



Coalgate Prime Commissions Capped

Recognising the very high current prices for prime stock, HRL has always capped commission rates on prime sheep and cattle sold at Coalgate saleyards.

- Prime sheep commission is capped at \$5 per head
- Prime cattle commission is capped at \$50 per head
- The usual 5% continues to apply to all other classes of stock.

HRL: Hazlett Racing Limited?

Astute readers will recognise the name on the BMW 318. Simon Turnbull is the son of Allan who brings his 40 years of highly respected rural insurance experience to HRL Insurance in a consultancy role.

The car competes in the increasingly popular BMW E30 series where only limited modifications are permitted, and the four-cylinder 318 engines and six-pot 320s are largely untouched.

Simon first joined the series part-way through last season, early enough to take out the Rookie of the Year title. Allan says he is still a second off the pace, but is improving as they gradually develop the car within the strict E30 guidelines. The racing is extremely competitive but a lot fun, they are finding.

Although it's intended to be budget racing, it does cost, and the Turnbulls are "extremely grateful" to HRL for their support.

HRL Insurance's Sean Lysaght says insurers would rather see young drivers vent their speeding urges on the track than on public roads, and so the company was happy to be associated with the project.

The signage on the car drew a "surprising" level of enquiry about HRL when it first appeared, according to Allan, which would no doubt be making Sean, David, Ed & co even happier.

We've bent the Hat pic-of-the-Month to call this one this month's winner. Well, Simon does have a sort of hat on!



A note from DH

This newsletter is a bit different from those in the recent past, with no dramatic new developments to announce. The common wisdom is that a business must continue growing if it is to thrive, but we are not in this business for growth's sake. Growth must occur for the right reasons.

Over the last three years it's been our vision to establish with good blokes more than just a livestock service. Now that we have in place structures around finance, retail, seed, insurance and livestock, with good blokes and their families involved, it is our aim to bed those services in properly and to develop grunty partnerships with our farming people — that's what the service business is: a partnership formed through people connecting with other people face to face.

We are determined to become genuine partners with you, our farming people, and leave well and truly behind that old perception that we are nothing more than ticket-clipping stock agents.

We are your partners in business, and I am confident we have assembled an excellent stable of PEOPLE and services that places us extremely well to fulfill that role to the continuing benefit of your business as well as ours.

LHLL

David Hazlett (*Rural Bloke*)

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CLIENT PROFILE: Emlyn & Hilary Francis, Amuri



Nothing too tricky

Sometimes the newspapers lead one to think that Canterbury's dairy farmers are all rip, tear and bust, cramming on as many huge Friesians as they can to fatten the milk cheque.

Sure, Emlyn and Hilary Francis want to develop their business — "...there's a real opportunity to tidy up all the development and really make this farm smoke..." — but adding more and bigger cows isn't part of the plan.

They run 1500 of them on 630 hectares in the Amuri Basin, down the far end of Long Plantation Road.

"The cow numbers are enough, if only in terms of time for the guys in the dairy," says Emlyn.

A lot of dairy farms have become "factory-like" he says. That's not where he and Hilary want to be.

"We could milk 2000 cows here, but I'm not sure we want to do that. Fundamentally we want to maintain control of our winter."

The cows are big enough, too: they have some crossbred in them, with Emlyn convinced a 500kg cow is more efficient and lower-maintenance than a 600kg one.

The farm is on the Amuri scheme watering out of the Hurunui and is well advanced in conversion from border-dyking to spray.

Around 10-15% of the farm is regrassed each year: "We see the benefits of that every day."

There are other things to be done, too: they've just spent six figures upgrading the laneways; the staff and cows have responded dramatically.

Emlyn hails from South Waikato, near Te Awamutu. He went to Lincoln in 1985-88 and did his year's practical in 1986 in the Culverden area which he decided was a "... a good place to farm ..." because of the consistent growth and good water.

In 1993 after some OE, he went lower-order sharemilking in Oamaru for two years before coming back up to Culverden in 1993 where he had four more years in sharemilking on two different farms for the company that was at that stage Applefields.

Along the way he married local girl, Hilary Norrie.

Her father, local irrigation innovator Dougal Norrie, bought the first part of their farm, 230 hectares which had been converted in 1993, in 1998. Emlyn and Hilary went on as sharemilkers, and as part owners of the business, in 1999: "So we were sharemilking for ourselves for a while."

