

# Hazlett News

A newsletter for clients and mates of Hazlett Limited

## Glen Lyon calves meet robust demand

Glen Lyon-Huxley Gorge offered its annual crop of calves for sale at the Temuka Saleyards on March 29.

For the second year running Hazlett was involved in the sale, in conjunction with PGG Wrightson. Hazlett livestock agent George Mannering described the event as "... a very solid all-round sale".

The station has run the same base Hereford and Angus/Hereford cow herd since the early days and this year it was the Angus/Hereford steer calves that had an especially strong sale.

The vendors have a strong focus on temperament. The calves are mustered, weaned and sorted a week or so ahead of the sale and George says that although they are reared in the back of beyond, by the time they are sold they are well quietened down: "... and easy to handle."

Accordingly the buying bench is a loyal bunch of regulars who are well aware of this: some properties have been coming back for 50-60 years. This year, an endorsement of the quality of these animals can be seen in the fact that the first two pens of Angus/Hereford steers (20 and 42) went to



Te Mania, from whom Glen Lyon regularly purchases bulls. The top 20 made \$1090 - \$140 better than last year - and the second cut \$1020.

The tops of the Hereford steer calves made \$980 which was \$70 up on last year.

The tops of the Angus/Hereford heifers made \$740 and the Herefords \$810.

A total of 474 steers and 247 heifers plus a small number of bulls made up the nearly 750-head yarding.

This was the 94th time the station has offered its calves for sale at Temuka. In the early days the calves were walked from Glen Lyon, at the top end of Lake Ohau, a two-week drive.

George says the strength of the sale was a reflection of the return of repeat buyers who

are well aware of the quality of the calves, for finishing in the case of the steers and from breeders looking for heifers with high-performing genetics.

Hazlett has been involved for some years with offering the station's lambs at the Tekapo sale and in recent years they have built a similarly strong following.

Huxley Gorge was 14,700 ha, of which 14,000 have been retired in the recent past and Glen Lyon is about 32,000. The combined operation has long been associated with the Wigley family (over 100 years in the case of Huxley Gorge, 75 years on Glen Lyon); nowadays it is under the management of Ken and Jane Wigley's son Johnny and his partner Caroline.

## Time for Cashflow Planning

It is hard to remember a time in recent history where the cashflow in farming has tightened so quickly. This has been driven on both the cost and revenue line.

According to StatisticsNZ, farm costs were about 15% higher in Q4 of 2022 for sheep and beef farmers, while lamb was down 7% year-on-year for the same period. We are seeing similar pain points in the dairy sector.

Additionally, the impact of increasing interest rates and terminal tax payments means that working capital for a lot of farmers is a real issue. If you haven't already, now is a good time to take stock. Get your advisors around the table and work through the cashflow for the rest of this year and start the planning for next year.

Do not run out of cash. Talk to your bank early: this will give them confidence you have (or are developing) a plan and it will help them provide a solution for you.

Hazlett can assist too. Our stock funding programme partners nicely with your bank. We have lots of options to free up cashflow for you - while you retain (or buy) the stock to maximise its value over time.

Cashflow is King.



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## Seed for Slips well received

Most of the South Island is experiencing a reasonable autumn, with most winter crops now well established - although we have seen much higher than normal bug and insect pressure.

Regular crop walks have been imperative this year to stay ahead of any issues.

Across the East Coast of the North Island on top of normal farming chores farmers have been busy fixing fences, culverts, tracks and so on, getting general infrastructure and logistics sorted.

Our "Seed for Slips" campaign has been well received and has helped to relieve some of the pressure and reduce some costs for those affected. Our North Island team have now distributed nearly all the seed to a wide range of people. Fifteen tonnes went to Hawkes Bay with a further ten to Gisborne.

Thank you for the very kind and generous donations that came from a wide range of Hazlett customers.



Thanks also to everyone for their support and ongoing business.

**Tom Mowat** | GM, Hazlett Agri-Supplies | 027 462 0190 | tmowat@hazlett.nz

## Disasters to Drive Premiums Up

It will come as no surprise that the recent extreme climatic events in Auckland and the East Coast of the North Island will have a flow-on effect on the price of insurance.

