



farming people

HRL news

Hazlett Rural Limited

HRL Finance Expands Product Range

Coming off a very good year, farmers commonly face the dilemma of large tax bills but lower incomes, leading to pressure on existing working capital facilities.

It's exactly what HRL Finance was developed for — to offer integrated livestock finance products that ensure HRL's farmers are able to make the most of seasonal and market opportunities.

"It's all about providing financial products that enhance the company's other services. The aim is to utilise HRL's size and relationships to deliver opportunities that are not readily available to individual farmers," says HRL's finance bloke Peter Engel.

The livestock supply and weight gain contracts, in particular, have been in demand.

"Our farmers are specialists in pasture production and animal management, and our aim is to deliver the livestock, finance and marketing options that deliver the best bottom line. We aim to ensure that the high cost of livestock is not a constraint preventing our farmers optimising their profitability."

Where funding is for stock, HRL simply uses the stock as security, so the paperwork is kept simple and there's no



need to incur legal fees in setting up.

Peter says the key to the livestock funding options is HRL's very strong relationships with meat companies, which enable it to negotiate supply and liveweight gain contracts on behalf of farmers. This

is only possible because of the meat companies trust that the farmers HRL works with will deliver on the contract specifications.

HRL Finance has now matured into a wider range of finance options for seasonal activities, designed to enable clients to respond quickly to market opportunities as they arise, without the need to seek bank overdraft extensions or other funding sources.

Livestock Supply Contracts provide access to an attractive seasonal finance interest rate in return for committing to a supply contract with HRL.

Lamb Weight Gain Contracts give clients the opportunity to apply their livestock finishing skills without assuming any market exposure.

The package offers a locked-in amount per kilo of LWG achieved over a period of up to five months.

Open Market Finance is the traditional seasonal funding facility.

Insurance Premium Funding allows HRL Insurance clients to spread their annual premium payments throughout the year.

Farm Supplies Seasonal Funding is available to clients wanting to match the timing of payment to when income is received.

Dairy Service Bull Funding is a scheme whereby HRL purchases the required bulls, supplies them to the client, and markets them when their work is done. The charge for this facility is the difference between the purchase and sale price, plus interest.

It's a changing world. Everywhere we see evidence of companies moving into the new emerging markets, in this case India. Our roving contributor has nominated the Christchurch City Mission for the quarterly \$250 donation.



North Islander set to defend title

Last year's winner of the Canterbury A&P Association Mint Lamb Competition, Bill Feetham of Hastings, is preparing his entries for 2012 with the opening of this year's competition launched this month.

Bill won the 2011 Mint Lamb Competition with a Romney X lamb, receiving a \$1000 cash prize plus \$700 Zolvix product voucher. It was his third year entering the competition and his two entries, which he spent considerable time selecting, were placed first and seventh.

"I am constantly asked to comment on my success in the Mint Lamb Competition, there has been a lot of interest from the Hawkes Bay farming fraternity. Since the win, I have looked and pondered long and hard about changing the breed to modern genetics but have decided to stick with the tried and proven. Hawkes Bay can be a difficult place to farm when the weather can be a major factor in your farming practice," Bill said.

The competition, now in its sixth year, is open to any New Zealand sheep farmer and all breeds. It aims to celebrate the quality and variety of New Zealand lamb, with a focus on increasing consumption of one of the country's largest export earners.

Over \$4,000 in cash and other prizes are on offer, of which HRL is a major sponsor.

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Brad completes move to Insurance

Brad Mackenzie has completed his training in insurance brokerage and is also now a registered financial advisor, as required by the new industry regulation framework.

Sean Lysaght says Brad's appointment to insurance as a fully-fledged broker shows "... that we're serious about keeping our service standards high."

Brad will be focusing on the Malvern area, where he is known for, among other things, his captaincy of the Darfield Seniors rugby team.

"With his livestock agent experience, Brad is well qualified to discuss rural insurance with clients. He'll be a great asset for HRL Insurance," says Sean.

Brad became HRL's first official staff member in 2009. He joined with a Dip Ag from Lincoln in his bag and has since completed his New Zealand Diploma of Business.

