



farming people

HRL news

Hazlett Rural Limited

GST Issues

The increase in the GST rate will in theory at least be cost-neutral for businesses but there are a number of traps for the unwary.

The first thing to be understood is what rate of GST you will pay or receive on purchases and sales. The legislation talks about "Time of Supply" and it is this that determines what rate of GST applies. Time of supply is not the date that the goods change hands, but is defined as the earlier of the date of the invoice or the date when any payment is received.

Because of the Time of Supply rules, care will need to be taken with accounts such as CRT. In this case you are invoiced for the goods but not by the physical supplier of the goods. We are aware that CRT are in negotiations with the IRD to clarify this. Similarly, there are issues regarding sales where there is a retention. Our understanding is that the Inland Revenue are treating these as multiple supplies. The initial supply would be taxed at 12.5% and the subsequent payment of the retention will be taxed at 15%.

By Rick Hill

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The main issue though is to ensure that you carefully check the paperwork you receive.

For those on the "payments basis", payments made or received after the first of October will be accounted for at the 15% rate but to compensate for this an adjustment will be filed with your September GST return.

All businesses will have to file a return covering the period ended 30 September. For farmers with June balance date this will mean a three-month return for six-monthly filers covering the period July to September and a three-month return covering the period October to December; for two-monthly filers separate returns for September and October will be required.

Earthquake claims

Our thoughts are with clients affected by the big shake. Hazlett Rural Insurance is here to assist in any way we can.

HRI's Sean Lysaght says by Government requirement, clients who have damage to their dwellings and contents are to contact the Earthquake commission directly on **0800 652 333 or www.eqc.govt.nz in the first instance.**

EQC cover is limited to \$100,000 on dwellings and \$20,000 on contents and the Earthquake commission insist on dealing with claimants and not the broker.

Damage beyond those limits — and damage to other property (for example vehicles, sheds and plant) — is covered by your insurer. In that case HRI clients should contact Sean Lysaght directly on:

Mobile: 027 462 0123

Office: 03 359-3377

Email: slysaght@hazlettrural.co.nz

Sean says the insurers we deal with have very good disaster response procedures so clients can turn their minds to getting their lives and farms back to normal without worrying about the financial consequences.

"Their first priority should be ensuring everything is secure and safe. And a good idea is to photograph damage for future reference."

HRL major Mint Lamb sponsor

Hazlett Rural leads a lineup of big New Zealand agribusiness names as major sponsor of the 2010 Canterbury A&P Association's Mint Lamb competition.

The competition provides an opportunity for farmers to be recognised for the superior lambs they produce. It's open to all breeds and farmers throughout New Zealand can enter.

HRL general manager Ed Marfell says the sponsorship is important for the company, as well as highly appropriate.

"HRL is all about meat industry quality through producer support. Many of our clients are producing excellent lambs and we're happy to foster the opportunity this competition represents for them to gain

recognition for their hard work."

He says the sponsorship is important because the competition is important:

"To secure its future, this is the way the meat industry has to go. And we're going with it."

Entered lambs are processed by Alliance at Dannevirke and Smithfield. They are judged on yield, and the North and South Island winners, plus the next ten best, are submitted to a taste test at the Canterbury A&P Show in November.

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It would be great to report that the HRL Junior Women's Four won the world championship title in the Czech Republic early last month, but that would be a bit presumptuous, wouldn't it. Congratulations to Beatrix Heaphy-Hall, Jennifer Storey, Grace Prendergast and especially Eve Macfarlane (*far right*), daughter of Charles and Jo Macfarlane, Braemar, Parnassus, on their great win — and their nomination of St John as the charity to receive this quarter's \$250 donation.

Bird in tractor = tractor aflame

Rural insurers always report an increased frequency of fire claims to tractors at this time of the year.

HRL Insurance bloke Sean Lysaght says the main cause is birds nesting in the engine bays, building a nice fuel supply for a fire. The damage can be extensive, especially if there are no fire extinguishers on board.