From a distance the Auckland event didn't appear as extreme as the East Coast events but, because of its greater concentration of dwellings and commercial premises, the insurance claims from that area are significantly higher.

We are now getting signals from the insurers as to what this means for premiums and they are the most extreme we have ever seen.

The January cost of offshore reinsurance, which was before the recent disasters, were up 20% and one major insurer due to rewrite their offshore reinsurance in June have an indication of a 50% increase. Reinsurance, however, is only one part of an insurer's costs and we don't expect premium increases to be as high.

One mitigant option is to take higher excesses, but currently these are generally limited to \$10,000 or less. We are in discussion with insurers to get higher options and are hopeful of obtaining these.

The increased costs will heighten our focus on ensuring the insurance plans we recommend are customised to specific circumstances and as cost-effective as possible.



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## What a difference a few months can make

In the last issue, just before Christmas, I was commenting on a harsh correction in meat markets that looked to be locked in, but here we are now looking at a welcome recovery - especially in sheep and lambs, but then they had fallen the hardest.

Things are not exactly back to where they were but it's certainly a pleasing development. And they should keep recovering as this is traditionally the time of year when prices start to climb towards the spring peak.

This upturn probably has something to do with the world coming back from covid into what you might call a 'new normal' - which for us, unfortunately, also includes rapidly rising input costs.

The calf-selling season is almost over and we've seen a good strengthening in the steer market, as per the report of the Glen Lyon-Huxley Gorge sale on the front page. Angus and Angus/Hereford-cross steers are seeing particularly strong demand at present: there are some very good finishing programme and feedlot options out there and these types of steers are keenly sought for those.

It's been a great summer-autumn throughout Marlborough, greater Canterbury and North Otago which has also helped in the presentation of these animals even though there weren't as many sunny days as we're used to.

Summer was very dry in South Otago and Southland, however, and we're hoping those farmers have gained enough growth from more recent rains to see their capital stock through winter OK.



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## CLIENT PROFILE

Matarae Station, Central Otago

# William (Willie) and Emily Jones

Matarae is 6700 hectares of a complex mix of topography between Outram and Middlemarch that reaches right out to the top of the Rock and Pillar range.

Willie came to be working with Hazlett through Scott McIlroy's relationship with the Cross Brothers' Pemberley property at Charing Cross; the Cross brothers also own Rocklands Station next-door to Matarae, and Scott put Colin Scannell (profiled in last issue) on the case.

Colin was the right man for Willie Jones who is working to improve the productivity of their approximately 10,000 merinos, 6500 crossbred Romneys, 3000 quarterbred ( $\frac{1}{4}$  Romney -  $\frac{3}{4}$  Merino, bred on the farm to produce a finer-woolled prime lamb), plus a few cattle and deer. The Merino stud runs 350 ewes while the Romney stud numbers 500. These studs nowadays sell a few rams but Ron Jones established them originally to improve his own flocks.

It is unusual for Merino and Romney sheep to be run together on one property but Willie says the mix is very good from a cashflow point of view.

Colin's role is overseeing the crops grown to bring this stock through hard winters and dry summers.

And we're talking about a lot of (predominantly winter) crop. Matarae has plenty of tiger country but enough arable to grow 250ha kale, 150ha HT swedes, 150ha ryecorn, 250ha new grass and 20ha barley. The new grass rotation is swedes-kale-grass, with a winter fallow between all of them ensuring paddocks are ready to drill as soon as spring conditions allow. The farm

bought a new Allen direct drill a couple of years ago, which Willie says has made a 'huge difference' in sowing and fertilising precision. The soils are very abrasive and he says a lot of cultivation gear has been wrecked on the place over the years!

Now Colin Scannell is the one who makes it all happen.

"Colin's very experienced. He's here once a week during the growing season, going round the crops checking for weeds, pests and so on, and I don't have to go with him. If he finds a problem, he emails his recommendation to me and the spraying contractor, and it just gets done."