He will still keep his hand in the stock game, retaining a small group of livestock clients. He says he is excited to be able to bring his experience together in this way:

"This is a great company offering a superb package of services and it's exciting to be an integral part of it."



STAFF NEWS

This month we welcome another livestock bloke to the team, Geoff Wright, who brings a wealth of knowledge and experience in Mid-Canterbury. He will strengthen our service in that region considerably.

We also welcome Sandy Boyd who started with us at the beginning of this month. She will be doing Jacinda Stevens' job — Jacinda goes on maternity leave from early October for six months, and we wish her well for the big event.

THE BLOKES' DIARY ...

| | | |
|---------------|-----------------|-----------------------------|
| Oct 4 | <i>Coalgate</i> | All Stock & Dairy Bull Sale |
| Oct 11 | <i>Coalgate</i> | All Sheep & Prime Cattle |
| Oct 18 | <i>Coalgate</i> | All Stock |
| Oct 25 | <i>Coalgate</i> | All Sheep & Prime Cattle |
| Nov 1 | <i>Coalgate</i> | All Stock |
| Nov 8 | <i>Coalgate</i> | All Sheep & Prime Cattle |
| Nov 13 | <i>Coalgate</i> | All Stock |
| Nov 22 | <i>Coalgate</i> | All Sheep & Prime Cattle |
| Nov 29 | <i>Coalgate</i> | All Stock |
| Dec 6 | <i>Coalgate</i> | All Sheep & Prime Cattle |
| Dec 13 | <i>Coalgate</i> | All Stock |
| Dec 20 | <i>Coalgate</i> | All Stock |

FROM THE GM

That rainfall in the middle of last month will still be affecting operations on farms, with many paddocks still on the soggy side. But at least it wasn't an extremely cold sou'wester, which would have made matters a good deal worse.

And this is one year when we really need big numbers of survivors on the ground. Excepting the chilled market, the outlook for lamb is not especially flash so it will be good to have increased head numbers to compensate for that. It looks as if volatility in the sheep market is also flowing through to wool as well (here we go again ...).

In contrast the beef outlook is good and the drought in the USA should only be good news down this end of the world.

On our other business fronts, things are trundling along nicely. The insurance companies' no-go zone is set to be reduced so Sean and Brad are looking forward to offering their special brand of quality insurance service to clients who haven't had access to it this past couple of years.

The rural supplies blokes continue to gain traction, with their unique business model working at least as well as expected if not better.

And as noted on the front page, we expect good steady demand for our finance facilities, as clients look for more mouths to use the good feed supplies to hand. The market for these is likely to be strong this year, because really the range of purchase options is not that wide — especially in terms of dairy cross calves where sexed semen plus the increasing number of crossbred cows in dairy herds whose male progeny go straight on the bobby truck are curtailing the numbers available.

NAIT has caused us a few headaches with some non-registrations, no tags, and even double tags, but I suppose that was always going to happen, and at least it was happening at the quieter time of year when it's easier to sort these issues out. The scheme has definitely added to our responsibilities, but as we said in the last newsletter, it's on the statute

books so we just have to buckle down and do it. It's same for everyone, agents and clients alike.

NAIT is here to stay, so we all have to learn to live with it.



Ed Marfell
General Manager



CLIENT PROFILE: Deane & Jo Taylor, Ahitana Farm, Ashton, Mid-Canterbury.



The Taylor family at the covered yards.
Left to right: Jo, Jonathon, Georgina, Thomas, Deane, Kate and Oliver. (Photo: Brad MacDonald)

The 405-hectare Ahitana Farm is 14 kilometres east of Ashburton, where the soils suit cropping and grazing a lamb or two.

Deane Taylor's family settled the place in 1876. From a mixed cropping history, Deane is taking the farm deep into specialist cropping territory, convinced the future of farming in his area lies with this or dairying.

"There's little future in trying to compete long-term with the big cropping countries in commodity cereals," he believes.

Deane has looked at dairying and this may have a place in the future although it is not straightforward on this property with the large streams that run through it. Like many, he grazes cows in the winter, mainly on the grass seed crop regrowth, with the straw baled off these paddocks being fed back out to the animals. Deane likes the idea of recycling these nutrients back on farm.

