

TEXEL MARKETING GROUP

INTERNATIONAL
NEWSLETTER No. 60
October 2006

LINKING FARMER PRODUCERS WITH END USERS



Tide out.

Kawhia harbour, Sept 2006.

WEEDEATERS OF CHINA.

Recently sheep in the Shaanxi province ate banknotes hidden (from thieves) under pasture. Zhang (the farmer) found about \$20,000 of public funds gone. Village officials quickly killed ten sheep only to find small scraps of partly digested money. A few yuan notes were glued together but almost all the money was lost.

Confucius may have said.

"What is the greater thief?

The one that takes your money, (a bank)

Or the one that eats it? (a sheep)

The former – the money is lost.

At least you can eat the latter.

(Chinese don't trust banks, hence the buried money)

PREDICTIONS

- Helen Clark will go to UN.
- Don Brash will go.
- More NZ companies will go. Katmandu, 42 Below, Caffè L'Affare, Trade Me, Watties-Heinz, Swandri, Allflex: Gone. Fonterra next?
- Primary sector growth will keep NZ solvent.

NOTICE BOARD OSRS OPEN DAYS 2006.

1. OSRS West **Friday, 27 October 2006.**
At Don Buchanan's farm, 560 b, Hikumutu Rd. Taumarunui.
2. OSRS **Tuesday, 7 November 2006.**
At Burnside, 3962, SH 2, Takapau.
3. OSRS South, **Friday, 10 November 2006.**
At Colin McDonald's farm, Pope Rd, Tokanui.

These are informal 'open days' starting at 10 am. There will be plenty of opportunity to view stock; discuss One Stop Ram Shop breeding programmes and Texel Marketing Group initiatives. Join us; you will find the visit rewarding and thought provoking. We feed you.

Large quantities of Finn-Texel stock are required throughout NZ for breeding next season. Please contact us if you wish to buy or sell ewes this season. At last, mature Finn-Texel capital stock ewes are becoming available.

Ewe lambs are required by TMG from Jan 2007.

Keep sending in your suggestions for RAM 4 U after 500,000 kms. Your idea could win a trip.



Don Buchanan of OSRS West.

Taumarunui, Sept 2006



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My father used to talk about the eczema outbreak in 1928, so as you can see we have lived with it for quite a while! I was lucky enough to hear of the Finn's tolerance very early in their development in this country and as quickly as possible got my flock up to ½ Finn, initially through crossing a pure bred with my Coopworth flock. This was not the greatest cross as it was fairly slow maturing so I introduced a bit of Texel, by using the Finn-Texel cross. This has been a big advance and today as I went around the lambs (for the first time) I am very satisfied with what I saw. I have always maintained that for real eczema tolerance you need 50% Finn. I have proved this regularly when the only problem sheep at eczema time have been the lambs by the terminal sire – only 25% Finn.

Looks like a pretty good lambing. Its been great weather and looks like few deaths. I am forbidden to help with the docking but hope I will be able to sneak round and check when no ones looking!

Cheers, Duncan Johnstone.

For 150 years the NZ sheep flock was centred on the low fertility of Romneys. Once Finnsheep were used by farmers and breeders NZ production moved to a new level. Finn cross ewes do not need flushing, are fecund, have few bearings and exhibit totally repeatable performance. With Finnsheep, the **best** is yet to come.



Martha and Arthur discussing food with Sam Hunt.
OSRS, 10 Sept 2006.



Finn-Texel ewe hoggets being shorn at Whatawhata. Terry Steenson has worked for Duncan Johnstone for decades and fully endorses everything Duncan has written about Finn sheep.

WEEKLY PUNCH-UP

Sept 4 NZFW,

The issue raised by Clive Dalton, of masses of lambs from Finn flocks **has not** happened.

Lydon Baker in his 1998 paper, 'Finnsheep and their utilization', noted that heterosis for Finn litter size has been low in 40 countries world-wide. NZ has been country 41; plenty of lambs but **not** ridiculous numbers.