The down-time with the tractor out of action for repairs or even being totally written off can be a major drama at this time of the year, the insurance blokes recommend some risk management initiatives:

A quick check for nests before turning over the starter.

Make sure extinguishers are on board, and have been checked and are fully functional.

Check your insurance cover and make sure all of your insured vehicles and the sums insured are accurate and have been reviewed.

On the last point: the HRI team is always happy to provide a quick review of your current insurance coverage and offer professional cost-effective solutions.

THE BLOKES' DIARY ...

| | | | | | |
|----------------|------------------------------|-------------------|---------------|-------------------|------------|
| Sept 23 | Coalgate | All Stock | Nov 17 | Stokes Bros | |
| Sept 30 | Coalgate | | | On Farm Lamb Sale | |
| | Sheep & Dairy Bull Sale Only | | Nov 18 | Coalgate | All Stock |
| Oct 7 | Coalgate | All Stock | Nov 25 | Coalgate | Sheep Only |
| Oct 21 | Coalgate | All Stock | Dec 2 | Coalgate | All Stock |
| Oct 28 | Coalgate | Sheep Only | Dec 9 | Coalgate | Sheep Only |
| Nov 4 | Putiki | On Farm Lamb Sale | Dec 16 | Coalgate | All Stock |
| Nov 9 | Coalgate | All Stock | | | |

FROM THE GM

What a lousy winter.

Our thoughts go out to everyone trying to keep condition on stock, let alone hoping for a bit of weight gain, over the last three months. At time of writing Canterbury is as wet as it's ever been. Still, you have to be an optimist in this business so we, like all our clients, are pinning hopes on a beaut spring.

We certainly have the moisture platform!

At present we are seeing good prime prices so those who managed to bring stock through as finished will be reaping some reward at least. All the market signals point to this market strength continuing. In spite of the volatility of the NZD, the meat companies view the increasing international demand for protein as a positive indicator. The firm prime market also points to good store prices in the spring — that and the fact there will likely be a shortage of trading stock in relation to the demand for it.

What we need now is plenty of that golden dome thing that we have seen so little of recently. There's nothing better for newborn animals than sunshine and we need it in spades. Since we've had so little to date, it's fair to expect a late spring but that grass will be welcomed by everyone when it finally appears!

It's almost traditional already for this column to be welcoming new staff.

This time it's Jim Hazlett, who farms at Waiau and who is going to cover the Amuri Basin for us with a special focus on dairy and dairy support. It's immensely satisfying to be swelling our ranks with such quality individuals who know the value of good customer service as well as they know their stock.

Our resource consent application for Coalgate grinds on. The hearing was adjourned on August 6th for the commissioners to visit the site and us to provide clarification of some

points. Still, we remain optimistic of a successful outcome. Meantime, it's business as usual.

All the best for a good spring.

Ed Marfell





CLIENT PROFILE:

Seaview, Omihi

Neil and Margaret Evans with champ Sue.



Client takes out National dog trial championship

Since 1988 Neil and Margaret Evans have farmed Seaview, 1100 hectares of mostly south-facing coastal hill country, at Omihi. Most of it's above 200 metres asl and it rises to 457. From up the top, the views out over Pegasus Bay and northward to the Kaikouras are spectacular. The farm is easy to find, Travis Dalzell said: just turn right at the Glenmark rugby club and keep driving. (Travis is the reason the Evans work through HRL: "We just followed Travis.")

The Evans run 7500 stock units, based on 4000 Corriedale ewes and 150 Angus and Angus-cross cows. Neil also maintains the 150-ewe Mairangi Corriedale stud. They finish just about all their lambs, send all steers off to the feedlot just before their second winter but try to finish surplus heifers.

All this is done without supplementary feed — and without even a tractor, as there's no flat ground, it's all ATV country. And that leads us to why we went to see Neil and Margaret: they're heavily dependent on their dogs, and are both accomplished trialists — actively engaged in what Neil justly describes as the sport that contributes more to the New Zealand economy than any other.

"Without the sheepdog, a lot of our hill

and high country couldn't be farmed."

