

the B-reader

Motu-nui
Romneys

MOTU-NUI ROMNEYS NEWSLETTER

SEPTEMBER 2009

Hard Times: Hard Facts: Bright Outlook.

With challenging times during the last twelve months we have seen sheep farmers facing an uncertain financial instability, with land values dropping by 25 percent in the last twelve months. The changes within the New Zealand sheep industry will be with us for several years yet, so sheep producers will most likely want to reconsider their farming systems.

The impact of climate and profitability will make farmers want to make decisions regarding long-term strategy sustainability. Sheep farmers have been most fortunate to have lamb and beef prices back up to a more respectable and working value compared to previous years.

The impact of the global financial crisis on New Zealand farming has been significant. Shortage of credit has seen major flow-on effects in Agriculture. The collapse of global input prices such as fertilizer, fuel, chemicals and international freight rates will provide much needed relief to New Zealand agriculture. Undoubtedly the most important fact during the 2009/10-year in New Zealand agriculture will be the global economic downturn. The 2009/10-year will see farmers place a greater focus on controlling costs than in previous years.

The rapid decline in New Zealand's sheep flocks and the current shortage of lambs must be of a concern to the New Zealand exporters.

Meat and Wool New Zealand are saying that drought and dairy expansion have reduced the sheep national flock numbers by 2.8 percent to 33.4 million and this follows an 11.4 percent decrease from the previous year. They say three consecutive years of drought in the East Coast regions have been a big influence in this drop. Ewe numbers have dropped 3.4 percent to 22.7 million, (the lowest since 1951), North Island was down 2.9 percent and the South Island was down 3.8 percent. Meat and Wool New Zealand said this year's lamb crop was estimated to be up by 2 percent on last year.

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New Zealand sheep farmers can expect lamb prices in 2009/10 to be at higher levels than seen over the past four years and this will restore profitability to their business. Many sheep farmers will be confronted with the opportunity to rebuild their flocks as the seasonable conditions improve. The reduced sheep numbers will offset weaker world demand for sheep meat and this should assist in supporting prices to hold or improve at current levels for this coming season.

On the local front we have survived another very dry season, which has once more put our stock under lots of pressure. With ICA only been in our ownership for the second year and still needing a mountain of development, Jason and his team have done a tremendous job in bringing the sheep forward in such great order under extremely difficult conditions. It always amazes me how our sheep recover from these droughts and long periods of poor grass quality.

As mentioned last year, we are increasing ram prices, (last price increase was 2001) which was inevitable due to the rising costs of production, I feel confident that the genetics' that our rams have will bring to your flock an increase in sheep production.

Costs controls, efficiency and productivity improvements rather than production increases, will stand the sheep industry to a economic recovery in the future.

I wish you well with lambing this year and may the coming spring/summer be a good one for grass production. Hope to catch up with you at ram selling time.

John.



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The synthetic industry is unsustainable as the world population grows and gets hungry.

Latest news from ICA Station

Hello and welcome to our 2009 newsletter. What a great late winter, dare I say a shower of rain is now the order of the day. I am well aware that the wind is about to strike and if we don't see moisture we maybe staring right down the barrel of drought number 4!!!

