



# Client Newsletter

## The \$100 lamb

We have enjoyed a major turnaround from last financial year. This season there are farmers averaging better than \$100 for all their lambs. The national lamb drop is down by 23%, but the average carcass weight will end up around 19kg or more, which will beat the previous record by at least 1.5kg.

What will the lamb price be over the next twelve months? Scarcity will still be a factor; the Economic Service predicts only a small increase (850,000) in lamb numbers. But our exchange rate is strengthening. In the medium term though, I foresee a shortage of red meat (not including pigmeat). Beef production is relatively static worldwide, and sheepmeat production is declining, against an expanding world population. In April, U.K. farmers were being paid \$NZ130 to \$160 to kill cull ewes and up to \$200 for big ewes (90kg liveweight)! A lot of NZ mutton goes to the EU under quota.

I also predict a strong demand for breeding stock from next season on. There has been a rundown on ewe numbers, with a lot of ewe hoggets killed last winter. More ewes have been mated to terminal sires for short term cash. All it will take is a good spring/summer, after three poor seasons in many areas, to boost the demand for quality ewe lambs and ewes.

### Drought recovery.

We were delighted to congratulate clients Royden and Kate Cooper on winning the Wairarapa Farm Business of the Year. Royden took dramatic action in last year's drought, making a decision to sell all remaining lambs store in March, but still averaged \$50 for lambs in 2007/8, from 143%. Stocking rate



Royden and Kate Cooper



*Tony Anderson's Wharekauri station, Chatham Islands. The 2007/08 drought was a big blow for sheepfarming properties throughout New Zealand. But an even bigger blow for farmers on the Chatham Islands, where shipping costs to the mainland are so high. Apart from cost, the inadequate shipping service makes the unloading of surplus stock difficult. Lambing at Wharekauri can range from 140 to 90% depending on correct stocking rate/overstocking.*

at balance date was reduced from a normal 10.6 per hectare to 7.4. Most beef trading cattle were sold, but some dairy cow grazers were taken on for part of the winter. In the early spring Royden bought back into trading beef animals, but had one stock unit per hectare less through lambing.

The lower stocking rate allowed ewes to put on condition through lactation and wean 137%, and allowed room for hogget lambing. This season works lambs will average 18.7kg and \$98. The EFS has bounced from \$129/ha to \$466/ha, and the business is back on track.

Royden said, "I like all my stock to be in good condition, including grazing dairy heifers and cows, and bought in stock. Ewes with good condition score have less problem handling parasites. Getting young animals off to a good start is a big plus."

Royden and Kate sold out of a small dairy herd in 2003, and went all sheep and beef. Over a few years they bought land adjacent or nearby; most of their 657 hectares is medium to steep hill country, and the recently purchased hills have pretty ordinary pasture. They used Wairere Muscle (1/2

Texel, ¼ EF, ¼ Romney) over the Romney/Coopworth flock as a terminal sire initially, but so liked the progeny that they decided to keep ewe lambs as replacements.

*Flexibility has been the key to other top farmers handling drought conditions. A drought will always cost revenue, but it is important to try to restrict the cost to one season.*

## Those pesky parasites.

Last week Greg Mirams of FecPak addressed our annual Wairere conference. There were several points he mentioned which do not seem to be common knowledge:

- The growth rate of lambs is heavily influenced by the number of internal parasite larvae passing over the tongue - regardless of the drenching regime. So the infestation of larvae across your pasture will determine growth rate potential.
- A proportion of veterinarians used to peddle the idealistic line that ewes should never be drenched. However, climatic stress events like recent droughts and the Canterbury snow of 2006 showed up the damage to productivity if ewes carry heavy burdens. Ewes in poor condition drop off lambs at birth, milk poorly, and their lambs have a low dressing out yield.
- A quarantine drench (triple combination) can be given 2 to 3 days before the sheep arrive on your property. They can be drenched and put back on the vendor's pasture, and the triple combination will continue to kill larvae and eggs in the gut, ensuring a complete cleanout.
- Three weekly drenching doesn't work to prevent reinfestation. It does prevent egg-laying but 95% of larvae, which cause a problem by reinfesting lambs, are on the ground.
- Novartis has brought out a new drench family, brand name Zolvix. This is a very timely addition to the toolbox. Having recently visited a large scale organic farm (one drench allowed for lambs) and seen that sheep need to be at 30% or less of total stock units, it is obvious that we are still dependent on an affective anthelmintic.
- A fancy new DNA test regime has been devised for sheep farmers, called Wormstar. Rams can be DNA tested and given two stars, one star, or none. Even the two star rams have an egg count only 7-12% less than the average ram in the flock. *This reduction is not big enough to confer any significant gain in resistance.*

## Low input sheep.

Sheep which shed their wool have had extensive publicity recently. There are two breeds favoured: Wiltshire and Dorper. Dorpers have major problems with feet. Wiltshires have some good attributes but are bred from a small population base. To breed your flock to a stage where there is nil handpiece work will take three or four crosses to get 87% or 93% of the new breed(s). Your flock will become almost entirely dependent on the breeding worth of the new breed(s). My suggestion is to consider a Texel/East Friesian/Romney cross. These sheep require minimal handpiece work, but still produce a fleece with a net profit. In fact, the high bulk of the wool should command extra value, and woolskins will also have added value.

