

# Recipe to fatten 'lean and mean' farmers

JON MORGAN

Last updated 05:00 24/11/2011

[0](#)



JON MORGAN/Fairfax NZ

**NEW IDEAS:** Farm consultant Chris Garland, left, shares a joke at Highcliffs with William Beetham, Ed Beetham, and fellow Baker and Associates consultant Sully Alsop.

## Relevant offers

### Farming

The Wainuioru hall has only about 80 people in it, but it is so small it seems packed. Almost all are farmers. It has been raining, and the odours of damp wool, sheep poo and wet dog mingle. Cluttering up the doorway is an assortment of mud-encrusted gumboots.

Wairarapa sheep and beef farming consultant Chris Garland is at the front of the room, staring intently at the powerpoint presentation on his laptop with pursed lips. Then he straightens and the conversational hubbub dies away.

"We've been through a bloody awful time." He says it in a matter-of-fact way; all there know what he means. Wairarapa has been at the epicentre of a series of devastating droughts. "It's been four years of survival, just keeping above the breadline, sometimes wondering how to make it through the week.

What's good is that it has honed our thinking, big time. We're lean and mean, we're looking to make profits."

He has their full attention. Lamb prices are at all-time highs, but this is mainly because of supply shortages due to the droughts. Many farmers are frustrated that their stock numbers have been too low to take full advantage.

The droughts have focused farmers' minds on being efficient producers. As Mr Garland says, they're lean and mean.

Now has come the Red Meat Sector Strategy, a report on the state of the industry by business consultant Deloitte at the behest of Beef + Lamb NZ and the Meat Industry Association. Prominent among its recommendations is to urge farmers to look for ways to lift their performance.

That is why they have come to the Wainuioru hall. Headlined Red Meat Sector Strategy: What can it do for you?, the day is part of the Beef + Lamb NZ Wairarapa Farming for Profit Programme.

The morning has been spent looking around Highcliffs, owned by the Beetham family for 155 years and now managed by the fifth generation, William and Emily Beetham. At first glance, the 800-hectare farm is a useful mix of hills and flats, but Mr Beetham explains that the flats are in a cold valley and the farm's heavy clay soils are inundated with rain in winter.

He took over the farm four years ago, at the height of the droughts. "I farmed with no grass and swore I would never do that again."

After research and visits to other farms, he began to trial different forages, such as lucerne, chicory and new ryegrass species. But it is the herb plantain that appears to best suit the Wainuioru environment.

High growth rates for lambs of 340 grams a day before weaning and 250g a day post-weaning are now being achieved. "The animals are healthier and happier," he says. Plantain doesn't have the endophyte fungal problems of some ryegrass, and has beneficial tannins. It is persistent in dry and harsh conditions and is easy to manage, with unwanted grasses able to be sprayed out, and it reseeds, lasting for four to five years if well managed. He is also adding clover, grass and hay into the animals' feeding system to add variety to their diet.

Mr Garland, of Baker and Associates, tells the farmers he wants to show them how Highcliffs can do even better and how the same lessons can be applied to their farms.

"You're probably doing two-thirds of it already but the remaining third may not be staring you in the face."

By applying "best practice" management, the average hill country breeding farm has the potential to add \$132 a hectare to its profit, an extra \$80,000 for a 600ha farm. "You could do a lot with that," he tells them. "It gets you into the fun zone."

It starts with measurement of stock performance. Electronic identification tags mean individual animals can be studied, a first for sheep breeders. Weight gains on different forages, management and genetics can also be measured and fed into Farm IQ, a system funded by the Government, Silver Fern Farms, Landcorp and others, where it is available for other farmers to make use of.

Soil and land mapping breaks the farm down into soil types and allows refinement of stock policies to best fit a farm's strengths and weaknesses. Mr Garland gives the example of Wairarapa farmer of the year George Tatham, who used the map of his farm to make changes that brought him a 10 per cent lift in production.

Condition scoring, an assessment of the fat cover on crucial parts of an animal's body, is also useful. Mr Beetham is using this to determine feeding programmes.

