



farming people

HRL news

Hazlett Rural Limited

Tidying up our health & safety act

Along with farming people, HRL is under the pump now when it comes to safety.



Leigh Tobeck

As we foreshadowed in our autumn newsletter, new strict legislation is on the way, with the new Health and Safety at Work Act to replace the Health and Safety in Employment Act 1992 and the Machinery Act 1950. The Bill introduces the new concept of a PCBU — a Person Conducting a Business or Undertaking, with PCBUs having the primary duty to ensure health and safety under the new law.

Company directors and those at governance level within an organisation will have greater accountability under the new Act with the schedule of penalties for non-compliance going as high as \$3m and up to five years imprisonment. We know a number of farmers who are also directors of companies, such as saleyards operations, who are only too well aware of what's coming and are acting accordingly on their own farms as well.

That law doesn't come into force until April next year but, meanwhile, Worksafe New Zealand has intensified its policing of the existing legislation and is

supporting the current drive to reduce accidents on farms that killed 120 people between 2008 and 2014.

It's not just farms however that are under the pump. Inside HRL, we too have had to sharpen up our safety performance.

This renewed emphasis on health and safety is no passing fad; it's here to stay and we have to act on it. That has meant a complete reworking of our former procedures and, for all of us, developing an entirely different mindset to the whole subject. We found that a genuine culture shift has been required so that we're always thinking about safety. Compliance is one thing but our real intent is to change the culture and attitude of our people.

To that end we have been working for most of this year with Rangiora-based Heath & Safety Systems Ltd which has 13 years experience of advising on such matters. Principal Leigh Tobeck has helped us upgrade our entire safety systems and produced a range of documentation aimed at focusing the

minds of all staff, helping us to identify and document those aspects of our daily work that are safety hazards.

Leigh led an intensive induction session earlier in the year on the rules, risks and responsibilities that we have in this area, and especially the risks that we all face on a daily basis. This was followed by a series of company-wide meetings where staff input helped to shape our implementation procedures. We now have in place a system where all incidents — near-misses as well as actual accidents — are reported, documented and examined to see how these can be prevented in the future.

A separate exercise has also been undertaken for Coalgate. We spent a lot of time with Leigh developing an operating procedure for the handling and movement of cattle in the yards. There is now an extensive documentation and sign-off process in place. The procedures in it were well enough known, understood and implemented but they had never been documented in this way. Essentially, the knowledge and experience that we have has been translated into an operating procedure, which everyone can read and follow.

We will have more to do in this area next year as well. While we know when the new legislation comes into force, what we don't know is what the regulations to be promulgated under it will contain. Leigh says this will be clearer around January after which all safety plans will have to be updated because there will be significant differences in requirements.

New HRL Director

HRL will appoint Christchurch agribusiness consultant Graham Brown to its board of directors at its October AGM.

A graduate of Lincoln College (Ag Commerce) and Canterbury University (Commerce) Graham has been a chartered accountant since 1983. He co-founded farm accountancy firm Brown Glassford and Co Ltd with Peter Glassford in 1999.

His career began in the stock and station industry as a trainee with Wrightson Dalgety in Hastings in 1978. Over the years he has accumulated vast experience in primary sector business and politics, and has served on several boards of prominent agri-sector entities.

He was chairman of the KPI and National Data Base Steering Committee set up to establish agreed common key performance indicators and a national benchmarking system for the dairy industry, now known as DairyBase.

Current directorships include Wool Industry Research Limited (of which he is independent chairman) and the Red Meat Profit Partnership.

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FROM THE GM

Volatility seems once again to be the dominating theme of our industry and indeed the world at large. Recent events in the Chinese equities markets, the continuing sanctions on Russia and now the massive humanitarian headache that Europe's got (as if it didn't already have problems) are some but not all of the factors that cumulatively seem to have the effect of slowing everything down, marketwise.

I sense we're going into a dip. Farming people are used to markets moving up and down, but lately the ups and downs have been more sudden and more brutal. I'm afraid it's set to be another one of those years of 'double the effort for half the return'.

I know it doesn't make the current environment easier to stomach but currencies have come back in the last year: the US dollar by 20 cents, the British pound by 10 cents and the Euro by 15 cents. So we've got the currencies helping the exporters, and we have to say things could always be worse — but with the current volatility mentioned above, those positions could change quickly as well.

Enough's been said about the plight of our dairying people, but at time of writing Fonterra had had a couple of improved dairy product auctions, which is good; however I don't dare speculate on the situation that will exist by the time you read this!

Beef is looking pretty good if you overlook the US tariff issue that's in the background. As far as the woollies go, Canterbury is clearly going to have a reduced lamb kill this year — scanning was down although, a mixed blessing for those in the drought-stricken districts, survival rates have been higher because of fine weather, and not many hoggets will have been mated because of the conditions.

