective hectares.

The 5350 Romney ewes weaned 135%, and the 2473 ewe hoggets mated (those not in lamb were culled), weaned 63%, despite the drought. It was pleasing to have the two tooth

scan 163% after most of them had weaned lambs into the drought. However, some ewes struggled in the spring, with the nil drench policy. Worm counts on lambs were up to 750 by 10th November, so we made the decision to drench lambs before weaning, which hasn't been done for fifteen years. The alternative was stunted lambs at weaning, facing a dry summer with no alternative to hill country feed. As it was, significant potential growth had already been lost.

- Different environments can be more favourable to young sheep – low stocking rate, sale of lambs early each season, high cattle ratio, more southern latitudes, crops, new pasture, etc.
- Would farmers run sheep if there was no effective anthelmintic?
- How much punishment should the rambreeder inflict on himself in the hope that parasite resistance is a worthwhile goal?

We would appreciate feedback on this issue.

Dominators dominating.

We have had pleasing reports from a number of Dominator clients about their lamb drafts this season.

- Pete and Prue Smith, near Martinborough, are running the Wairere Dominator flock. The ewe hoggets were weaned 14th January, at average age of 112 days. A top line of ram lambs at 39kg were selected for Wairere. The cull ram lambs and ewe lambs killed at 17.42kg, and 56.04% on the Viscan meat to bone ratio for leg/loin/shoulder.
- Jan Clucas, in a very dry area, Ashburton, had 1650 lambs away out of 2,000 before the end of November, a best ever result. The average carcase weight was 18kg, from a 145% lambing.
- Jim Varty, Wairarapa. “We put Dominators over Romney ewe hoggets. At a hundred days average age we drafted 55% of the lambs at an average carcase weight of 16kg”.

Over the past five years we have built flock numbers, invested over \$30,000 in blackface sires, and experimented with the optimum breed mix. We have trended towards ½ Suffolk, ¼ Texel, 1/8 Romney, 1/8 East Friesian. We have culled pale faced ewes and rams. A source flock of 1200 ewes is giving ample scope for genetic variation and selection.

A strong hand of ram lambs this year (culled down to 500 now) will ensure top rams in February and November.

Client Success Stories.

Don and Duncan McRae, Wanaka . “The drought was tough here last summer, and we compounded it by holding on to lambs too long. So we were delighted to scan 160% from our 5,000 Romney ewes. Tailing was 140%, so excellent survival. Since changing from Merinos in 1999, (by buying in Wairere Romney ewe lambs) lambing has consistently been around 140 to 146, and carcase weight of 17kg average.

Fifteen years ago, Alphaburn was running 10,000 su and producing 3,500 Merino lambs, compared to 7,000 Romney lambs now. A major development program to beat bracken fern has increased carrying capacity to 14,000 su. “We run 1400 deer and 1,000 cattle as part of the mix. We still have a few Merino wethers grazing to 5,500 feet above sea level; the Romneys graze up to 4,500 feet. 2009 is turning into a great season; some 19kg lambs last week (mid January) made \$99.50, well ahead of \$56 for the first draft last year”



Duncan McRae with ewes on the drop, mid October 2008



Steven Bamford with ewe hoggets, October 2008

Steven and Rhonda Bamford, Balclutha Steven and Rhonda won the Clutha farmer of the year in 2004. “We put Texel rams over the Romney and Coopworth ewes which accumulated as the operation was expanded. The flock was then stabilised with Texel/Romney rams, but we became a little concerned about fertility, though our range is in a tight band 148 – 153%. That’s why we decided to change to Wairere TefRom, injecting more fertility, growth rate, and milking ability. Our target is to consistently do 150 – 160%, and do it easily without heavy flushing of ewes.

This year we weaned in the second week of January, and killed 2900 lambs from our 6,000 ewes at an average of 18.5kg. One draft was very close to a \$100 killsheet. We were pleased to tail 149%, after last year’s drought and a ten percent lower scanning. We kept our 500 tripling ewes separate, and bought 200 more scanned tripling ewes as well. The lambing is usually 200 – 220%, so not great, but a lower stocking rate allows these lambs to grow nearly as fast as the twins.