Chris Mulvaney (Te Kuiti Vet.,) wrote a practical interpretation of the Finn contribution. "Big lamb numbers are still the key to ewe income." High performance comes from feeding, feeding, feeding. Genetics provide the potential which is realised by good feeding.

He notes leading studs place greater emphasis on growth rate rather than fecundity. (eg, OSRS has selected for growth for **ten** years). As a practical animal health professional Chris's comments are based on his experience, observations and common sense.

(Cont'd)



Plenty of snow, cloud and lambs; very little grass. A hard winter in Hawke's Bay.
Sept 2006.



No grass, but an idyllic scene. This dam is filled by the only pipes laid on block iv, it has water for ten months each year.
Sept 2006.

AUSTRALIAN NEWS.

Record levels of semen from OSRS will be sent to WA, NSW, and Victoria in November.

"We have yet to tip out 7 inches of rain for the year. I have been feeding stock since February. I sold my first sucker lambs (weaners) at Bendigo for \$85. Not bad considering the price has been coming down over the last couple of weeks because of the dry".

Neil Davies, Victoria.

Genghis Khan restaurants in Japan are promoting Aussie lamb and have created a demand. Japanese annually consume 6.3 kg of beef, 12.5 kg of chicken, 13 kg of pork but only 144 gms of lamb per head.

A good start for Aussie lamb, but does it still have a smell?

Apparently Australian Wool Innovation has delivered \$417 million in benefits to wool producers during the last three years according to an independent report. Since 2003 the organisation has spent \$162 million of levy and government money on animal health, animal welfare, genetics, wool quality and handling, research and development.

Sounds familiar to NZ farmers. Has the price of wool risen? Expenditure of this magnitude has been going on for decades. No farmer approached by TMG has anything but contempt for the AWI's effectiveness.



Panorama Motel at Te Kuiti feeds the traveller well. Yummy KC lamb chops were **not** Texel but good value at \$32. Enough 'doggie bag' chops for lunch. 4 Sept 2006.



Brook's woolshed and Tarata hills

July 2006.

LEVIES ARE TAXES.

Two years ago meat and wool farmers voted to retain levy payments to finance 'industry good' activities. Dr Sutton (Ex Minister of Ag) promised the levies would be used wisely for the benefit of stakeholders.

Newly elected producer representatives told stakeholders; sheep, beef, dairy farmers and lifestylers that 'they' would get value from the levies. \$30-40 million is collected annually.

What has changed since 2004? About 90 staff are employed by M&W NZ. No farmer knows what they do

'Farmer's Weekly' July 2006, had a spread which explains how the levies are to be proportioned to 2006-07 activities.

Millions have been allotted in a similar fashion for years with no proof that they have been spent to stakeholders advantage. M&W NZ must provide accountability for this expenditure.

Countrywide, July 24, 2006, reported that a Wairarapa farmer meeting (of about twelve) indicated "some support for a levy increase if it was invested along-side meat company investments in targeted programmes and a robust case justified it".

Tony Leggett.

If other peoples money (OPM) is available, 'targeted programmes' and 'robust cases' will emerge. Stakeholders must not pay more levies (taxes) or even consider doing so, until our representatives justify the expenditure of levy millions.

Promotions and advertising campaigns are not stakeholders business.

If I sell my timber to a timber miller I am not expected to pay for the furniture makers marketing programme!

Having viewed two situations where MAF has charged land owners for neglect of stock, it is necessary to comment.

Five dead cows and many pitiful skinny dairy cows owned by Allan Crafer alongside the Napier-Taupo highway was a horrific sight. Stock are totally reliant upon humans for their well being and should never have been treated like this.

Crafer blamed his managers for this disaster. The situation did not happen over-night. Crafer has the responsibility to feed his animals and if others do so poorly, he should do it himself. No doubt Crafer was well fed and warm when his cows were dying of cold and starvation next to one of NZ's main highways.



