

SUMMER 2022/23

Hazlett News

A newsletter for clients and mates of Hazlett Limited

Strong Local Insurance Broker joins Hazlett

On the 1st of August, Atlas Insurance Brokers merged with Hazlett Insurance.

Atlas, a largely commercial brokerage based in Christchurch, was established by now retired John Roberts and his son Croydon in 1989.

So now Croydon Roberts, and senior broker Jeff Gardiner who has been with Atlas for 23 years, have joined the Hazlett Insurance team, working from its Sir William Pickering Drive premises and supported by newly-recruited Sara Morrin.

Hazlett Advisory Board chairman Graham Brown told clients in a letter announcing the development: "Like ourselves John and Croydon had a vision of providing personal service through genuine, long-term client relationships."

In his letter to Atlas clients Croydon Roberts said: "Hazlett Insurance has dedicated resources to administer the regulatory requirements, support the business and manage claims going forward."

He assured them that their level of personal service would not change: "We wanted to focus on the client relationships and meeting the insurance needs of the businesses and

families we have worked with for years... It is important to us to continue that philosophy and operational style.

"We're assured that Hazlett Insurance is aligned with the Atlas values and its professional team are committed to overseeing your insurance in the same way we have for decades. Our face-to-face interactions, exemplary service and commitment to transforming your challenge into an insurance solution will continue."

Graham Brown said "Atlas Insurance and Hazlett Insurance have a very similar business ethos and approach to client service, therefore we believe this merger will be of significant benefit to both parties and our customers. The Hazlett Board and leadership team wish to acknowledge what Atlas has been able to achieve over 33 years and are committed to building on this."

Hazlett Insurance general manager Peter Engel added that the welcome development adds "more balance" to the company's Canterbury-based business portfolio.

Croydon Roberts



Jeff Gardiner



Sara Morrin



Season's Greetings!

As we all sit down with our loved ones over the festive season, here's hoping more cheerful matters will nudge out rising costs as the topics of conversation – sparing thoughts as well of course for those suffering horrendously from war and adverse weather conditions in certain parts of the globe.

Hazlett people thank all our farming people and our urban people for your support over the past year.

We wish you all a very happy and safe Christmas, and of course a prosperous New Year.



What goes up must come down

We would do well to keep this in the back of our minds as we watch interest rates and inflation balloon at present. This is a cycle, and it will end.

A little reflection is sometimes useful to maintain perspective. While the current inflation rate of 7.1% is the highest in 30 years (1990), you and I have probably forgotten that inflation was mid fives in 2008 and 2011 and the Official Cash Rate was over 8% in 2008 also.

The point is we haven't always operated in a low-rate environment - in fact it's normally much higher than what we have been used to recently. The good news is we survived then and we will this time as well.

New Zealand farmers and growers have proven over many generations that they have unmatched capability to adapt to changing circumstances. When the chips are down, innovation is driven right from the heart of New Zealand farms.

The innovation drives improved production, cuts the cloth of burgeoning costs and waste is lowered. Out of this, new efficiency is born.

It's these tougher times that force us to critically think about how we can be better. It ignites conversations with our farming neighbours as we solve problems together; stronger communities are the result.

There is no question that higher interest rates and inflation make the going tougher over the short term; however I bet we will come out the other side even better than before. One thing is for certain - there will be a rebound and so the cycle goes on.

Keep your head up and be proud of what you do.

Finally, as we run into Christmas, take time to reflect on a job well done this year. Have a safe and happy Christmas. Enjoy the company of your family and friends. Take care and travel safely.



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Relationships are everything

How things can change! When I drafted this late last month we were a couple of weeks into a stern correction of the sheepmeat market, with lamb values back about \$30-\$40 from those, albeit historically high, ruling over the previous 18 months or so.

It came, out of nowhere, as (but not because) processors were continuing to struggle to maintain capacity due to covid and the crippling manpower shortage that every labour-intensive industry in the country is facing.

It's a real shock for our clients who themselves are struggling with rocketing input and interest costs. It appears tightening economic conditions in all our major markets have suddenly and severely diminished consumers' appetites for high-end food products such as New Zealand lamb. There is no market bucking this trend, suggesting we've got some serious headwinds ahead of us.

