



farming people

HRL news

Hazlett Rural Limited



HIB brokers Steve Blyth, Krissy Winter and Sean Lysaght.

Here we go again...

Just when things were starting to look a bit brighter on the climate and market scenes, North Canterbury cops another big whack.

HRL blokes have been busy helping out quake-affected clients wherever they can by delivering emergency equipment, supplies and so on, but we know it's of only small comfort when the house is in a mess, the kids are frightened and the sheds are a jumble of wrecked stuff.

Season's Greetings

Some of us may be sitting amongst some damage, and the rest of us will know someone who is.

Christmas is the time to sit down with our loved ones to share the joys of life and count our blessings ... for those who will find this a little more difficult this year, we're thinking of you.

We wish we could assure you that 2017 holds better things for all of us. All we can do is resolve to do whatever we can to make it so. And we will!

Here's wishing everyone a Happy Festive Season. **HRL Directors & Staff**

Our message is the same as we have been saying to drought-stricken clients over the past couple of years: don't be shy about reaching out for help; there are plenty of us who might be able to provide something that will make things a little easier for you and your family. As Hazlett Insurance Brokers (HIB) senior broker Sean Lysaght says, "We're all in this together."

Sean and fellow brokers Steve Blyth and Krissy Winter sent out a message to all HIB clients on that first Monday, spelling out what they should and should not do in order to ensure their EQC claim goes smoothly. The essence of it was do whatever was necessary to make the house safe, sanitary and liveable, but to photograph all damage before cleaning up and document everything, especially any invoiced emergency repairs.

Sean assures clients that HIB is ready to go into bat for them. While insurance clients need to lodge their own claim with EQC within three months of the event, they are also strongly advised to ring the HIB office (03 358 7246) and report the claim they are making.

"We're here to help and we are going to help. We will advocate on behalf of our clients and we will negotiate with the

insurers to ensure the best settlements are achieved."

At the time of writing, an industry agreement was in the making to streamline the settlement process. It is aimed at reducing the seemingly interminable number of scoping visits by EQC and private insurers that occurred following the 2010/11 earthquakes.

If the agreement is reached, it would see the private insurers doing all the scoping on damaged properties and then forwarding their reports to EQC for settlement.

It's understood this was trialled on a pilot basis after the Marlborough quakes and those involved found it worked well enough.

By the time you read this, a public announcement to that effect may well have been made.

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The Blokes' Diary...

Jan 05	Coalgate
Jan 12	Coalgate
Jan 18	Coalgate
Jan 19	Rakaia Gorge Lamb Sale
Jan 26	Coalgate
Jan 27	Hawarden Ewe Fair

Jan 30	Castle Ridge Station Lamb Sale
Feb 02	Coalgate
Feb 09	Coalgate
Feb 10	Sheffield Ewe Fair
Feb 16	Coalgate
Feb 23	Coalgate
Mar 02	Coalgate

Mar 09	Coalgate
Mar 16	Coalgate
Mar 23	Coalgate
Mar 24	Culverden 1st Calf Sale
Mar 29	Coalgate
Mar 30	Cheviot South Calf Sale
Mar 31	Cheviot North Calf Sale

Client Profile... Lees Valley Station



Since 2013, many in the Canterbury rural community have been aware of 'something strange' going on in the Lees Valley, 40 minutes by a spectacular serpentine gravel road west from Oxford. A bunch of Americans had bought up a vast swathe of the valley and appeared to be letting the paddocks run to seed.

We won't go into the colourful history of how several (but not all) runs in the valley had been agglomerated into one huge farm of over 27,000 hectares. Suffice to say that it wasn't in great shape by the time Grasslands NZ bought it on behalf of its US-based investment client in September 2013.

Grasslands NZ is a wholly owned subsidiary of Grasslands LLC, a land and investment management company based in the US state of Montana. It oversees clients' ranch/farm assets in Montana, South Dakota, Florida and New Zealand. Grasslands espouses a grassland farming philosophy and approach that are somewhat different from what we take as pasture management gospel.

The company came to New Zealand because it saw our climate and seasonal conditions being ideal for the way in which it farms cool-season pasture plants. New Zealand's pastoral culture, as well as agriculture's prominence in the country, were also key drivers.

Grasslands is closely related to the Savory Institute, a US entity co-founded by Allan Savory, a Rhodesian-born biologist and rancher. He started out as a game ranger in the 1950s and '60s in what is now Zimbabwe. He observed that where wild grazing animals and their associated pack-hunting predators roamed free, the soil was remarkably porous and nutrient rich, and the plant life unusually diverse.

He set out to replicate this outcome with domesticated livestock.

He formed the view that it was not the livestock or lack of fertility that were the problem with pasture depletion under what we know as conventional pasture management, but it was how the livestock were managed by people. So, to put it very simply, he created a framework for people's decision making that developed over forty years and is now known as Holistic Management.

