

SPRING 2022

Hazlett News

A newsletter for clients and mates of Hazlett Limited



The Children's Farmyard Show must go on

In 2020 and 2021 The New Zealand Agricultural Show did not go ahead but Canterbury children were still able to access the unique Hazlett Farmyard experience.

In 2020 the Farmyard was staged in the central city but last year it was opened exclusively for kids on its home patch.

They came to Canterbury Agricultural Park by (mostly) the busload from schools all around Canterbury and for some, according to general manager of The Show and the park, Tracy Ahern, it was their first bus ride and for many possibly the only farmyard experience they will ever have.

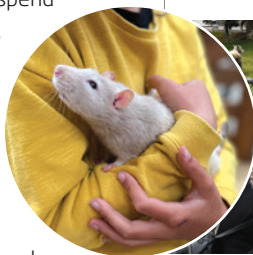
A bubble system that complied with the covid regulations allowed the kids to spend plenty of time with the animals. The response from schools was such that bubbles of a hundred kids each entered the Farmyard every hour on the hour for three days. A sponsored lunch followed whereby children could sit, eat, and complete activities run by the Children's University.



"It's a covid success story worth celebrating. We couldn't have done it without Hazlett," said Tracy.

The Farmyard is nowadays quite an enterprise, albeit one that doesn't generate any funds, with The Show maintaining its own ewes whose insemination is timed to treat the kids with the sight of lambs being born, in a relaxing grassed maternity area. Goats are similarly prepared by an outside party, and chicken eggs are incubated for hatching during the event - Tracy thinks they present around 350 baby animals in total.

Even though The Show is going ahead more or less as normal this year, the Hazlett Farmyard will again be staged in a covid-safe way, complete with the bubble system. Tracy expressed gratitude that Hazlett agreed to the additional funding required. In fact "...



there hasn't been a time when we have gone to them for extra help that they haven't provided it."

Hazlett has been involved in sponsorship of the Farmyard for some years now, but this year The Kiwi Gaming Foundation is chipping in as well, with a substantial grant which will see children coming into The Show specifically for the Hazlett Farmyard experience, passing through the main gates at no charge.

Increased numbers are expected because of this so The Show is to be imbued with a special youth focus.

The Hazlett sponsorship of the Farmyard has resulted in a more solid commercial connection between the two parties, too. Earlier this year the Canterbury A&P Association moved all of its insurance business to Hazlett Insurance.

"It was a way of giving back," Tracy said. "Having a local insurance broker on our side has meant a lot to our organisation, and we are encouraging our own community to support local as well."

Tickets to The Show are now available at <https://theshow.flicket.co.nz>

For a 10% discount off the early bird pricing enter code HAZLETTTHESHOW at the checkout.

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Winter will always be winter

This was written during those persistent easterly rains in late July that started to get on everyone's nerves, but that's winter. We can only hope that it sets us up for a good spring – at least there shouldn't be too much talk of spring drought!

Markets-wise we're sitting pretty good, and that should provide some confidence, especially when we sit down and look at the way costs are rising. But the dollar is low, so the outlook for prices is good. We do have some headwinds in the global market but the new season starts from a very strong position. We'll know a bit more when the meat companies start their annual roadshows soon.

Covid is still an issue, and now flu as well, with our own blokes not unaffected by that, so we're well and truly in the winter blues.

The shortage of labour is also an issue – made worse by low unemployment – and let's hope the border restrictions start easing as the spring gets into full swing. Bobby calves starting to appear out of the system remind us that spring is not that far away. And by the time you read this it will very likely be upon us.

So here's to a great spring! As long as you don't watch too much international rugby, there's no need to be too downcast.



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Understand your margins

Well the 30th of June arrived, and it signalled the end of our financial year as it would have for many of our clients. What a ripper it was.

For most the weather played its part and was extremely favourable (noted exceptions being Southland and Waikato). This meant farming families could really capitalise on commodity prices that are the highest in living memory for many of us.

On the 'not so good' front underlying costs of production have really started to bite hard. Key farm inputs feed, fertiliser and fuel (the three fs) have all risen sharply and interest rates are doing the same. When the accountants get hold of the numbers it will be interesting to see the impact of rising costs on the ultimate profit margin.