Jock and Sue Stratton, January 2009

Jock and Sue Stratton, Taihape. “We have been targeting 150% plus, (and reached 149), but the drought last year reduced lambing to 137%. We restocked to normal numbers through the winter and early spring, with yearling cattle. Lambing was put back a week from 20th September to the end of the month, but we found that feed quality was not as good in late spring. The two toothed went to Dominator rams, with 50% going prime by 24th January, and the balance selling on a strong store market in Feilding. We averaged \$75 across the lot.

The flock was Wairere Romney, then ¼ East Friesian, followed by Earlylamb; last year I selected the very best performance and muscle across several composite types. It really shows up in the lambs, that extra muscle.

The climate seems to be changing to a Hawkes Bay type, hot and dry; winter crops need to be in by November, rather than December.

The early dry forced us to wean before Christmas, although the lambs were only 10 to 11 weeks old.

But nearly 40% of the 4,500 sale lambs are now gone. Next year we will go two weeks earlier with lambing.”

Matthew and Paula Von Dadleszen Hawkes Bay. “We farm in partnership with my parents, Ponty and Jane. Ponty had a Romney/Coopworth crisscross in the 1990’s, but then bred to Finn Texel rams. Following that we have used Wairere FuTuRo and Kelso rams. The drought in 2006-07, 232mm from December to May, was tough, because this area is normally summer safe, and we have a big summer feed demand with 25% cattle, 25% deer, and finishing all our lambs, including hogget lambs. The drought knocked the percentage to 121, and a poor spring depressed slaughter weights to 15 – 16kg. Another dry autumn dropped lambing outside the normal 140 to 150%, for the second year in a row. But, from a 132% September 2008 lambing, 47% of sale lambs have been drafted as at 22nd January, at an average of \$80. We’re pretty happy with that result, from 61kg ewes, and 59kg two toothed. We like the interbred Finn/Texel/Romney. The faults are disappearing – I pulled six ewes out for poor feet this summer. They are clean around the backside, and seem to be getting cleaner every year, so dagging is not much of an issue.

We normally mate all 1,000 ewe hoggets, and average around 800 lambs. When you have sheep which deliver a lot of lambs, the secret is to have a system to cater for that – feed crops here normally allow all lambs to be finished”.



Matthew Von Dadleszen

Wairere brand gets premiums.

It is pleasing to hear of Wairere stock topping sales around the country. Sometimes the Wairere name is misused – we have encountered situations where stock advertised as Wairere had no Wairere blood, or part Wairere in some of the stock. It takes some years to move from half Wairere to three quarters to seven eighths. If you are buying, and want to check credentials, telephone one of the Wairere team.

Congratulations to:

- Roger McMillan, who topped the two tooth fair in Dannevirke at \$132 for the entire line of 960.
- Blue Mills, of White Rock Station, Wairarapa, who topped the 5 year ewe fair in Masterton at \$87.50

Thank you for your support, and best of luck for a great season ahead.

Warm Regards

and the
Wairere Team

Next Year

To reduce our costs, we would prefer to simplify our ram options, from next season to:

1. Wairere Romney – allrounder, with the big genetic base for rapid progress.
2. Wairere Tufguy – Texel/Romney. Suited to lower input environments, and maximising carcass yield.
3. Wairere Multiplier – 3/8 Texel, 3/8 Romney, 1/8 EF, 1/8 Finn.

The composite for all seasons. One possibility is to combine the best of our TefRom and FuTuRo ewes in this program also.

4. Wairere Dominator – composite terminal sire mix (approximately half blackface, ¼ Texel, ¼ other), bred from a large flock for better ram constitution, better lamb survival at birth, and superior growth rate.

We look forward to discussing future needs with composite clients in February, and will be guided by your feedback.

We think that we have the right rams to suit your environment but if you want something different, contact us for your personal customised blend.

Contact Details:

Lynette/Office:

Phone: (06) 372 5757

Fax: (06) 372 5755

Email: derek@wairererams.co.nz

0800 Wairere (0800 924 7373)

Andrew: Phone: (06) 377 0660

Mobile: 021 222 5100

Derek: Phone: (06) 377 2077

Mobile: 021 751 163