Savory Institute and Grasslands co-founder Jim Howell did his final B.Sc year as an exchange student at Lincoln where he met his future wife who was also studying at Lincoln, and developed an affinity with the land and culture here. The purchase of Mt Pember Station, renamed Lees Valley Station, is a project to apply the Savory principles in New Zealand and perhaps interest New Zealand farmers in Holistic Management where all strategies and decisions are aimed at simultaneously optimising human, environmental and economic capital.

This property was chosen simply because it was available and attractive, and its uncommon expanse, in New Zealand anyway, suited a level of investment one of its clients wished to make and presented a rare opportunity to operate at a large scale on one geographically contiguous farm.

General manager of Grasslands NZ is Zach Jones, a fifth-generation Montana rancher. He is also a co-founder of Grasslands and Savory Institute so his family holdings are naturally under

The Lees Valley Station team takes time out from tailing on what was Okuku Hills Station. The musterers are here too as low cloud was preventing them from walking the hills. The farming operation employs 7-10 FTEs with a couple of extras in the season, as well as around three fencing and construction contractors. Zach Jones is fifth from right.

Holistic Management, and have been for over thirty years. He came out here with his family with the objective of hiring local staff and converting the Lees Valley run over time to that system. He inherited only four staff from the entire block and lost them all in the first five months for varying reasons. So he was left with minimal local knowledge of the farm, and he found himself unable to recruit locally.

And, at settlement, he'd taken over a huge mob of breeding ewes – 12,000-odd – that were starting to lamb but had yet to be shorn.

Before he went back to the US (leaving day-to-day control under a four-strong senior management team), Zach told us that staffing early on was the main thing he felt in retrospect that he could have done better. His own family farming operations and those of numerous other like-minded ranchers in Montana and elsewhere in the US operated in an environment where surrounding communities were generally familiar with their holistic approach. He had overlooked the fact that he would not enjoy the same familiarity here. He reached out to his homeland for staff and perhaps it was the presence, in those early days, of the team of overtly western American 'cowboys' that fuelled rumours.

Zach is what we would call publicity-shy so the rumour mill churned on unchallenged.

But he is also an engaging and charismatic character, and he gradually won over the local people he needed to, in particular by building the confidence of local contractors Peter Rossiter in Oxford, Ross Saunders in Darfield and David Hazlett. These relationships helped Zach head-hunt several staff, including noted pastoral manager Mike Jones from down south, who helped make significant progress with the crew and stock health. Mike and his wife Pip have since purchased a farm down south.

"The station's crew now is very solid, making the valley their home, really making a good go of it. I am very proud of all our staff and for their care and tireless work ethic," Zach said.

So almost all of the people in the photo here are Kiwis. And, apart from the paddocks going to head, the place looks and feels like a normal if very large Kiwi farm. There are some differences in stock breeding cycles as well, but there's nothing at all weird going on there. They were tailing the day we visited and it was as you would find anywhere on any large farm in New Zealand.

Indeed, aspirations on the farm are familiar too: the aim is to increase production by 60% by 2018, with stock units planned to rise from 50,000 to 80,000, but the last two years of drought have slowed that up a bit. In addition to around 10,700 ewes, there are close to 4000 head of beef and dairy cattle and 700 hinds on the place.

Then there is the HRL connection. David Hazlett did not impress Zach much at all when he first came across him in February 2013. That was at the valley's on-farm lamb sale where David was bidding. There was a fair amount of hard-edged banter between DH and auctioneer Fred Fowler and Zach thought "... that guy's being a bit of a jerk." More like an American, he thought!

Later that day, David and Ed Marfell caught up with Zach again and they got on much better. That led to HRL being appointed the buyer's valuer of the plant and stock that Grasslands NZ was to take over. Zach figured the Hazlett hard-nose would be better in his corner than someone else's.

In time the relationship consolidated into one where HRL provides the enterprise with a large and diverse range of livestock, farm supplies and insurance services.



Ed Marfell General Manager

A NOTE FROM DH

We talked last time about how the agri-sector is sailing uncharted waters and that new initiatives and courage are needed to secure positive economic and emotional outcomes.

In Hazlett Rural we are pursuing new initiatives on a number of fronts. To strengthen the value we add to our meat processing company relationships and in response to our farming clients need to procure and market livestock nationally we have spread our area of representation in terms of livestock blokes into the Manawatu, Rangitikei, East Coast and South Canterbury. Having these new blokes in these areas lengthens the reach of HRL people wherever they're farming. The increased representation gives all divisions in the wider HRL group more options for furthering their networks and connections which in turn aids them in meeting our farmer's needs.