First light, 7am, King Country mists rising. Te Kuiti, Sept 2006.

Everybody grizzles when salaries of management and directors of large companies become public knowledge. These huge salaries and share options are endorsed by peers who have self-interest at stake, as they too wish to have these high salaries.

Any amount of complaints by share holders or part owners of the business does not change the situation one iota. Any new appointment will attract a higher salary.

But what happens when the company has a terrible year? Nobody is accountable. Some CEO's get pushed out but with a hefty golden hand-shake. Most of the directors survive in spite of share holder protestations.

Look at Feltex. Bad management, bad directors, but good product. If directors cannot or (do not) perform how do they keep their directorships.

Look closer to home. Meat and Wool are good products. Meat and Wool NZ directors have done nothing for years that gives farmers more money in the pocket. If Meat and Wool NZ was a commercial company shareholders would be very scathing of its lack of performance.

Meat and Wool NZ, financed by levies, knows how to spend other people's money(OPM) but does not know how to make it. All they need to do is to increase the price of wool and meat for farmers and the levy take would increase. M & WNZ doesn't know how to increase returns to farmers.



Robin Hilson, Colin Burlace, Walter Cresswell, Peter Kettle, Bernard Arends and Ron Falconer form the practical arm of OSRS. 200 years of farm experience, and this is only part of OSRS personnel.

SHEEP RUSTLING.

Rod an enthusiastic Canadian who is spending the spring and summer at OSRS, became the unwitting owner of an orphan lamb when someone popped it into the dog box on his ute at the end of a days work.

Rod headed to Waipukurau to send some emails from the library, leaving his hungry, bleating 'pet' in the dog box, parked right outside.

Twenty minutes later, emails complete, he returned to find the lamb gone! Rod does not appear very upset, but how is that for light-fingered?!

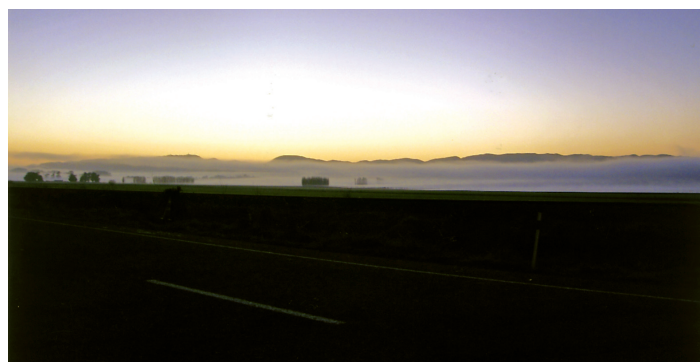
Vet mail; editor Richard Hilson.



Curious cows on top of Maire Hill.



No grass, but Texel ewes are still well conditioned. Very few lamb losses. All ewes use shelter wisely. Tarata, Sept 2006.



Lake Poukawa, Hawke's Bay, shrouded in mist. 6 am, Sept 2006.



Paratu and Burnside have masses of nodding thistles which are infested with weevils. In August the whole farm was sprayed to reduce thistles.



A shattered redwood at Waimiha, zapped by lightning.

QUOTES.

"Your newsletters are really amazing. I don't know how you get all the material. How you pull it all together and present it with a personal twist makes them so readable".
Agricultural newspaper editor.

"We absolutely love the newsletters which go on top of the pile when they arrive. Sometimes, we fight over who is going to read them first"
Farmer, Te Kuiti.

"Hi Robin, hope all is well with OSRS. I had your latest newsletter on the coffee table the other day when we had some visitors and they quite enjoyed the read.
Journalist, H B.

"Gday Robin. Thank you for your newsletters. Maynard and I find them really interesting (and amusing). It keeps us in touch with NZ politics etc. We were sorry to hear Ra has died, we lost our old Major too"

Farmers, South Australia.

Farmers love dogs. Some dogs are very special.