260 hectares were added in 2001, the year the 80-bale rotary shed was built, and in 2009 the final 140 hectares were added, by which time the couple had full ownership.

Emlyn and Hilary Francis take timeout for a catch-up.

The farm employs six full-timers, including manager Kane McCarthy, plus two calf-rearers.

When we first contacted the family (children: Lewys, 11; Isaac, 8; Annie, 4) for this article, they were away skiing. Hilary maintains it's only the quality of the staff that allows them to do that.

Emlyn: "It's about trust. You pay a person good money and call him a manager, so you've got to give him the opportunity to make decisions."

That's why Emlyn doesn't milk.

Kane allocates the feed, directs the staff and runs the business day-to-day (when he hasn't got a rugby-inflicted broken leg), although Emlyn is no office-bound boss. While he is happy to leave the milking to the staff — even though he enjoys milking and likes the contact with the cows — he makes sure he's seen doing his share, especially during calving and mating.

"I often quote a friend of mine who said the object of the exercise is to make yourself redundant. You can only do that by developing systems, developing people and developing skills.

We are very lucky in our industry that we're able to do that. The highlight of that for us is seeing young people develop and progress. Some farmers hate dealing with staff but I enjoy it."

All current farm issues are thrashed out at weekly meetings with Kane, and another with all staff.

The milking herd is wintered at home with the help of 70-80 hectares of brassicas, 1500 bales of bought-in straw and wholecrop silage, which this year comprises 50 hectares of triticale and peas.

"If you get winter grazing wrong it's a big cost to your business. We find it easier to grow the feed and have that control ourselves."

The heifers are grazed off the farm. Grazing heifers is a key job best left to someone who can focus on it, Emlyn says.

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"When we bought that last block, the idea was to run our heifers at home.

But the third day in a week of calves standing on top of the silage stack convinced me it was a dumb idea."

Besides "... the numbers stack up better when you put the grass through the cows."

In recent years, half of the heifers have been taken by Jim Hazlett who's now, to a farmer not historically "married" to any company, the stock agent of choice.

"He's very enthusiastic and managed to shift all our culls last autumn for a premium. You tend to deal with people you like. He's been bloody good to deal with. No issues at all. So we're happy to keep supporting him."

Emyln is an LIC national councillor and places full trust in that organisation's product: he takes the DNA-proven bull of the day, saying he has better things to do than pore endlessly over genetic data. "I'm not a slave to genetics at all, really. There are people paid a lot of money to do that for you, so why do it yourself?"

He's also a foot soldier in the Farmy Army, having spent some time in town after the February earthquake.

New Insurance admin manager

Trish Thorne has joined HRL as insurance administration manager.

We welcome Trish who, having many years of experience working with a rural broking firm, as well as time with the insurer Vero, adds considerable value to the HRL Insurance offer.



THE BLOKES' DIARY ...

| | | |
|----------------------|------------------------|---------------------------------|
| October 6th | <i>Coalgate</i> | All Stock |
| October 13th | <i>Coalgate</i> | Sheep & Prime Cattle |
| October 13th | <i>Cheviot</i> | Spring Cattle Sale |
| October 20th | <i>Coalgate</i> | All Stock |
| October 27th | <i>Coalgate</i> | <i>Sheep & Prime Cattle</i> |
| November 3rd | <i>Coalgate</i> | All Stock |
| November 3rd | <i>Putiki</i> | On Farm Lamb Sale |
| November 8th | <i>Coalgate</i> | All Stock |
| November 16th | <i>Stokes Brothers</i> | On Farm Lamb Sale |
| November 17th | <i>Coalgate</i> | All Stock |
| November 24th | <i>Coalgate</i> | Sheep & Prime Cattle |
| November 29th | <i>Glenmark Drive</i> | On Farm Lamb Sale |
| December 1st | <i>Coalgate</i> | All Stock |
| December 8th | <i>Coalgate</i> | Sheep & Prime Cattle |
| December 15th | <i>Coalgate</i> | All Stock |

FROM THE GM

The blokes have been busy laying the foundations for what we hope is going to be a bumper season for everyone. It's a long time since we've been able to look forward to a season where prices for the major product categories have all been strong at the same time — sheep prices up at least \$50 on last year being just one of the highlights.