## Commission rates.

We tend to think of the U.K. as behind us in all aspects of sheepfarming. But they have their act together in saleyards.

By keeping costs low (one auctioneer, one clerk) sheep are sold at a commission rate between 1.5% and 2%.

We have also been slow to take up the opportunity of trading by the Internet. Given digital cameras, email description of breeding, truck weighing, and right of refusal (perhaps a rejection rate) there is no reason why a noticeboard trading system should not become popular. Some big traders turn trucks around and send lambs back if not up to description.

## Grading Gripes.

For many years South Island processing companies have produced lamb killsheets with a complex breakdown of grades and price per kilo. Meantime, most North Island processors, supplying the same markets, have a much simpler grading system, and no difference in price per kilo at the same weight for Y and P grades. In fact, T grade lambs tend to cut out better than lean Y grade carcasses, and produce similar net value. Is it all a plot to reduce payment to suppliers?

Saleable yield, differentiated by Viascan into leg, loin and shoulder at Alliance plants, is gathering momentum. Other processors will likely follow suit. What are we doing at Wairere to enhance saleable yield? Apart from eye muscle scanning thousands of ram lambs each year, we do gather information on our own lambs and client's lambs. Our lamb drafts are all culls rather than the top end. Saleable yield this year ranged from 53.5% to 57.8%.

We have clients like Marty Deans at Lonestar's Barewood, an hour from Dunedin. Marty is achieving a seasonal average of 56 to 57% with Wairere Texel/Romney lambs.

Bruce Lowery, near Milton in South Otago, was achieving Viascan yield of 54% with a Perendale/Wairere Romney cross, and grading of 78-80%. Last season the lambs out of his two-tooth ewes by Wairere Texel/Romneys Viascan yielded 55.3% and around 90% in optimum grades.



Bruce Lowery with Wairere Tufguy ram lambs

## Success Stories from Satisfied Clients.

### MRDC Monitor Farm, South Otago.

Jonathon Bennett was keen to compare Wairere Romney with the Inverdale.

In the drought year of 2008 the Inverdales conceived very well (195%) but weaned only 144%, (74% survival) and the ewes were still not in satisfactory condition by mid-summer.



*Jonathan and Julie Bennett with daughter Emma*

The Waireres scanned 175%, but weaned 146% (83% survival) and the ewes bounced back to be in good condition by February. Jonathan: “To be fair, the Wairere ewes were fed better in the 2008 autumn and carried that condition score through the winter. One trap with Inverdales is that you don’t feed them well enough in the autumn, and then their condition score is too low in the late winter and spring”

### **John Thompson, South Otago.**

“Six years ago I started managing this 520 ha effective block near Clinton, for Lindsay and Jill Divers. After three years, Lindsay approached me about forming a 50:50 company with them to own the stock and plant, and lease the land. It is great to get that opportunity after managing properties for many years.



*John Thompson*

I run it by myself, but get gangs in for the big jobs. I like to focus on doing the stock well. It was very pleasing to lamb 150% with the 3800 Romney ewes in 2007. When I started six years ago, lambing was at the 125% level.

The drought season resulted in an average carcase weight of 16.5kg, a kilo below normal. But the ewes held on well, and tailed 140% this year. With a much better season, 4060 lambs have averaged 17.7 kg and \$93.73. All of the lambs have gone through the Alliance pool, with 60% in the “quality contract”. Over the past few years we have developed gullies and steep faces out of gorse. Although the carrying capacity is low, because of rocky ground, it is better than nothing. Ewe hoggets are off farm from May to January, returning at 60kg average. The farm also winters 60 cows and 30 weaners to finish”.

### **Murray Gemmell, King Country.**

“This year I’ve fattened 12,000 lambs. The best growth rate was 500 grams per day, with 760 Wairere Dominator sired lambs from White Rock Station, for the month after arrival, then killed. ; second best growth rate was 440g per day,(100g per day above the average for bought in lambs), Romney lambs from Wairere (arrived at 31.6kg, “hard”. Sold some three weeks later at \$107)– these lambs had been part of a mob of 2200, and tested by minimal drenching and dry hill country conditions. Condition was poor on arrival, but they transformed in the space of four weeks”.



*The three Musketeers:Trevor Peters, Derek Daniell and Murray Gemmell Wairere South, Wairere, Wairere King.*

### **Tough Times need Tough Sheep.**

The past three years have been a major challenge, both climatically and financially. It has been very difficult to fully feed animals. One comment which I hear frequently is: “I can’t believe how these Wairere sheep bounce back after a hard time”. We continually put pressure on stock at Wairere-high stocking rate, large mobs (especially of lambs and hoggets), winter wet (mud and wet cold rather than dry cold – harder on the animals), summer dry, minimal drenching. Sometimes we wonder why we run this “hardarse” system, but in years like this our clients reap the benefit.