Normally you would expect a reduced kill to trigger a supply/demand shift in favour of the producer, but the upheavals in China and Europe mean you have to accept that most of our world sheepmeat markets are under pressure. And now Britain's National Farmers Union are bleating about the amount of chilled lamb we are sending over there which they see as stronger competition with their local product. That's the market that pays the most for our lamb, so that's further pressure. It looks like the market here will open at six, which is where it opened last year, so we're facing the situation where returns will probably be no better than last year's even with the favourable currency situation.

Wool is up but pelts are way down, due to tighter environmental constraints on the major skin processors in China, currently our biggest buyer of pelts.

Elsewhere in this issue we're saluting the work of Nick Ensor in helping other farmers in Cheviot address the drought. One is always reluctant to single out individuals when others have been making damn fine contributions as well — I'm thinking of Doug Archbold of the Rural Support Trust, Dan Hodgen of Federated Farmers and the several others like Andy Fox who have been supporting Nick in his efforts. These guys and lots of others besides are showing a real lead in trying to assist their farming colleagues through this drought.

A few changes on the staff front this time. Pete Smith replaces Sam Tod who has left us to go farming. We are still working on an Ellesmere/Banks Peninsula replacement for Rowan Sandford who has returned to the North Island. We have employed a young trainee, Joe Adams, who will start with us at the end of November; he comes from the same place that most of us older blokes entered the industry from: straight out of school. And in insurance Ruth White replaces Debbie Hansen who has returned to live on her property in Rangitata.



Ed Marfell
General Manager



A NOTE FROM DH

Times are tough, just as they were for our farming forebears. I sympathise deeply with those farming people out there who feel they can't see their way clear. Farming as an enterprise and a calling is not going to disappear. What the past has taught us is that survival is success during these times — and then it comes right.

The land occupied by our farming people is going to go on producing what the world will always be looking for: high quality grains, protein and fibre, produced under the world's best husbandry and the most environmentally-respectful practices. Nothing corrects low prices like low prices; supply drops and prices head up again.

Our industry has been here before, and it has always adapted and emerged in better shape. That's what I love about this industry: it's resilient; it knows how to front up to the knocks. I'm sure what the dairy folk and the drought-stricken are going through at the moment is going to teach all us old dogs new tricks. Even if it's just putting one's pride in the back pocket and reaching out for support. There's a highly commendable network out there looking to see our farming communities through this. Someone in that group of accountants, solicitors, bankers, consultants, stock agents or others will be the right person to help you through this; work out who it is and use them.

Apart from immediate and concrete support measures such as feed supplements and grazing, this person or persons can contribute a degree of confidence to putting a plan down on paper. A realistic plan: it might not be a very attractive plan, but at least it is a plan. Getting on with the execution of the plan is always going to be more therapeutic than reflecting on the challenges and what-ifs. The plan not only helps you, it helps your banker, it helps your spouse — in fact when you are focused on a plan it helps all those around you.

And let's give thanks for the odd bright spot. The low interest rates, for example, serve to remind us that things could be a hell of a lot worse.

There is a way forward out there and we'll find it. As an old head said at a recent gathering of rural people, it is the hard times that get your business in the right shape to reap the benefits in the good times.

David Hazlett
Rural Bloke

Nick Ensor and his partner Deanna are milking cows under irrigation, but they too have been hit by the North Canterbury drought — though not so hard that they haven't had the time or energy to extend a hand to their fellow farming people.

They are milking 600 cows for the fourth season, in what has been a very successful conversion, on a 150-hectare platform in the Blythe Valley and running dry cattle and sheep on a further 380 hectares of dryland.

"We have 200 head of dry cattle away grazing, and we sold 400 twinning ewes. We made a decision early on to sell things rather than send them away grazing, but our lambing country was still not capable of having twinning ewes on it. It will be spelled until the autumn," says Nick.

As they worked their way through their own situation, Nick became concerned at the lack of co-ordination of the help being offered to the district. The couple started ringing locals in the Cheviot district, seeing how they were getting on, asking them what they were struggling



Nick Ensor

with, and seeing if they felt they needed an on-farm discussion day rather than listening to the 'consultants' down at the pub.

"What we were trying to do was just get farmers on the same page, to talk about the severity of it — not so much to tell them what they should be doing but showing them the options and just keeping them proactive.

"Everybody was starting up their own little initiatives with the donated feed but nothing was really co-ordinated that well so I just put my hand up said 'This is what I think we should be doing' and other people came on board and it grew from there. We got unit-loads of feed distributed to about a dozen farmers; they rang around their immediate neighbours, had a bit of a chat with them and offered them a few bales of

baleage," says Nick.

"The one thing that's come out of it for me is that there's some really good people out there who have been very good to work with. And talking to people who were donating feed, from as far away as Ngaruawahia and way down in Southland, they were just desperate to help. They've been very generous."