Everybody will remember the two snows, but apart from those we've had a reasonably mild winter, with none of those raging storms of last winter, and I think most farmers will be pretty happy with the way they're positioned for spring.

One thing that dairy and beef clients will have to be thinking about is their preparedness for the start of the National Animal Identification and Tracing (NAIT) scheme in July 2012. At least with the holdups from legislation and IT problems, we've all had a bit of extra time to deal with it.

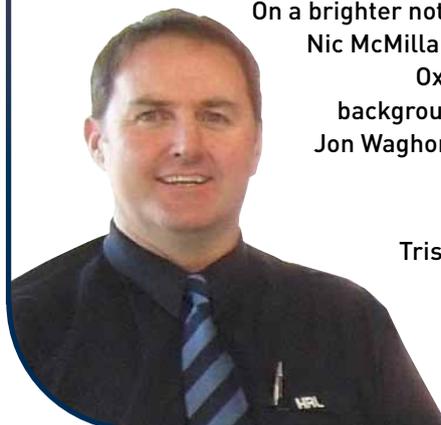
Deer will be added to the scheme one year later. There's been little talk about the possibility of sheep ever having to wear EID tags, but if this scheme has anything to do with disease outbreak containment it doesn't take a brain surgeon to imagine that sheep will have to be brought into it at some stage. After all, some of the nastier diseases are no respecters of species.

On a brighter note, it's great to welcome two new blokes. Nic McMillan is now covering livestock clients in the Oxford-Rangiora district, where his strong background in deer will be good solid support for Jon Waghorn. Nic and fiancée Torrie will be moving from Kirwee to Rangiora shortly.

And, as you see here to the left, Trish Thorne has come aboard as insurance administration manager.

Here's to a mild, storm-free spring!

Ed Marfell



Jacinda Stevens



Jacinda has been employed by HRL for 18 months now, but has been involved with the company since returning from Perth in early 2009.

After two years working for the Australian Industrial Relations Commission in Perth, Jacinda and her partner Hayden decided to make the move back to New Zealand to be closer to family and to buy a house in Ashburton to renovate.

Jacinda's hours in the office have cut down a little this year, as she is studying towards a Diploma in Accounting at CPIT, and her Thursdays are usually spent at the Coalgate Saleyards.

She still lives in Ashburton but Hayden also has a job in Christchurch now so they live some of the time in Christchurch to cut down on commuting.

Jacinda was a competition middle-distance freestyle swimmer to national level while at school, but "...trying to fit in training for two hours in the morning and two hours at night became too hard once I left school."

She has also played netball but her HRL role and the diploma study have knocked that on the head for the time being as well. So for now it's a case of being content with "... a little bit of fitness work now and then, and water-skiing almost every weekend in summer!"

Finance from the Blokes

HRL Livestock Finance now has a range of finance options to support clients' livestock working capital requirements. These are designed to enable you to respond quickly to market opportunities as they arise and manage market risks. We summarise them here for ready reference.

New Season Lamb Advance

Seasonal advance based on your lamb crop: it offers \$50 per lamb, for up to three months, on 80% of new season lambs that are planned to be sold (i.e. not kept as replacements), with an undertaking that these lambs will be sold through HRL. At current rates this would cost 37c per month.

Livestock Supply Contract Finance

Access to an attractive seasonal finance interest rate in return for committing to a supply contract. At current rates this would cost 74c per month for each \$100 lamb, or \$5.56 per month for each \$750 head of cattle. Security is by way of a first charge over the livestock purchased. There are no other costs.

Livestock Finance

For those not wanting to commit to a supply contract. At current rates this would cost \$1.12 per month for each \$100 lamb, or \$8.40 per month for each \$750 head of cattle. Security is by way of a first charge over the livestock purchased. There are no other costs.

Liveweight Gain Contracts

Under this option you don't have ownership of the stock, just the opportunity to make a few bob on them without any market risk. The package offers a locked-in payment per kilo of LWG that you achieve over a period of up to six months. The rate offered will vary according to the market outlook at the time the contract is signed. There are no interest costs to you.

Note: Terms and conditions apply. Interest costs are subject to change.

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