A good challenge for us all is not to get carried away with the vanity of high commodity prices and forget about the costs. Investing real time in understanding the margin (revenue minus costs) would be well-paid time at the moment. The great news is that the revenue line looks pretty good for the season ahead. Make the most of it. These cycles don't last forever.



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Changes to EQ Insurance

As you are probably aware, EQC currently carries the first \$150,000 (plus gst) of risk on natural disaster damage to your dwelling.

From 1 October 2022 this will increase to \$300,000 (plus gst), and your EQC levy will increase from \$300 to \$480 plus gst.

The Government has done this in response to insurers moving to risk-based pricing which increased premiums in high-risk areas like Wellington, Hawkes Bay and the Manawatu. Of interest is that Canterbury is not seen as high risk. The Government has publicly stated that this should lead to reduced premiums for many, but our modelling indicates that this is only in the high-risk areas which make up five of the 17 New Zealand regions; in the remaining 12 regions, including Canterbury, the cost will increase.

However, despite the increased cost to many, we see this as a positive change. Reinsurance capacity is a genuine concern for a high-risk country like New Zealand – New Zealand-based insurers reinsure almost all natural-disaster risk offshore. By removing the first \$300,000 of risk, the ability to obtain offshore reinsurance for the balance is greatly enhanced. According to Lloyds of London, New Zealand is ranked as the second-riskiest country in the world for natural disasters but is still the fourth-best insured country. Our ability to obtain insurance into the future cannot be assumed.



Peter Engel
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Plan, plan, plan ...

With the winter crops now being grazed, all attention turns to spring. If there is one message I can offer it is that **forward planning** will be the most important thing to do this season, as we move into the **spray-out and planting season**.

As everyone is well aware the logistics and supply chains have been and remain disrupted, and the availability of some products including chemical and seed is affected. We are doing everything we can to mitigate these issues by ordering additional stock and back-to-backing as much product as possible.

The message is loud and clear from our suppliers that there will be shortages or large time delays of chemical and some seed

types, so to avoid being frustrated in the spring please call your Hazlett Agri-supplies bloke now to discuss and make a plan. As the old saying goes: "The early bird will catch the worm."

Thank you for your business.



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CLIENT PROFILE



Roger and Susan Hayward Twin Oaks Angus Stud, Te Akau

Roger and Susan are building a strong reputation for producing profitable bulls from their close-to 1000-hectare hill country block four kilometres from the Waikato's west coast.

They did their hard yards milking at Tokoroa and then sharemilking in the lower South Island as Roger started quietly building his herd of stud cows from 1995. In 2006 they shifted their emphasis to the stud on two properties around Albury where Susan hails from (Roger is from Te Awamutu). With their passion for Angus cattle they needed to find a property that suited the growing stud and they found it at Te Akau in 2016.

They combine the stud, which this year will see over 500 cows going to the bull, with a considerable lamb finishing operation. There's no breeding sheep and nor, since bovis, do they trade cattle.

Lamb finishing allows them to clear the table for calving and mating preparation. The lamb numbers were getting right up there but covid-induced killing space issues cut them back last year, and this year they are also dealing with the impact of summer drought: it never broke before winter arrived, leaving them with no autumn grass.

The stud places strong emphasis on performance and type, looking to improve bottom lines for clients, a lot of whom have been buying their bulls for over ten years. They mate all their heifers and any female that does not have a calf in any season is culled – "that's a biggie with us". They are looking to produce bulls that produce progeny that scan well for intramuscular fat, thereby enabling clients to access any marbling premiums on offer.

Roger and Susan are passionate about delivering for their clients, and spend a month and a half visiting them each year:

"We want to know that what we're doing is right. If we're not we want to know and how we can fix it," says Roger.

They AI all the cows and follow up with yearling bulls; they take satisfaction that progeny of these natural matings are making their bull sale team, seeing it as an indication they are doing something right.

They run two sales each year: for two-year-olds in June and yearlings in September. In this year's June sale they sold 51 of 52 on offer, averaging \$12,500 with the top price at \$58,000. They are excited at prospects for next month's sale as their clients have been keenly anticipating the first progeny of a top Australian bull, Millah Murrah Paratrooper, they bought three years ago that will be in the catalogue.