Neil won the National Dog Trial Championship at Gore earlier this year. He won the South Island Championship, held at the same time (the national alternates between the North and South Island Championship venues) and so was one of the seven to go into the national event.

Since the 1980s Neil has tried to go to wherever the national event is each year. And it's a family affair: Margaret has qualified a South Island one as well. She says if she can't run a dog on this farm she can't be of any help at all outside the house.

Neil has never won the National before but has now won three "island" championships — this year with three-and-a-half year-old Rose, and Omarama, 1991, and Te Aute, 1993, both with Joy. There were some podium finishes through the '90s with Sky as well. Another current dog, Trump, came fourth in the New Zealand long head last year.

He grew up at Fernside and considers himself "pretty lucky" to have Henry Eder as a neighbour, working on Ian Stevenson's place over the road. When Neil was in the third form, his father suggested he act on his obvious interest in dog by asking Henry for a pup " ... and

basically the dogs I've got now still go back to that original heading bitch, Sue."

"That was the start of it and once you start, you can't stop. The prize money's not high but it's a good fun sport to be involved with."

His first trial was at a Lions' field day in Hawarden, and that was over 30 years ago.

"Out of Sue I bred a very good dog called Mack and he taught me a lot. He just had so much ability."

For Neil the sport is as much about people as it is about dogs.

"It's probably more about the people. Those with big egos don't last long in this sport. It's a great leveller. You can win big one week and get your backside kicked the next. You're only as good as your next run."

Current president of the Omihi Collie Club, Neil says the sport is in very good heart.

"From about 15 years ago to five years ago when nobody was encouraging their sons to go into farming it dropped off but the genetics are still out there and it's bounced right back up there now. There's probably more young ones now than

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there's ever been. The standard of the young competitors now compared to when we started is so much higher, I think.

"There's a lot more training days for the young ones. And the older competitors are very free with their knowledge to the

young ones. And that's the time to start, when you're young. If you start at 50 or 60 you won't get told as much as when you're young. You get a lot of pleasure out of seeing the young ones doing well."

And here's another thing about dog trials: "You get off the main roads. I've been to all corners of New Zealand."

STAFF PROFILE:

Jon "Wags" Waghorn

Jon brought a welcome wealth of rural servicing experience to HRL when he joined us in September last year. His hands-on career has spanned most of the South Island.

He joined the industry in 1979 with Dalgetys in Christchurch, but three years later returned to the family farm in Pigeon Bay where he stayed for four years.

In the mid '80s he took a year's OE in Europe, working his way around as a fencing contractor. Back home he headed to Mid Canterbury, where he spent seven years in various farm working and managing positions. Then in 1993 he went further south to work for Southland Farmers for three and a half years. Then it was back to Mid Canterbury for five years with yet another rural servicing firm that doesn't exist anymore (we're not blaming Wags for that, though).

In 2001 he joined Wrightson as a deer rep servicing Mid and North Canterbury; two years later he accepted the role of the company's Cheviot livestock agent. At that point, Jon, Ginny, a district nurse in Christchurch, and their three boys settled in Amberley where they still are today.

Jon talks of coming across to HRL as if it were a no-brainer: "Working for a smaller company really appealed to me, as I could see the benefits of working more one-on-one with clients, and working in a more family-style company.

"It's a great team that works in well together, with nobody thinking they're



senior to anyone else. Ed and David run a great ship.

"What also appealed to me was the opportunities out there for a new, young and energetic company to win business from the bigger companies in the region through personal service."

Jon has successfully capitalised on those opportunities, saying he enjoys "very good support" from clients of his previous employer — well exemplified by his continuing relationship, featured in the last issue of HRL News, with Brookdale and the Spencer brothers.

Waghorn family activity is dominated by rugby and the sea. Sons Sam (18, currently at Lincoln), Tim (16, CBHS) and Angus (14, CBHS) are all strong rugby players so Mum and Dad have been deeply involved in their progress at club, school and rep levels. Jon's other passion is tied to his roots in Pigeon Bay: "anything to do with the sea", mainly sailing and fishing.

HRL

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