### **Survival Tips**

- All fertiliser budgets are under strain. If your farm has good P levels (Olsen P above 15), you will not grow much extra pasture with phosphate fertiliser (at a P level of 15 you will get 94% of optimum pasture growth, at 20, 97%). But sulphur is still important, because most of the available sulphur is used up each year. So an extra kilo of P will grow an extra kilo of dry matter for 25-100c, N fertiliser will grow an extra kilo for 12c to 30c, and sulphur will grow an extra kilo for 1c to 3c. Lime plus elemental sulphur (must be finely ground) may be the most cost effective fertiliser this year. Lime can be used (if needed on your soil type) to improve base saturation level, pH, reduce high aluminium and iron levels, and provide calcium for fast-growing young animals.
- Many sheep breeding farms lose money by finishing lambs after weaning. Feed is a precious resource in difficult seasons and periods of low fertiliser inputs.

- Many farmers in New Zealand tend to underfeed their animals. In dairying one of the biggest areas of loss is inadequate growing out of heifers; the industry has a shocking barren rate, as a result. In sheep farming ewe lamb replacements are often sacrificed in order to grow sale lambs to higher weights. There is not that much extra feed (quantity/quality) required to grow a 50kg ewe hogget by 1st May compared to 40kg, and the gain in hogget lambing potential and lifetime productivity far outweighs that extra cost.
- Nitrogen is still the cheapest form of supplementary feed, and it doesn't need to be fed out with machinery seven days per week.
- In life you have to give out to get back. We need to keep that in mind in two areas: **1)** The Meat and Wool referendum. The quantity and quality of our spend on research will directly impact on our financial wellbeing in the future. I urge a vote for more dollars on R and D. On the other hand I think that only a small proportion of the proposed spend on market development is justified. **2)** The wool pipeline. There are moves to develop longterm supply lines to several key end-users. This may involve waiting a few months for payment. But once we are into that cycle, the income flow will return to normal, and at a premium over the open market.

## Facial Eczema – what is Wairere doing about it?

We used to think of F.E. as a one in ten year occurrence, except for Waikato and north. However, the second hit in two years has convinced us to take action.

This year we leased six top rams from Edward Dinger, the rams which he used in his own breeding program in 2009. Edward farms in the Waikato where the challenge can get as high as 1.2 million spores. He has tested for 26 years, and currently doses at .6 sporidesmin. One year a few of his ram hoggets accidentally got a double dose, but they pulled through.

Edward has a Coopworth flock with an infusion of East Friesian, Texel and Finn dating back to the 1990s.


His sires dominate the national Coopworth sire reference scheme (85 breeders), with twelve out of the top thirty four 1994 – 2008, including the three ranked at the top.

Our decision to go for hybrid vigour was because the impact of breeding for one main attribute can reduce progress in other desired traits, like growth rate. We have mated over 900 Wairere ewes to the Dinger rams. The ewe lamb progeny will be shifted to an F.E. environment.

*We will have ram lambs from the first drop available in February 2010. The ewes with lambs at foot will be available for inspection in November.*

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

Warm Regards



and the  
Wairere Team

Over the years we have twice tested small groups of Wairere rams with sporidesmin. Most were okay at a test of .18. So we are starting with a base level of some resilience.

Murray Gemmell, Wairere King, who farms north of Taumarunui, has a second farm at Awakino. A nearby property there lost 1800 ewes out of 8,000, another had cattle die with F.E. Murray lost 28 ewes out of 1400 at Awakino and 2000 at Ohura. Murray believes that fertiliser regime, genetics, grazing management of pastures (keep them short with minimal seedhead) and overall management all play a part in reducing the impact of F.E.

## Wairere sheep too small?

It is always difficult to distinguish between the effect of environment on mature body size and the effect of genetics. We sometimes get visitors to Wairere who comment that the rams are not as big as some others around. True, but we know that Wairere rams in a good environment can grow big – a client near Aria in the King Country returned 11 mixed age rams at 122kg average, because he was selling his farm. We have never grown a ram that heavy at Wairere, and mixed age rams here would average 95kg. We have purchased 120kg rams; within a year at Wairere they thin down to 100kg.

### Another Example:

It is common observation that Friesian dairy cows shifted from the Waikato to Southland, gain 90kg in their first year. But mature size is not what profitable sheep farming is about. It is about rapid growth rate to killable weight. And the old target weight of 17kg is now at the lighter end of the range desired for optimum farm profitability.

## Conclusion.

It looks like a better season for skiers than farmers right now. But the recent drop in fertiliser prices makes the DAP mixes more economic. And maybe there is some grazing available, with more dairy cockies keeping their stock at home.

I hope the winter goes well. I will be in touch in August.



Wairere rams at White Rock station, near the southern most tip of the North Island, Cape Palliser. There are fences two-thirds of the way up the 1000m high Haurangi range behind. The older generation worked hard before helicopters arrived on the scene.

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