A keyword in this narrative is Hazlett. Their livestock bloke is Richard Johnston who has plied that role in the district for many years. He and stud stock bloke Callum Dunnett are part of what Susan Hayward calls 'a fantastic team'.

"We still sell 50-60% of our bulls to the South Island and Callum helps a lot with that as well as with cataloguing our sales. They are a great team to be involved with.

"All our lamb trading is sourced, sold and financed through Hazlett – Richard Hegan and Nikki Tod run a very efficient and easy-to-understand service. That's the whole thing with Hazlett: they are a great team; they work together and they all look after each other. And they really look after their clients. They are helping our business as much as they are helping their own."

The Haywards with their selling team at their recent 2-year-old bull sale.

From left: Roger Hayward, Susan Hayward, Chris Johnston, Jack Twigley (behind David Hazlett), Duke Loe, Emma Rough, Callum Dunnett, Richard Johnston and Rowan Sandford.

Roger and Susan have three young ones who have happily grown through all this: Thomas, 19, is in his first year at Canterbury University studying law and commerce; Olivia, 16, a big fan of farming and hockey, is in year 12 at Hamilton Girls High School, while Jessica, 13, is in year 8 at Southwell School where she is the Head Boarder and only girl in the school's 1st XV rugby team.

Things to keep

Agri-sector people of New Zealand:

Keep producing this wonderful output that the world can't get enough of.

Keep honing your skills to make it safe – for yourself, your people and our consumers.

Keep getting out there in the rain, the snow and wind to ensure your livestock are safe and well-fed.

Keep searching for ways to attract our young people into our industry – we need their innovation, their ambition and their energy.

Keep applauding and thanking our essential workers, without whom we can't get our product prepared and delivered around the globe.

We can be proud of who we are.

Remember: honk if you're hurting; a problem shared is a problem halved.

Keep keeping on.



David Hazlett

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STAFF PROFILE

Luke Brice

Agri-Supplies Bloke,
South Canterbury

Luke grew up on a sheep, beef and deer farm in North Canterbury.



When he left Lincoln in 2010 with a Bachelor of Agricultural Science, he entered the rural servicing industry in Timaru in a finance role that didn't work out as he'd hoped. So he then spent some time out working on farms in the Fairlie area before joining a rural company in an agronomy role which better aligned with his training at Lincoln, and which he found he really enjoyed.

Restructures and mergers saw him move from one firm to another until he eventually joined Hazlett in January 2018 where he has happily settled into agri-supplies. He really enjoys the agronomy aspects of the role and seeing the productivity of clients' paddocks improve as a result of his input.

Then there's the Hazlett culture as well: "The people, the family environment, the way they treat you and leave you alone to get on with the job. They attract the right people with the right attitude, and they get the results. It's a great team to be a part of."

The meshing of Hazlett with Peter Walsh & Associates has, obviously, been a big help, too, in covering his district, the wider South Canterbury region.

Luke is married to Alice and they have two young children, Felicity (6) and Hugo (4). He retired from rugby a few years ago (apart from "a bad decision after a few beers" to put his boots on again briefly last season!) He now does a little mountain-biking, but lately the family has taken to tramping which the young ones seem to be enjoying as well.

The Blokes' Diary

Weekly Sales

Blenheim	Each Monday
Coalgate	Each Thursday
Temuka Prime Cattle and Sheep	Each Monday
Temuka Store Cattle	Each Thursday
Charlton	Each Thursday
Lorneville	Each Tuesday

For all sale dates including special sales, please refer to our calendar or visit www.hazlett.nz/whats-on for up-to-date information.

Hazlett
People Together

Hazlett Limited

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HAT PIC

Graeme Bell, pictured at our Surplus Goods Sale in May. We were grateful to Graeme and Kay for allowing us the use of their property for the second year running.

The \$250 donation will go to St John.

Out and about?

Kids on the farm? Overseas adventures?

And happen to have your Hazlett hat on?

Let's have a pic, and we'll donate \$250 to your nominated charity. Talk to your local Hazlett bloke, or email photo to marketing@hazlett.nz.

Hazlett Directory

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



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