We were interested in what you had achieved with Finn sheep. We saw Finnsheep rams bigger than our Finnsheep in Denmark, but also saw Finn-Texel rams and they were very attractive. We have now bought a Texel ram, and will try to make some FT, not only ewes but also rams"

Svend Jorgensen, ram breeder, Denmark.

Svend visited OSRS in January.

"Six Finn ewes were mated with a Dorset ram. I got 15 live births and 14 survived. To say I'm happy is an understatement. All ewes are great mothers and are looking after their lambs well."

Stan, Putararu

"Thank you for the newsletter. Our 18 ewes have just finished lambing, which took 2 ½ weeks and produced 227% lambs!! Plus there are only two pet lambs out of this. So we are pleased with the ram from you, although we are quite tired! The ewes are possibly a bit tired too!"

Dawne, New Plymouth.



From SH1 near Taihape, the Ruahine Range, even with snow, does not look so impressive as when viewed from Takapau.

Sept 2006



Chris Southgate, Texel Marketing Group (TMG) director, farm consultant and valuer. Chris is based in Dannevirke.



Break-feeding calving cows. Tarata flats. Elegant totaras.

Sept 2006.



Fully maintained production forest. Scattered podocarp remnants will be fenced from stock.

Tarata, July 2006.

USING YOUR EYES

Widespread use of lime instead of superphosphate is occurring in the North Island. Many farmers 'feel' that artificial fertilizers have not improved either their stock health or pasture production for years. Climate change has helped pasture and livestock performance but at economic levels many fertilizer programmes don't appear to be contributing much. These farmers are very experienced and all have been using fertilizers at good levels.

What happens next will be interesting. Soil testing has always been hit and miss on NZ farms. The analysis has only been as accurate as the latest test method. Using your eyes to gauge the pasture growth and stock health may be the best tool of all. Farmers know their country and stock best.

Dennis Astle (Te Kuiti) sold 204 tail end lambs in the sale yards, late August. Bright, ¼ Finn ¼ Texel ½ Perendales made \$108. The next best pen sold for \$98.

Rick Bettle (Ex Alliance CEO, Chairman of Ovita Ltd) has written a provocative article in the Farmers Weekly, August 28th 2006.

'Time to supply meat cooperatives annually'

He states that weekly schedules lead to major inefficiencies in the meat industry and should be scrapped. Everybody would benefit if farmers were contracted to annual supply.

Schedules do influence farmer selling policies but most would prefer to commit to one company if only they could feel that the company would **always** look after them. Annual commitment by farmers to Progressive Meats and Lean Meats Ltd is given and loyalty has developed.

Chaotic competition is a regular occurrence when processors vie for stock. Processors must enter 'price wars' knowingly. Farmers can only sell their prime stock once, so they need the highest possible price.

TMG operated supply chains to processors for years. Farmers were contracted and knew the likely price per kilo; the processor was rewarded by lambs arriving on time, in correct numbers. Marketers knew they had a superior Texel meat to market over a known period. TMG supply worked to everybody's advantage. TMG was continually co-ordinating farmers as fickle climate conditions required stock to be moved between properties.

But, contracts worked for everyone

OSRS would readily contract all year supply if confidence with a processor could be engendered. Processors should **not** threaten farmers by limiting space, (as happens in the SI) all sectors must learn to work together, *then annual supply contracts could be the norm.*

Why is Rick Bettle chairman of Ovita? Meat and Wool NZ should have appointed a farmer who knows what Ovita needs to achieve acceptance by farmers. Another poor M&W NZ decision. At least, a farmer chairman would have been accountable to fellow farmers.



Steep hill country west of Parakanapa Road. Strong pastures produce robust sheep. Tiniroto, August 2006



King Country. TeAnga road scene at 8 pm. Spring is in the air Sept 2006



Typical Raglan coastal hill country. Waipa Ranui, farmed by Michael Jesson has been transformed, by thoughtful management, in just a few years. 7, Sept 2006.