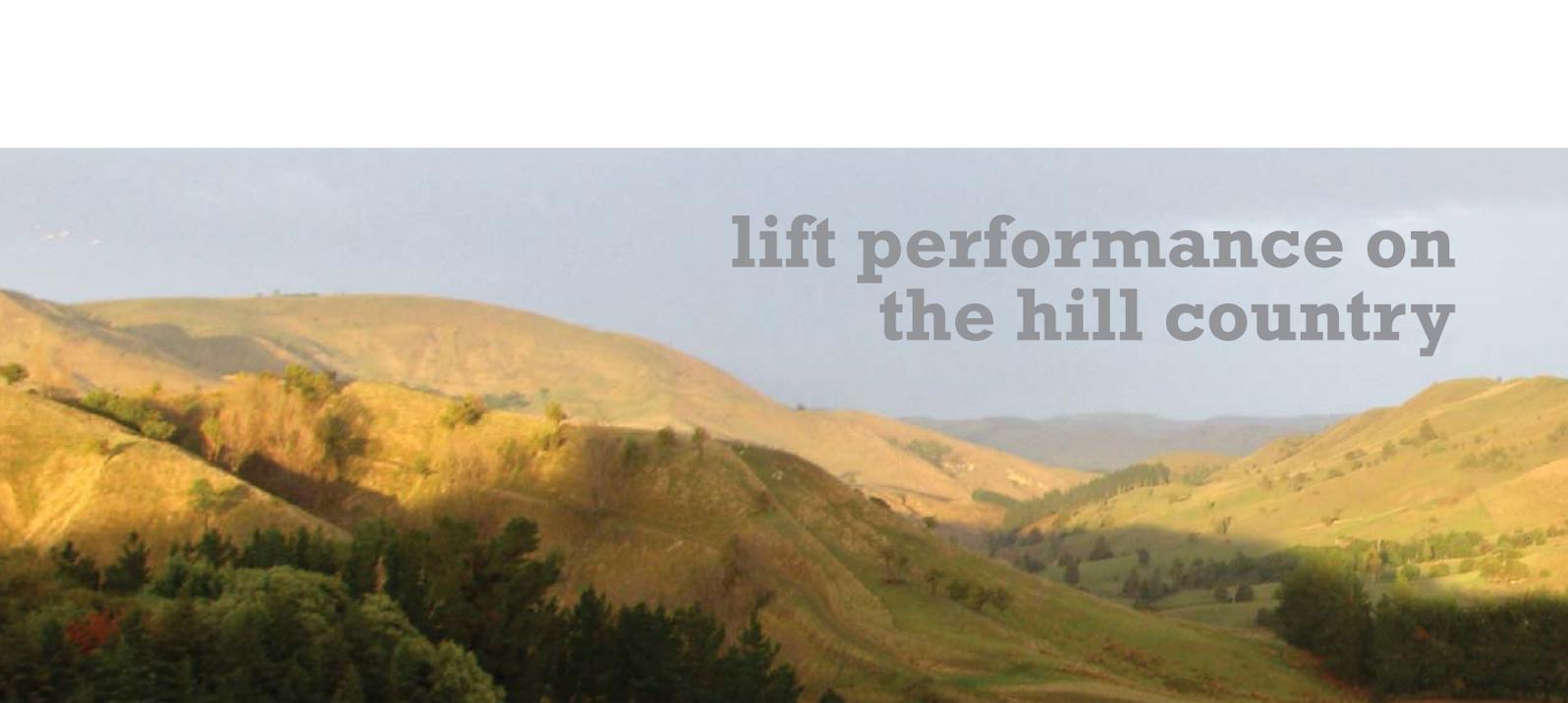
With most operators carrying fewer ewes they have managed to feed them better and have achieved higher scanning results. As we are all well aware every lamb is going to be a valuable one, there will need to be a real effort to keep as much alive as possible. If the el-Niño pattern arrives like they are predicting it is going to be very important to have ewes producing at full capacity on the drop and protect bodyweight as much as possible. A bonus to this weather pattern is that the breeders on the eastern side will be able to unload store to their western neighbours for what is looking like being a handy price. Every one should make a margin.

As also touched on by John in his article, we have had another trying year at ICA, we wanted to test our sheep and we have certainly succeeded in doing so. With so much development work still to be done, and not a lot of grass grown the stock have proved to us that we are on the right track with our selection criteria. Our ewes still weaned over 80% of their bodyweight which is remarkable considering the conditions. This certainly gives us so many more options as the droughts kick in and lambs are at such good weights straight off their mothers. We are really trying to lift performance on the hill country as this where 90% of our genetics are being sold onto and also into harsh farming environments. We are still culling over 1/3 of our recorded flock annually on performance and constitution. We are finding that the program we have developed using our EID system has become a huge asset towards achieving our performance.

We aim to continue breeding a sheep that is performance tested as well as structurally sound in all areas, we are also very mindful that we

need to be achieving these results with minimal costs as we see this becoming a problem as costs keep inflating. I am big on doing the basics well.

We have been questioned a lot lately on how we see the wool industry which is becoming a real concern to the sheep breeder. There is still a lot of work being done to get this industry back on track, many of you would have read or heard of new brands such as 'Just Shorn' and the work that the likes of 'Wool Partners' are doing. There is some positive signs in the industry but it is the communication between these companies that concerns me. Our markets are limited offshore so now is not the the time to be having internal battles between rival companies. We cannot continue been price takers and been bullied into taking what ever price we can.



lift performance on the hill country

In my opinion we have made a mess of marketing the stuff and we need to sort it quickly as we are heading down the road of our English friends very quickly. The long term sustainability of synthetics is very unstable as the world grows and becomes hungry.

I would like to introduce Donald and Sandra Fannin to our team who farm just west of Taihape on their farm 'Hiwi' which has been in the Fannin family for 5 generations. Donald and Sandra have been using our genetics for a number of years and as Donald says "have turned his sheep around dramatically". We have sent a small number of recorded ewes up to Donald over the past 18 months and are very pleased with the way they have moved. I have always said that our sheep move very well to that area and this is proving the case.