The ad-hoc distribution scheme was wound down around the end of July as the feed crisis had eased slightly and farmers were being encouraged to make the decisions needed to deal with the bigger picture. "It was only intended as a short-term measure and it probably got bigger than it was ever intended to be.

The target for North Canterbury was 500 bales but it probably got closer to 8-900."

Nick is on the North Canterbury Drought Committee, chaired by Hurunui District Mayor Winton Dalley, set up to give drought support activity a bit more structure, and to get other organisations like Beef+Lamb on board.

What a drought feels like

Richard Orr of Red Oak in the Weka Pass tried to hold onto as much of his capital stock as he could through last summer, patiently waiting for autumn rains to end the drought. But he had a lot of stock. He and Debra have bought two farms adjoining their home place in the last two years; Richard had been hitting them hard with fencing, new woolsheds, fertiliser and cattle. He was carrying 20,000 stock units on just under 3000 hectares all up.

He sold 6000 lambs in November, but kept 2000 smaller ones back on his 40-hectare irrigated block "...to catch the big money in the autumn; we spent all that money on them and got not much more for them at the height of the dry than we would have in November. We got caught out big time."

He sold 2500 ewes from the 8000-strong ewe flock before Christmas as well.

"By the time we got through to April, we realised we weren't going to get an autumn so we started unloading more. Trav sold those last 2000 lambs, and we sent the 2100 hoggets and 750 cattle away for grazing."

He is now kicking himself for not doing it sooner. He records rainfall for the Met Service and knows he'd had 270 mm in 14 months, whereas normal rainfall is 650 mm annually.

"We've spent the last eight months, since January, feeding out and we're still feeding out. We started off feeding our two pits of silage, then bought in 1500 bales of baleage, then 200 big bales of straw, and now we're onto palm kernel. I can't afford to buy any more."

"We've had those 750 cattle out grazing, and all the hoggets are still out. We haven't got enough tucker to run the 300 stud cows but they're coming home in dribs and drabs with the last of them coming home Friday; we've had to sell all the commercial cows and young stock, which have all gone to the North Island."

There are currently 8-9000 stock units at home. As the stud cows came home the stud yearling heifers were going away. His 2100 hoggets are grazing at Mt Somers, West Melton, Darfield and Oxford. That has cost \$40/head so far: "If we can't feed them when they come



Richard Orr and George

home we might have to shear them and kill them." Selling good replacements at a time when nobody wants them would be a gut-wrenching decision for anyone, especially one who's just shelled out \$40 to feed them for a few months.

Very proud of his stock normally, Richard is embarrassed by his cattle: his calves are 80kg lighter than they should be and the cows look not much better. Remarkably, they've got through this far without feeding the remaining sheep anything; Richard says that's a testament to Romneys, which the family has been breeding for 30 years.

He says he is "too scared" to work out what it has all cost. Whatever the figure is, he knows that it will double over the next year or so because of the lost opportunities in the stock he's had to sell "We'll be 2500-3000 lambs and 400 calves down next year."

STAFF PROFILE ...

Sarah Corbett *Hazlett Insurance admin*



Sarah was born in Dunedin but has spent most of her life in Christchurch. She entered the insurance industry straight from school. She spent 12 years with her first employer before taking maternity leave in 2011 to look after her new son Max. Through the following two years she continued to do some broker support work for one of her ex-bosses.

Ready to rejoin the workforce, she joined Hazlett Insurance in January 2014 for 20

hours per week, working a regime that enables her to look after Max when he is not in pre-school. Sarah and her partner Kevin live in Shirley. She is enjoying her role in HIB which is seeing her in more of an administration role than she has been in the past, offering new experiences such as using the Xero accounting package — "I like doing something different."

Donald Whyte from Mid Canterbury lost his hat in the Grand Canyon. When he found it he was heard to say that he'd never seen so many pricks under an HRL hat. The \$250 donation goes to St John.

HAT PIC



The Blokes' Diary ...

- Oct 01** Coalgate
- Oct 08** Coalgate
- Oct 09** Cheviot Spring Cattle Sale
- Oct 15** Coalgate
- Oct 22** Coalgate
- Oct 23** Culverden Spring Cattle Sale
- Oct 29** Coalgate
- Nov 05** Coalgate
- Nov 10** Coalgate
- Nov 18** Putiki Lamb Sale
- Nov 19** Coalgate
- Nov 9** Avonlea Lamb Sale
- Nov 4** Glenmark Lamb Sale
- Nov 25** PS Northcote & Sons Lamb Sale
- Nov 26** Coalgate
- Dec 03** Coalgate
- Dec 10** Coalgate
- Dec 16** Mayfield Ram Sale
- Dec 17** Coalgate
- Dec 21** Coalgate



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