Waitomo tops. Snow covered central volcanoes are just visible through the mists. Paul and Rita Verry.

If sheep farmers worried about the lack of scrutiny of M&W NZ activities and the expenditure of levy money read the

'Grower' (official magazine for Horticulture NZ).

'Veg Fed' – 2006 Annual Report.

'United Outlook' (which focus's on healthy eating, physical activity, being sunsmart, being smoke-free and encourages children to eat daily fresh fruit and vegetables). *they would be mortified.*

These linked publications, mostly paid for by levies, are go-go. Growers hit hard by local buying cartels and global competition are taking the opposition head-on and succeeding. Each publication is bright, scientific, factual, topical, critical and full of common-sense.

People like Brian Garguilo (Ex Veg Fed Chairman) are unselfish motivators who constructively back NZ small business's.

Where in the pastoral industry is such energy and passion? Apathy kills activity.

Pastoralists wake up, forget about political leadership; there is none. Pursue ideas, create opportunities. Sheepmeat is in short supply forever. Few food exports traded internationally have such an opportunity.

FIVE LINERS

- Please explain somebody? WRONZ (wool research) has bought back the Wool Interiors Brand. "To keep it in NZ hands" Mike Pederson.

Wool Equities Ltd has sold the Wool Testing Authority (WTA) to Australian interests. WTA has no value to NZ hands?

Were these not NZ farmer assets, paid for by levies?

- Only independent stock agents can be considered impartial when advising farmers about which rams to buy. Agents do see the end-products of breeding programmes. Few agents understand sheep genetics. Only consultants know the total farming picture, the family issues and financial constraints in a farming business. Unfortunately many consultants are tied to ram breeding enterprises.

Farmers should make their own decisions about what breed to farm. Visit lots of ram breeders and ask your questions. Ram breeders like being questioned.

- UK uses twice as much energy as NZ to produce a tonne of milk solids (including the energy to transport the goods). Four times as much energy to produce lambs, 40% more for apples, 30% more for onions.

So much for the food mile theory.

- Delays in releasing the Crown Lease and Tenure review paper, is causing great frustration for leasehold farmers.

Government is not fair about leasehold issues. Farmers just want to know their tenure prospects and make decisions, now.

- Plastic tanks. Some plastic tanks blow away while others split and smash. Broken tanks are common in rural NZ.

- \$80 million is spent annually killing possums; numbers are falling dramatically. A glove maker who uses possum skins needs 180,000 but can only get 100,000.

Glove maker; pay more, there are still heaps around. You will get all you need.

- Everywhere in NZ youngsters are still smoking and blasting their hearing to pieces with loud music.

Immortal at twenty, remorseful or deaf at fifty.

- Statistics NZ has 500 staff.

What do they all do? This number of people represents an appreciable business in the commercial NZ. (NB; China would have 150,000 staff in the equivalent department)

- 'Reasonable' numbers of dairy farmers in Waikato/KC have left the industry. Cows are sold, sheds decommissioned. Farmers have opted for an easier life without staff and more reward. Beef farming and even sheep farming is the new practice.

- 2005, \$2.6 billion was earned by making films and TV programmes. NZ screen industry compares with horticulture and forestry as a money earner. Peter Jackson and Co, well done.

- "Reducing MP numbers would adversely affect how Parliament operates and would mean less diversity" according to a Parliamentary committee which voted to

keep the present number of list MP's.

NZ has too many MP's. Jobs for nonentities.

MMP = Many More Politicians.

- An appalling mistake by Government has seen HIV positive, refugees gain NZ citizenship.

DHB's already cash-strapped will have to find money to help these New Zealanders. Have they been tested for ebola or bird flu? What incompetence by Labour.

- British arms maker BAE Systems is designing 'environmentally friendly' weapons. Reduced lead bullets, composting waste, explosives, vehicles with less carbon emissions.

Much more friendly would be to give up making arms.