The advent of irrigation in the '70s and '80s started the move away from an 80% stock enterprise to the present where there's only 300 Romney-cross ewes (down from 1000 two years ago). Lambing at 170%, Deane calls them "wonderful sheep" and they will continue be a "tool" albeit to a lesser degree.

"Being close to the coast, we can lamb early and we've always been able to get the lambs off the place into that premium UK chilled market prior to Christmas." The first lambs go off around mid to late October when the ryegrass is shut up.

He usually needs to buy in or graze significant numbers of store lambs to keep the 100 hectares of ryegrass under

control before the crop is closed up, which is where Marty Amos and HRL fit into the picture. Marty works closely with Deane to get the right animals when required.

The complex nature of the operation is clear, but Deane does it all with just two young full-timers. The farm owns all of its own plant which is kept up-to-date, along with a self-propelled crop sprayer jointly owned with two other farmers.

An agronomist and a farm consultant are also extensively used, with Deane valuing the independence of their advice.

An increasingly important enabler on this farm is technology. "Technology is continually evolving and although some things are bit gimmicky, others we can use today, and more will have an application in the future. GPS has become useful in ways that we could only dream of just a few years ago."

He's talking about precision GPS-guided sowing, fertilising, spraying and watering, the last of which he is working on at present, to reduce the number of shifts and to accommodate any changes to the farm in the future. He is installing irrigators that have the capacity to variably apply water to all parts of the paddock, and foresees the ability for the irrigators to read soil moisture profile information from sensors buried in the paddocks.

For Deane, the technology dimension is about more than just saving money. It's about stewardship of the land.

"We're going to have to become more

Ahitana Cropping Programme 2012/13

| | |
|----------------|---------|
| Wheat | 88.0ha |
| Barley | 25.8ha |
| Ryegrass | 101.8ha |
| Red Beet | 20.0ha |
| Radish | 8.0ha |
| Mustard Seed | 10.5ha |
| Clover Seed | 16.0ha |
| Kale Seed | 21.5ha |
| Carrot Seed | 13.5ha |
| Chrysanthemum | 16.0ha |
| Hemp | 6.0ha |
| Hybrid Cabbage | 14.0ha |

accurate in terms of what we put into our farm and what we take off it. We've got to be sure that we're not polluting our lowland streams and also ensure we don't waste water."

Technology is critical in the office, too. Deane says one of his biggest challenges — one that he enjoys — is working out what to sow where. "What really still excites me is starting with an almost blank canvas each year and then having the opportunity to select crops to complete the puzzle. No two years are ever the same and I enjoy being at the cutting edge with new crops."

Deane has been using software to store paddock histories but he is excited about a new package that FAR has been instrumental in sourcing from Australia to improve the management of this area.

"It's critical. We could make an absolute mess if we don't get that part right."

He is also looking forward to the time when data formats across all devices are mutually compatible so that information collected in all parts of the operation can be easily integrated into one global farm control and management system. "It's coming," he says.

Deane's passion for farming will continue to drive this operation into the future where maybe one day another Taylor will take on the family legacy.

There's a business with a difference operating off the farm as well. Five years ago, Jo took the huge step of launching Latitude, a high-quality magazine.

The fact it is thriving is a remarkable achievement — magazine publishing is a notoriously difficult sector to succeed in.

Mark Clyne

Mark started with PGG in the merchandise store in his home town of Blenheim in 1991. He moved on to Fairlie and later Christchurch; he started out on the road in Darfield before going back to Blenheim as a rep in 1996.

Three years later he went to Amberley where he repped for another four years before moving up the ladder, looking after the company's merchandise stores and the agents who supported those. Then it was into Regional Accounts Management covering Canterbury and the West Coast. "I really enjoyed that role, looking after key farm accounts. This took me into the areas of livestock, finance and insurance, which I liked as well."

He held that role until late 2010 when he and his boss Rob Sharkie decided to look for opportunities elsewhere.

It's now history that the pair of them established HRL's rural supplies operation early last year with a unique business model that involves no stores and no held stock, and an emphasis on helping clients to plan their purchasing 2-3 months ahead.