It's been a strange season weather-wise too. We're accustomed to worrying about moisture at this time of year but we've had no shortage of that. Instead, what we have been lacking since about the middle of September is heat. The old adage holds that sunshine grows lambs, but we have had lots of cloudy and windy days that restrain grass and clover growth.

It's been plain to see in our on-farm sales - the lambs are not blooming as we'd expect at this time of year.

So our sympathies go out to our clients who will be sorely disappointed with all of the above.

Another old saying comes to mind: "Keep calm and carry on." It's a time for taking stock of your resources and one of the most important of those is relationships. Rely on your network because that is often where solutions to any challenges lie.

As a company we know that well. The relationships we rural blokes have with our farming people are by far our most valuable business assets. I'm sure the same thing applies to every farmer.



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HAT PIC

Harry Hegan with his catch at Clutha River, near Albert Town. The Hegan family would like the \$250 donation to go to the Christchurch City Mission.

Worksafe is watching

It is timely to remind everyone of Worksafe's expectations of business owners.

- A meat processing company employee with a known intellectual delay and epilepsy had a seizure and fell to his death. This incurred fines and reparations of \$318,000 for failure to adequately protect the worker.
- A 14-year-old roofer fell through a brittle skylight suffering multiple fractures. Despite the worker being told not to walk on the skylights, the company incurred fines and reparations of \$65,000 for allowing someone under 15 years of age to be on a construction site.
- A fatal crash occurred when a fertiliser company was spreading lime and a cloud of dust carried across a motorway contributing to the crash. The fertiliser company was ordered to pay a total of \$658,649.

In addition to these costs are the expenses of legal representation, which can also reach six figures. Most farms and businesses have Statutory Insurance covering legal costs and reparations but the fines - which will be over half of the resulting cost - cannot be insured for.

It is important, also, to be aware that the reparations awarded are increasing.



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CLIENT PROFILE

Allan and Kathryn Marshall Glenfern, Waikawa Valley, Southland Farming in the Deep South

The 930-hectare Glenfern lies in Waikawa Valley about 10 kilometers upstream from the Waikawa estuary. Four years ago the operation expanded to include a 265-hectare block in the Progress Valley quite near the estuary, about eight kilometres down from the home farm.

This district is not that far from the southernmost tip of the South Island and Allan jests about a morning chore of cleaning penguin droppings off his deck.

The contour of the home farm comprises about 50% flat, 30% rolling and 20% steep. It is a breeding and finishing operation, running (these are wintered numbers) 7000 Wairere ewes and 1900 hoggets, 100 shorthorn cows plus 50 crossbreds, and about 280 fattening cattle across the two blocks.

They try to keep the sheep breeding programme simple using only Wairere and Peters Genetics (formerly Wairere South) rams. They consistently tail 150% plus or minus; and they mate all hoggets over 42kg, which have lambed over 100% in the last couple of years.

About 50% of the sheep (the younger ones) are shorn every eight months and the balance every 12 months. "When I started farming 70% of our income was derived from wool; it was a 4% cost last year and this year it will probably be 6%."

The shorthorns are the base of the Glenfern stud that's been run on the farm for around 60 years.

The two blocks are run separately but breeding ewes go onto the Progress block over summer, with the lambs coming back home for finishing; the bulk of those are killed from

January through to March, with only maybe 10% going away before Christmas.

"We are probably selling 15% as stores to get to those winter numbers."

The Progress block has a good northerly aspect and is sunnier and therefore slightly earlier in the spring, but it is 70% rolling to steep and is where the crossbred cows are. Last year's dry summer, though, reduced its carrying capacity to zero. In Southland where feed is continually wet, it loses its nutritional value very quickly when it dries off.

This wetness of the feed, which promotes large gut size in stock, makes it difficult for stores brought south, when parts north strike drought, to acclimatise; it takes them about 10 weeks to get going, Allan says, and he would rather get them before they are affected by drought.

Allan is the fourth generation Marshall on the home farm and he's been running it for over 40 years. He is currently working on a trough reticulation scheme ("having spent 40 years transporting water off the place!"), supplies for which have been messed around by covid; he had a six-month wait for alkathene, for example.

Asked about other challenges in farming this country, Allan simply says "Nature - and politicians." He says he and all his colleagues are getting sick of being told off for farming.

Farmers, he says, know the way nature works on their own farms better than anyone else and are constantly striving to mitigate the impacts of both nature and their farming practices on the land.