Another evolving initiative which seeks to break the norm and deliver innovative services is our 100% owned subsidiary Hazlett Rural Finance & Procurement. This business is totally aligned to supply livestock to the Alliance Group, and works closely with them to develop finance, supply contracts and marketing initiatives which deliver value and solutions to our farming people. By developing committed supply chains from young stock to killing across multiple properties delivers more value to our farmers and enables Alliance to more effectively plan their processing and market the end product.

These products are currently in play with winter and summer lamb finishing, dairy beef programs and traditional beef finishing.

Through the Alliance association Hazlett Rural Finance and Procurement is able to increase surety of sourcing quality store stock for finishers, through their southern farmer network, and deliver premium packages to farmers in return for committed supply.

A particular focus is on linking store stock producers and finishers on an ongoing basis, and developing large scale finishing programs which group like minded farmers.

This is a benefit both for our farming people and for the marketers of our end product, each of whom warrant all the support and encouragement we can possibly offer.

This is the kind of initiative that we in HRL as a group are constantly searching to develop to become more relevant and value-adding, both emotionally and economically, for our farming people.

David Hazlett Rural Bloke

FROM THE GM

It wouldn't feel right to break out into a commentary on what's happening out there in the marketplace when more pressing matters are unfolding right under our feet. For the many of our North Canterbury people who have gone through a couple of years of drought to now be hit by that earthquake must be heart-breaking. Our thoughts and prayers go out to everyone affected.

It can be a tough industry, this farming, whether it's on our side of the gate or for our clients inside it. But we all share the passion for it – it's what keeps us all going... and keeps us in it.

We have some important new appointments to share this time. Firstly we are strengthening our position in South Canterbury with the appointment of Andrew Sherratt as our dairy bloke to be based Geraldine. He has returned from playing hockey overseas and starts with us on February 13. This is significant in that it fills a geographical gap in Jim Hazlett's team such that we will now reach continuously from Jim up in North Canterbury to Paul Whittaker in North Otago. With the welcome developments in the dairy market we're stoked to be able to present a yet stronger network to service our dairy clients.

That gives us two rural blokes in South Canterbury now, too, and it is our intention to increase that to five or six in the not too distant future.

And now we have a foot-hold in Hawkes Bay as well with the welcome return to the fold of Rowan Sandford. Rowan left us to return home to the Bay last year but now he's back in the livestock business, sharing his time between HRL as a livestock bloke and some work he is doing with First Light Foods up that way.

And on the Finance & Procurement side, we now have Angus Hazlett in the Manawatu/Rangitikei region and Andrew Scarlett in South Canterbury. Welcome to the family.

We also welcome Charlotte Gordon who's come aboard to help the insurance team out for six months – no need to explain that further.

Finally on a personal note I'd like to extend my thanks to all HRL staff for their effort and commitment during the year. It's only through them that HRL can deliver the level of service that we do and they have been just great.

Staff Profile . . .

Tim Rutherford *North Canterbury Livestock Bloke*

Tim was raised on a Hawarden farm and educated in Christchurch. He tried Lincoln and found it not for him, so he left and worked in hospitality before completing an adventure tourism course at Christchurch Polytech. That qualified him for a range of great jobs but that occupation, he soon found, is rather poorly paid. He headed off to Australia for a year in 2000, picking up casual work around Sydney.

When he returned to Canterbury aged 22 his upbringing claimed him back; Peter Walsh in PGG took him on as a trainee livestock rep in, for his first 12 months, Kaikoura. His next posting was Seddon where he stayed for about two years, after which he was offered a drafting position with CMP (now ANZCO) who located him in Amberley where he still lives.

He worked for CMP for eight years and then he did two years with Silver Fern Farms, before joining HRL in March 2014.

Twenty years ago, moving from being a drafter to a stock agent would have been a big change, but not so now says Tim:

"The drafter's role is different from what it used to be. They do a lot more store stock now rather than just picking out

prime lambs. If you want to be a good drafter today you have to try to manage everything the client is doing with sheep and cattle, including sourcing stock."

As Tim sees it, he's now doing much the same thing — except he's working for the farmer and not the meat company! "It's a lot more challenging, but more enjoyable and you can do a much better job for the farmer."

After the isolation of drafting work, Tim is enjoying the HRL team environment and the weekly contact with the others that spending one or two days at Coalgate each week brings. "The fact they're such a bloody good group of guys makes it so much better."

The only downside is the fact that he has spent his first 18 months on the job in the teeth of a drought: "When I started



a lot of the stock had already been sold and it's only in the past month or so that there's been any excess feed in the district."

Tim and Danelle have two sons Hunter, 8, and Mitchell, 7. Although he pulled on the Glenmark jersey a couple of times this year Tim is trying to retire from rugby to enjoy his son's sporting activities and take them out deer hunting and spotlighting. They took out a 13-pointer from their motorbikes a few weeks ago and now he has two sons who think this deer shooting is a piece of cake ...

HRL

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