- Ms Clark; Labour will not repay the \$800,000 taxpayer funds the auditor-general said was unlawfully spent. Government will pass validating retrospective legislation to OK the election spending.

An awful precedent. Why have laws? Why have politicians?



OSRS West, **new** location. Selling centre and Open day site 27 Oct, 560b Hikumutu Rd, Taumarunui.

Don Buchanan, Sept 2006.



Whirinaki steam and sign warns Fire ants to stay away. Another bio-security lapse. Can Fire Ants read?



Texel Sheep with lambs on the Isle of Texel, Holland.



Peter Kettle. OSRS Operations Manager. Peter is a career manager with vast experience. He is a meticulous record taker and organiser who always considers stock well being.



Gayle Falconer. OSRS secretary, thorough organiser of names and addresses.



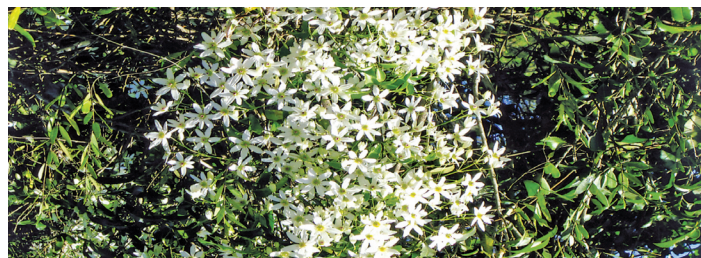
Ron Falconer. OSRS Burnside. Ron has had his whole career shepherding and managing Farms. OSRS Burnside.



Bernard Arends. OSRS Burnside and Tarata. Bernard has owned and leased farms. A national sheepdog trialist who represented NZ. Bernard runs sheep dog training schools regularly in Australia.



Intelligent Finn cross rams waiting for the client's ute to back up. Rams are ready to go to a new home the day they are selected. OSRS, South.



Clematis paniculata. Huge masses of this endemic gem festoon the roadside vegetation now possum numbers are minimal. Kawhia, Sept 2006.

WHAT PLACES OSRS APART?

- 20 years experience with Finns and Texels (more than any other farmer).
- OSRS visits clients farms regularly
- The composition of each ram is always identified (no fancy names).
- OSRS sells two tooth rams only.
- The vast practical 'hands on' experience of staff.
- National and International Marketing Network.
- Breeding programmes based on 'common sense'? science and market experiences.
- Stimulating newsletters and helpful communications.

OSRS did access the best genetics from NZ Sheepac Ltd. Sheepac started at OSRS in 1987. The Sheepac genetics have steadily been improved. Initially breed numbers were important but the selection emphasis moved to growth rate and survival of lambs a decade ago.

Traits such as Texel meatiness and leanness (now a scientifically identified trait) has been part of OSRS since 1990. Finn-sheep traits; fecundity, survival and lack of bearings have been utilised. OSRS keeps the breed proportions of the composite rams highlighted and not hidden by fancy names.

These traits of the introduced sheep have elevated the national production rapidly.

20 years has allowed OSRS to perfect the breeds (to OSRS's satisfaction) whilst incorporating all the information gleaned from TMG activities in marketing (Europe, US, Australia), sourcing stock and processing for specialist markets, into OSRS breeding programmes. This has been a huge task.

OSRS/TMG's main aim is to put money in farmer's pockets; this has been achieved. There is no wish to become NZ's biggest producer of rams, only a wish to be the most thorough. Rams are sold with the guarantee that they will do what is stated in the catalogue. Each is the product of a large scale breeding programme, utilising the latest science (where applicable) and the accumulated no-nonsense knowledge of staff with over 200 years of 'hands on experience'. OSRS is very proud of the effort and enthusiasm of staff, advisors and selling site farmers. The input by Colin and Dot McDonald, Robert and Susanne Carter has really helped shape OSRS. Don Buchanan and Dan Wheeler, also hugely experienced, will add to OSRS thoroughness.