Allan and Kathryn have always been very active in the local community, with such involvements as school Boards of Trustees, rugby clubs and so on. Allan is a seasoned participant in farming industry advocacy, too, in matters ranging from rabbit control to government measures to mitigate climate change.

A particular beef of his at present is the way he sees the big supply (i.e. not dairy) co-operatives as having "lost their way". While all farmers pay the same price for their shares, the large shareholders seem to be getting better deals than ordinary farmers; he believes it is an impediment to profitable farming and explains why so many of those smaller farms are going into trees.

The farm's stock bloke is Austin Smith who came to Hazlett with PWA, which had a good following in Southland. Fed up after 35 years with co-ops, Allan began working with Jack Meehan whom Austin took over from; he values the tie-up and he says the importance of such relationships can often be under-appreciated by those higher up in the larger stock companies.

Allan and Kathryn have six children, who include "... an engineer, a dairy farmer, two in the rural banking industry, one early childhood teacher and one overseas discovering what the rest of the world looks like."

Upping our game

Another spring planting done and dusted, with all the usual on-going climatic challenges and market fluctuations. Results in general across both islands have been pretty good despite a late start to the season.

With so much negative and unsettling news locally and in the wider world, I think it is fair to say that farmers seem to be in the firing line from all directions. Because of this we made a conscious decision to play our part in helping alleviate some of those pressures by planning during the winter months to improve our agronomy skills, technical expertise, hold more stock, widen our supplier base and improve our service levels on farm.

I really hope we have been able to deliver on this plan and you as clients have seen improvements.



A warm welcome to all our new clients this season and thank you to all our existing farmer clients for your ongoing support and business.

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STAFF PROFILE

Colin Scannell

Agri-Supplies Bloke,
South Canterbury/Otago

Colin joined Hazlett along with Luke Brice (profiled last issue) in January 2018.

He grew up on a farm near Pleasant Point and has worked in farm management, food processing company field work and latterly the farm servicing sector. "I've walked a few paddocks in my time."



"A bit of a gypsy...", he works his home territory but lately has been spending a couple of days a week in the Middelmarsh district and other regions from leads out of the former PWA network. The emphasis of his work nowadays is new pasture and winter feed crops as much of his home region has shifted away from traditional cereals to dairy support.

Colin is thoroughly enjoying being part of the Hazlett team: "They're a great bunch of people and a lot of fun to be around. They make life and work interesting in a very good way."

Christine and Colin have three daughters that provide a focus for their lives outside work: Claire who works in HR in Dunedin and has two children of her own, Nicole who lives nearby and also has two children, has just started up in opposition to Colin with another company, and Jessica who now works at Christchurch Airport after a few years in the telecoms industry.

Ok, we've got this

It looks like we're heading for twelve months of keeping on top of our costs, and knowing where every penny is spent.

You'd have to be confused by some of the incoming signals of late but whatever happens it's twelve months of consolidation to understand a cross-section of challenging times, whether it's interest rate increases, farm cost increases or the uncontrollable global fiscal situation.

We've got a tanking schedule for sheep meats at the moment. We've got a war going on, we've got a major consumer of our protein shut down by covid at the moment, we've got Europe and England having a melt-down ... all in a day's work for the farmer! Thank the good lord we live in Aotearoa.

I heard a great piece of wisdom the other day: "Look after the critical few; don't worry about the important many."

So, farming people, just be very proud of who we are. I've got no magic wand; all I know is that we just have to keep drawing on that resilience, keep playing the ball in front us, and have great fun.



And as always, honk if you're hurting.

Merry Christmas and a Happy New Year

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The Blokes' Diary

Weekly Sales

Blenheim	Every Second 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.

Meat the Need



It was a privilege for the Hazlett team to recently host Wayne Langford, better known as the **YOLO Farmer**. Wayne had a powerful message for us on managing mental health and wellbeing, including sharing a deeply personal description of his own journey. Additionally he shared the awesome story of the charity he co-founded with Siobhan O'Malley - **Meat the Need**. They are doing a terrific job coordinating farmers donating a processed animal which finds its way into foodbanks to help feed families in need. As Christmas is upon us - now is a great time to lean into this charity if you can.

www.meattheneed.org

Hazlett
People Together

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