We plan on working in together and treating the sheep as we do at Motu-nui, they will have the same culling criteria as we do. Donald is a very good stockman and we are very excited to see how our sheep will perform in his system. There will be no screening in of ewes they will just be randomly selected from our home base as it is a slow process as recorded ewes don't just appear. There will be small number of rams available this year from 'Motu-nui Hiwi', we hope to grow the base slowly and look forward to seeing the results in performance from the two different operations. Please feel free to contact Donald and Sandra at anytime if you want a look around.

Without sounding like the Ram warehouse we have recently purchased a South Suffolk stud comprising of 240 ewes. The stud was purchased from Mrs Armstrong, many of our local Wairarapa farmers would have heard of her legacy and the passion she had for her sheep. I have often been told by my own clients on the strength of her sheep. The opportunity arose as she became ill and we were given the chance to buy. A number of clients have said to me in the past that it would be handy to also purchase their terminal sires at the same time as there maternal.

We have treated them like we would treat any other sheep; yes we have had a number fall out (approx 1/3) we feel we need to put some hardiness into them as the average age for a terminal sire is only 2.8 years mainly

because they are bred in small flocks on the easy country. The progeny have also been treated like any other we have. We will have 2th rams for inspection this year.

As mentioned last year we have been forced to put up our Ram price by \$100. We have held off as long as possible to pass on the cost of inflation, the last price rise was 2001. Not going into detail but you would be amazed at the amount it costs for us to get a 2th Ram to sale. We are still very competitive price wise compared to other ram breeders and will continue to guarantee our rams if you are not satisfied.

As always our gate is always open at ICA if you would like a look around and see what we are up to, or just give us a call for a catch up.

I wish you the best of luck with your lambing and surely we are due a decent season.

Jason



Motu-nui South

The last twelve months in the deep south has seen one of the more prosperous years in sheep farming in memory

All things seem to line up in the right direction and at the right time. Good scanning, good lambing weather and at last a decent spring to kick start the season. Also finally the meat companies decided to pay us a price that will make sheep farming sustainable into the future. The scary part of that was what was different from the year before? Not a lot unfortunately and all this upturn was brought about mainly by a major shortage of lambs to export.

Our meat companies did very little toward this upturn but we can only hope they have marketing strategies in place to keep prices at a similar level as last season so we as sheep farmers can face the future with confidence.

The last two months have been spent visiting some of our ram clients and holding several field days. It is always nice to visit our clients at home and see the environment our rams move into. After five years of operation it is good to see the progress clients have made and to see the impact Motu-nui rams have made on their flocks.

Feedback once again has been very positive to our marketing campaign with a number of new clients waiting to join us this season.

To our regular customers, please make sure you return your order forms early to avoid disappointment.

Motu-nui South will have 400 rams for sale this season, an increase of 60 on last year. They were shorn on August 10th and came out of the wool extremely well.

We are confident of an excellent line of rams for your perusal in late November. Ram selling this season is expected to be 23rd-27th of November and John Le Grove is again hoping to join us for this week.

Finally it is 5 years since we had a change in ram prices. It is becoming

most costly and time consuming as you can imagine to produce these rams, so in line with the North Island operation we too will be lifting our ram prices this season.

The high index rams will sell at \$900 each and the middle index rams will sell at \$700 each. There will be a small number of elite rams also available.

We trust this newsletter finds you all in a positive frame of mind as we look forward to better returns from our sheep, - both in performance and financial return.

Happy lambing and we look forward to our annual catch-up at ram selling time.

Bruce,Carolynn & Marc Robertson





Client Profile: The Chimneys

The Chimneys is a 2000 hectare Northern Southland property. It ranges from developed river flats to steep undeveloped native country. It currently carries 8800 stock units with 4500 breeding ewes. This is our second year of using a Motu-nui Romney over a perendale composite ewe. We retain as many Motu-nui ewe lambs as possible to help with the phasing in process. We decided to go with the Motu-nui because they produce a grunty, more efficient ewe that is capable of withstanding the dry summers and harsh winters. The first cross hoggets are showing characteristics of a stockier, good doing animal that is the type and shape we are looking for to be able to climb and forage on the rough country. We have recently taken over another property that will compliment The Chimneys and what we want to achieve. This property is 1200 hectares and we will be used as a finishing block. It will also lamb 5000 ewes and we will use the Motu-nui to breed replacements. This will allow us to increase ewe numbers at The Chimneys to 7000 within the next three years.

Dion White



Deon and Nicky White with their son Quaid

For further information please contact one of our branch managers.

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