

SPRING 2019

Hazlett News

A quarterly newsletter for clients and mates of Hazlett Limited

A portfolio of auction options

Ten years on from resurrecting the Coalgate saleyards from years of disuse, Hazlett Ltd is now the provider of a portfolio of quality selling options to suit all farming people.

The Coalgate auction yards have come a long way in the past ten years and have thrived under the ownership of Hazlett and 50/50 partner in the saleyards company, Peter Walsh & Associates. Visually and operationally there is no similarity between the rundown yards of ten years ago and the vibrant selling centre in the township today.

Under the diligent oversight of Coalgate local Phil Shaw, the yards are constantly being tweaked to meet the highest standard of livestock handling and care. Recently the prime sheep alleys were tidied up and preparations are currently underway to drain and concrete the centre sheep alley.

As Hazlett GM Livestock Ed Marfell observes, "It's an ongoing exercise to keep the facility top notch."

This is now but one of three auction options for Hazlett clients. Last issue, we heralded the introduction of Hazlett's agency with on-line livestock auction site bidr®, which is attracting strong support and is set to become an essential tool for those, particularly, who trade large numbers of livestock throughout the country.

It is also ten years since Hazlett conducted its first on-farm lamb sales, a strategy that for those who have adopted it has become an integral part of their farming programmes.

Chris Chamberlain of Putiki Farm on Banks Peninsula shifted his on-farm sale date from before the Christchurch Show (when premium for early lambs used to drop off

after the last chilled shipments had left for the UK market) until a week after the Show. But he has continued with the on-farm sale concept and indeed has extended it for various reasons from just terminal sire lambs to include ram lambs from his replacement flock, so the offering each year effectively doubled in numbers from that time. Last year it was 3492. He has added more pens to the yard that he built specifically for the sale at the outset.

Chris has stayed with on-farm sales as his lambs seem to suit finishers looking to fill contracts in the first few months of the new year. Last year the range was \$175 for the top terminal lambs down through to \$89 for the last of the Romneys.

"It's a lot of work getting them in but for me it's the most efficient way of getting rid of a hell of a lot of stock off this summer-dry property early in the summer. But there's a lot of work bringing them forward and the day itself is a monster."

The Hazlett team turns up the night before and, with the exception of the late Craig Miller, it's pretty much the same bunch of blokes who have run the sale for the last ten years.

"Our job is to deliver the lambs to them and then we're totally told what to do after that. They run the drafting gate and they run the yard. They present them and they sell them, and they stay on to assist with trucking them out. They take ownership of what pens go where."



Phil Shaw discussing developments at Coalgate with Geoff Wright; the centre sheep alley in the background is about to be drained and concreted.

Chris says the commission he pays "... would be the best bang for the buck in our entire farming enterprise."

"I'm more than comfortable with the value in those commissions. We can have five guys here from five o'clock in the morning until eight o'clock at night. They bring the buyers, draft the lambs and run the sale - it's a really good return on investment." (That includes the cost of the 'unit-load' of beer they consume, he says.)

"If I was just using one agent and it was just me and a shepherd doing the job, I'd only have him here for an hour and we'd be doing all the work - and I'd still be paying the commission on the sale!

"They take ownership of it. I admire that and it's what earns my loyalty to them."

Ed Marfell says Chris' story merely underlines the passion, dedication and vast expertise in the Hazlett livestock team "... and their unbounded enthusiasm for working with our clients to achieve the best possible outcomes for all concerned, no matter which marketing outlet Hazlett people together choose to use."

Groundhog Day for livestock?

So we're in the first weeks of spring, the lamb schedule's high like it was this time last year and the same can be said for the beef schedule.

Lamb survival's been good from what I hear. Everything's looking fairly good except for crossbred wool and a cynic might say Groundhog Day there too.

Sure, there's political uncertainties hovering around - Brexit and so on - but there's nothing new in that either.

So it's a mirror of last year so far. We had that false spring back in July and since then it's been cold again but then if you're going to get a feed pinch in the cooler part of the year, now is the time you'll most likely get it and most will have planned for that.

It's a tricky time of year, also, to be making predictions about what lies ahead so I'll just pull my head in and wish everyone a great season.



Ed Marfell

GM, Hazlett Livestock

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HAT PIC



Glenn Porter runs the Hazlett calf-rearing farm in Otago. He caught this one in the canals in Twizel. He wishes the \$250 donation to go to Cystic Fibrosis NZ.

Best deal not entirely about cost

The Agri-Supplies management team has been busy over the winter months meeting with suppliers, some of whom have been with the Hazlett business for close to ten years while others are new to the camp.

We have succeeded in leveraging some better terms and conditions which we will be sharing with our clients over the coming months.

It is really important however that we don't just look to extract every last cent from our suppliers as we believe seed, agchem, grain and fertiliser companies have a much larger role to play in the future of New Zealand farming and definitely offer more than just giving the very cheapest price.