This is a revolutionary change for Willie who used to have to do all the monitoring and follow-up himself. "It just means that we can get on with the stock work." He says the seed always arrives on time and is well packaged so he is very pleased with the service to date.

LEFT: **Emily and Willie with their three boys: Archie, 9; Digby, 7; and Hudson, 5.**

"Colin came and spent time understanding the farm - it's quite a unique place with some quite heavy arable ground out towards Rocklands Station and we move into dryland rolling country that we are shifting from the traditional ryegrass-white clover to cocksfoot-subclover-type mixes, some with a little lucerne as well."

Herbs will enter these mixes as time goes on. While the common wisdom of a total pasture renewal cycle of ten years isn't realistic on a place like this, Willie is hoping that these new cultivars will give these dryland swards a number of years more than what would have traditionally been expected.

The next step is figuring out how to improve the fertility of rocky, north-facing 'thatchy, brown-tippy' hill blocks. Flying seed on didn't work so Willie thinks a better approach is to sweeten the ground up with fertiliser.

The impressive story of Matarae's success with fine Merino wool can be very easily found on-line; suffice to say here that Willie and Emily, who came back in 2009 and who are progressively buying the farm from Ron and Juliet Jones, are more interested in increasing the productivity of the existing stock - raising the Merino lambing from 100% to 130% is one aspiration Willie mentioned - than in increasing stock numbers.

Colin Scannell spends considerable time with Willie and Emily in making these plans for the property, contributing ideas to the process. Willie appreciates how Colin understands the complexity of the farm: "... because it's not a blanket property, it's quite a complex farm with a lot of different aspects from the heavy, higher rainfall through to low rainfall and right up the Rock and Pillar. And he has the ability to work with a farm mapping app that I use called Resolution."

He also appreciates how Hazlett seems to him to be focused on client servicing quality rather than client numbers.



Some of Matarae's 10,000 Merino ewes.

## STAFF PROFILE

### Justin Burton

#### Senior Procurement Analyst

Justin has been with Hazlett for five years, having joined us in March 2018.

He has worked in banking and finance ever since he left school. His father was also in banking which saw the family, originally from Invercargill, move around the South Island. They ended up in Blenheim. From there Justin moved to Christchurch where has been for 20 years now.

Justin worked in Funding when he first came to Hazlett, but as his role evolved he moved his way through to the Procurement area of the business. The emphasis of his work in the Hazlett Procurement team is on livestock supply chain solutions and joint farming arrangements.

He works with a team of field people to help farmers optimise their land and pasture resources by developing finishing and grazing agreements. This team works closely with the Funding and Livestock divisions.

He says this work is quite different from his earlier duties and he enjoys its variety: "You don't know what you're going to get from day to day. It's fast-paced which is exciting. I'm dealing with all sorts of people on a daily basis."

In his spare time he enjoys playing both rugby and touch rugby, hitting the gym, walking and outdoor activities including, of course, fishing.



## Hazlett Directory

### FUNDING

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### PROCUREMENT

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Please visit [www.hazlett.nz](http://www.hazlett.nz) for contact details of our people.

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## AI / Agritechnology

What an extraordinary time lies ahead for agriculture in New Zealand. Combining technology with artificial intelligence can only take us to a space we could not believe possible.

The iPhone is a demonstration of just that.

The Hazlett people's company takes huge pride and satisfaction in nurturing its young people to develop the art of connecting with customers across all divisions. We continue to hone our capability to combine our people values with technology.

One of the big learnings in our people's company is: don't stand on the beach and try to stop the tide coming in. It will go around you or through you and wash you out to sea.

Message to self: agritech and artificial intelligence are here. Let's ensure that we as humans use them and that they don't use us.



**Honk if you're hurting.**

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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           | Every Second 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](http://www.hazlett.nz/whats-on) for up-to-date information.

### HAT PIC



This is Hazlett Bloke Colin Scannell's grandkids Harriet & Joe at Maggie's Store in Middlemarch earlier in the year. They want the charity donation to go to children affected by the floods in the North Island so have chosen KidsCan who are running an appeal for this.

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