Farmax feed budgeting software shows farmers likely pasture levels in weeks to come, allowing them to avoid feed pinches. CRS financial software shows at a glance the variance between budgeted and actual income and expenditure.

As an example, Mr Beetham's use of these tools has earned him an extra \$21,000 from improving the performance of his hoggets, and an extra \$7800 from lamb weight gain. Moving to stock policy, Mr Garland gives a fictional example, though similar to Highcliffs, of how to adjust sheep and cattle numbers to make better use of grass growth. More ewes, fewer cows and more trading cattle, handy as a buffer against drought, leads to more lambs and a \$135/ha lift in profit.

He moves on to pastures and forages next, looking at Mr Beetham's use of lucerne, chicory and plantain. "It would be nice to lift the annual dry matter production over the whole farm by 250 kilograms per hectare, which is not an over-ambitious target. If that is converted to liveweight, there's about \$32,000 of value. That's all do-able."

Looking at animal health costs, Highcliffs has saved \$7500 from reduced drenching because improved feeding has the animals in better condition. Another saving has been from changed fertiliser use, adding more superphosphate and lime to lift the farm's fertility and improve soil structure.

Opportunities for further gains from improved sheep genetics are huge, Mr Garland says. He gives a plug for Beef + Lamb's Sheep Improvement website, which helps breeders select the right rams for their needs, and talks about the potential of ID technology to trace back sires and ewes that produce the best weight-gaining lambs and other attributes.

Through this, Mr Beetham is targeting 100 per cent lambing in hoggets (currently 80 per cent), and adding 2kg to lambs' weaning weights will bring an extra \$32,000.

MARKETING is also discussed. Mr Beetham supplies meat company Alliance, which pays a premium to farmers who meet its yield grading requirements, and he stands to earn at least an extra \$12,000 from this.

Even having a sound business plan can bring a reward, the farmers are told. It shows credible financial management and positive cash flow which could be worth 50 basis points on a bank customer margin, a \$10,000 saving on a \$2 million debt.

Mr Garland takes them through a case study showing how on a farm similar to Highcliffs, stock policy changes would lead to feed conversion efficiency, allowing a better match between feed demand and supply.

Putting on more sheep and reducing cattle numbers to get better ewe and lamb feeding in spring would lift ewe lambing 10 per cent and hogget lambing 28 per cent. The upshot is a lift in the economic farm surplus from \$447 a hectare to \$582, well above the region's average.

"These are quite achievable numbers. You do it by bringing in subtle changes around stock policy and by making sure you're underpinning the feeding of key classes of stock at the peak time of the year using feed budgeting, genetic tools and the models we've talked about."

The meeting takes a break. Other speakers will talk about the new season's beef and lamb markets (lamb prices to ease to around \$6.70 a kg at season peak) and the economic outlook (Asian growth slowing, commodity prices coming off highs).

Mr Beetham tells me he is enthused by the prospect of lifting the farm's performance. "We're just starting to implement our business plan, but already we're getting big gains from it, with a huge upside. Our immediate goal, which we're just about at, is around 250kg of product a hectare.

"For a Wairarapa hill country property, that's pretty good, but I believe we can be up around 300kg. In the future, we could be generating economic farm surpluses of around \$600-\$700 a hectare, possibly even more.

"It's about getting excited about what you can do, putting plans in place and striving for it."

He expects tough years to return at some stage. "For us as a business, we want to create something that will be sustainable long term. Providing you can maintain your production, protect your land and your animals, you don't have to get too concerned about the downturn years.

"You've got a plan, you know things are going to come right."

Outside, the sun has come out. Gumboots are back on and cigarette smoke spills out of a knot of weathered men.

"There's plenty to take in," says a grizzled veteran. "Once I've digested it, I'm hoping there will be something I can use."

"I like what I've heard today," says a Swann-dried younger man. "I've got high debt, and I'm looking for anything that will take me to a new level."

"I think it's on us all to look for ways to be more efficient. Otherwise, the good land will go to dairying, the hills will go to forestry and the sheep farmer will disappear."