Many of the supplier companies have significant R&D budgets to ensure their businesses stay relevant and keep striving not only for improvements in yields etc but also - and this is by far the biggest push - to offer the likes of Hazlett and our clients products that are sustainable and offer environmental benefits in this fast-changing world.

Some of these terms we negotiated may not give immediate financial benefits but will give our Hazlett Agri-Supplies blokes and their farmer clients access to scientific experts, environmental advice and product ranges that support pending compliance and environmental changes.

As we evolve as an Agri-Supplies business we, like most farmers, are focused on being a relevant intergenerational business. We strongly believe that to achieve this we must work collaboratively with farmers, manufacturers and other suppliers so that we can all overcome the current challenges and thrive in this new regulatory environment.

I hope everyone has a great spring and thank you for your support and business.



Tom Mowat

GM, Hazlett Agri-Supplies

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Health & Safety update

The most significant developments in recent times in statutory liability insurance have been the rising costs of reparation payments to victims following health and safety prosecutions.

Reparations are generally awarded for emotional harm and have increased significantly over the years. It wouldn't be unusual these days to see payments averaging \$100-125,000 compared to \$50-60,000 ten years ago.

Fines aren't insurable under a statutory liability policy, however health and safety reparations are fully insurable. It is important as a policy-holder that you have an adequate limit of indemnity to protect your exposure whether commercially or as a farming operation.

Following changes to the Sentencing Act 2014, courts can now order reparations to cover the 20% shortfall of a person's earnings that aren't covered by ACC. In the unfortunate event of death of a worker, the courts can order additional payments to compensate for lost future earnings that aren't covered by ACC. This is in addition to any reparation payment.

It is important to discuss your statutory liability limits with your broker. The limit of indemnity needs to be adequate to cover any reparation costs, plus legal representation fees and potential regulatory costs. This is even more important if there is the potential for multiple employees to be injured or killed as it is likely that reparations are ordered.

As the days get longer as spring and summer approach the temptation to work longer hours is there. Fatigue is a health and safety hazard and has a flow-on effect on people's ability to concentrate and error rate, potentially causing injury or death.

Be careful out there.



Nick Percy

GM, Hazlett Insurance

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Mathew Barham (right) with Grant Macaulay in triticale, with young bulls away in the background.

CLIENT PROFILE

Mathew & Gemma Barham Mangatarata Station, Waipukurau

Service bulls in the sheep & cattle mix

Mathew and Gemma Barham own the 1020-hectare Mangatarata Station, seven kilometres east of Waipukurau, with Matthew's parents, and run the whole property on their own account.

They earned their stake in Mangatarata in 2006 through a succession of sharemilking jobs and smaller property ownerships. The fist they are making of it was reflected in their winning the Hawke's Bay Farmer of the Year title in 2012.

They run sheep and cattle, and have developed a substantial service bull leasing business.

The Barhams have become valued Hazlett people through Mathew's acquaintance with just about all of the company's North Island team through the various organisations they worked for in the past.

"When Grant Macaulay moved over to Hazlett it was a pretty easy decision for me. I knew all those guys and I'd worked with them before. And then I met Angus through a young guy that worked for him that used to work for me..."

He thinks Hazlett has recruited the region's best blokes in each field and "... I've told Tom Mowat that he has a great group of people in the mix."

"They just make everything easy and that's what I want."

Just like Putiki Farm mentioned on the front page, Mangatarata is summer-dry country and the farm is run to get as many sheep off the property as possible early in the season. In typically rolling country, it has about 250-300 hectares flat and suitable for about a hundred-odd hectares of feed cropping, although the drill does go into some of the easier hill country as well.

A range of varying soil types within the property means it is not suited to cash-cropping - or lucerne which the farm has less of now than when Mathew first sowed it 11 years ago. He's found the place doesn't suit plantain either.

As a general rule, permanent pastures last from drought to drought. The pasture renewal programme uses a full cultivation before a year of kale and then spring-sown rape for summer lamb feed. Then it's new grass. Mathew tries to keep costs down by not chasing high-cost seed, broadcasting high rates of uncertified clover before drilling the perennial in. This year he's tried a summer fallow followed by autumn-sown rape (some triticale too) which he says looks promising.

The sheep flock comprises 2650 ewes and 600 replacements, most of which are 1st-cross Coopworth. A facial eczema challenge in 2012, and another last year, prompted a move to "...a splash of FE tolerance" from a reputable FE-tolerant Coopworth ram breeder, which has also seen them tip over the 150% lambing mark with 159% and 156% (ewes to the ram) in the last couple of years. The ewes scanned 178% this year without triplets but the dry rate was double because of the FE challenge, however the mild winter has more than made up for that. Mathew expects it to take 10 years to embed the FE tolerance in his whole flock.

They kill all their own lambs prime, as many as possible off the mothers. Anywhere between 2000 and 8000 lambs are traded as well, depending on the season, right through the winter.

The cattle side is predominantly service bulls, a business facilitated by contacts through the couple's background in the dairy industry. They produce some 600-700 R2 Herefords a year, 100-200 Angus and 50-100 Jerseys, all going out to work as two-year-olds.

The Barhams pride themselves on producing bulls "without anger-management issues" of which some are grown out in a 25-ha Techno

block where they get regular handling. They also run 120 mixed-age Hereford cows and, this year 32 R2 heifers, all calving from last month.

They ensure they are giving mycoplasma bovis a wide berth for themselves and their bull clients by not generally bringing service bulls home again, no longer having any Friesians on the place and not buying anything from any district that's had bovis hotspots. "I'd happily send bulls into there but I definitely wouldn't bring them home again."

Mathew says they and their neighbours have been lucky on the bovis front so far ("I buy in a lot of cattle, probably 1200-1500 a year,") and they aren't taking any chances.



We've lost another good bugger

Our respected and loved Old Rural Bloke Paul Ross lost his battle with cancer on July 14th.

No-one could sum Paul up better than Ed Marfell: "He was one of life's good buggers."

"There was never any negativity about Paul. He was positive, even when he was ill, and he was straight up. We're all going to miss him a hell of a lot."

Paul's role in Hazlett was a semi-retirement one. He retired from a 47-year drafting career with CFM/PPCS/Silver Fern Farms in 2014.

In between that and dog trialling he ran, with partner Kathryn, a 70-hectare block just below Mayfield.

That and his tremendous ability to get along with people made him the perfect candidate for roving ambassador for the company.

Our deepest sympathies are extended to Kathryn and Paul's family.

The Quarterly Yarn

We'll hold onto your hats, Farming People. Some wide-ranging challenges lie ahead. Maybe we have known debt reduction has been on the radar for sometime, but the way we farm our world-leading soils is under threat too.

What is for sure is that we are the best at what we do in this farming game so can I throw out a challenge: let's toughen up, face and embrace these changes – there's nothing wrong with debating them, but we all have the choice: pee, or get off the pot, as they say.

As Bill Gates once said: what you think's going to happen in two years will take ten. The big question is the one we can never answer: what's going to happen and when it does happen what's going to happen? That's the thrill of the chase.

One thing we do know for certain is that it's never going to be as bad as you think, and it's never going to be as good as you hope.

Are we spending enough time drawing lessons from what's actually going on out there in the paddocks? Are we comparing notes with the neighbours often enough?

Are we spending enough time considering that almost all of the farming lessons that our parents and mentors taught us were drawn from their experience of what was going on outside in their paddocks or in the sky above them. There's knowledge to be gleaned out there!

It might sometimes feel as if farming has become a desk job – and there's no denying the welter of paperwork these days – but is that obscuring the fact that our real job is actually out there in the paddocks growing things?

There is a wealth of people out there with knowledge and ideas. Let's lean hard on these people and businesses, surround ourselves with well-informed practices, collaborate, write down on a piece of paper who we need in our farming business to function at a level that is required and who are people we are most comfortable with and most of all have trust and faith in.

So my thought for this quarter is: get knowledgeable, get debt down, get farming, and get having fun with families, communities and our inner selves.



David Hazlett

Rural Bloke

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The Bloke's Diary

Upcoming Sales

Coalgate Weekly Sale Each Thursday

Temuka Prime Cattle & Sheep Sales Each Monday

Temuka Store Cattle Sales Each Thursday

For all sale dates, please visit hazlett.nz/whats-on

Weekly North Island bidr® Auction Wednesdays from 7pm

Weekly South Island bidr® Auction Thursdays from 7pm

For all bidr® sale dates please visit bidr.co.nz

Special Sales

September 27 Hazlett Surplus Goods

October 4 Cheviot Cattle Sale

October 11 Hazlett Field Day

October 18 Culverden Cattle Sale

November 18 Highfield Lamb Sale

November 19 Glenmark Lamb Sale

November 20 Banks Peninsula Lamb Sale

Hazlett Directory

FUNDING & PROCUREMENT

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Please visit hazlett.nz for contact details of our people.

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STAFF PROFILE

Charlotte Gordon

Broker Support,
Hazlett Insurance

Charlotte received her introduction to rural living at the age of ten when her family moved onto a small block in Ohoka and built a new home.

"Although it was only a life-style block we had sheep and calves to take care of."

Charlotte attended Villa Maria College where she enjoyed singing in the college choir but netball was really the thing at Villa: "I played competitive netball for the weekly inter-school matches and in the weekends for Villa against other netball clubs."

Upon leaving Villa after the seventh form, she landed a holiday job doing filing for NZI Insurance. After a couple of months this turned into full-time employment as a claims officer in commercial claims.

"The work involved dealing with insurance brokers' customer claims mainly across commercial lines and heavy motor. I was eventually appointed a senior case manager."

On leaving NZI in 2015 after 13 years, she joined Hazlett Insurance as broker support. Her role involves, among various duties, preparing annual renewals and processing new business.

"I am part of a team that is dedicated to providing insurance solutions and feel very proud to be part of the team."

"I enjoy spending time with family and friends and supporting my niece and nephews in their sporting pursuits."

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