"I enjoy working with good people but I didn't like that corporate stuff much. I was happy to get out of it and go back to working with guys that I've been working



with for 15-20 years."

Mark and Rob spend just one day in the office each week to push the paper, with the rest of the time out on the road. But Mark says the days of just going up driveways hoping for a chat are long gone, with farmers now being professional business managers with many demands on their time.

"Our working week starts on the phone on Sunday night. It's a structured way of working and it's important to me."

As with other arms of HRL, any expansion of the service will centre on recruiting like-minded personnel. "We are looking to grow as a rep force."

Mark and partner Natasha live on a 5-hectare block at Sefton with their 20-month-old daughter, Emmy. Mark buys in a few calves and carries them through to prime. "I haven't got time for any livestock trading, so I just keep them for a couple of years then kill them. But like most lifestylers — and some sheep and beef farmers as well — we make no money from it!"

He is finally describing himself as retired rugby player; he's been playing for Glenmark ever since he first came to Canterbury; he played Div 2 this year — "... only because the club couldn't field a Div 3 team." He also tries to get a bit of fishing in when time permits.

A note from DH

The very welcome appointment of Geoff Wright to the Mid-Canterbury region brings our strength there to four, a measure of the importance we attach to the region. It's now a dairying powerhouse, yet it's still the country's most diversified and intensive district farmed by highly skilled and accomplished people that it's been for so long.

Mid-Canterbury is integral to the future direction of HRL. I've been beavering away there for a few months and am very encouraged by the reception we receive.

It's all about farming people working together with a shared vision and common goals. And I'm stoked at the way we are getting to work with Mid-Canterbury farming people who are unquestionably very, very good farmers and who share our vision.

David Hazlett
(Rural Bloke)

HRL

Hazlett Rural Limited

THE BLOKES

Ed Marfell

Mobile 027 462 0120
Phone 03 322 1268
emarfell@hazlettrural.co.nz

David Hazlett

Mobile 027 235 5300
Phone 03 327 2814
dhazlett@hazlettrural.co.nz

Craig Miller

Mobile 027 462 0117
Phone 03 318 8350
cmiller@hazlettrural.co.nz

Travis Dalzell

Mobile 027 202 0196
Phone 03 314 8652
tdalzell@hazlettrural.co.nz

Brad Mackenzie

Mobile 027 462 0119
Phone 03 341 6519
bmackenzie@hazlettrural.co.nz

Brian Brice

Mobile 027 462 0118
Phone 03 329 7079
bbrice@hazlettrural.co.nz

Jon Waghorn

Mobile 027 462 0121
Phone 03 314 8165
jwaghorn@hazlettrural.co.nz

Paul Whittaker

Mobile 027 431 3234
Phone 03 432 4040
pwhittaker@hazlettrural.co.nz

Jim Hazlett

Mobile 027 462 0128
Phone 03 315 6500
jhazlett@hazlettrural.co.nz

Phil Manera

Mobile 027 462 0125
Phone 03 347 4989
pmanera@hazlettrural.co.nz

Marty Amos

Mobile 027 462 0122
Phone 03 307 8833
mamamos@hazlettrural.co.nz

Nic McMillan

Mobile 027 462 0129
Phone 03 356 2335
nmcmillan@hazlettrural.co.nz

Ben Lill

Mobile 027 462 0130
Phone 03 342 1065
blill@hazlettrural.co.nz

Hayden Ross

Mobile 027 462 0133
Phone 03 302 5669
hross@hazlettrural.co.nz

Geoff Wright

Mobile 027 462 0131
Phone 03 302 6017
gwright@hazlettrural.co.nz

Robert Sharkie

Mobile 027 462 0126
Phone 03 312 2491
rsharkie@hazlettrural.co.nz

Mark Clyne

Mobile 027 462 0127
Phone 03 312 9646
mclyne@hazlettrural.co.nz

Sean Lysaght

Mobile 027 462 0123
Phone 03 358 7988
slysaght@hazlettrural.co.nz

Peter Engel

Mobile 027 434 0555
Phone 03 358 7988
pengel@hazlettrural.co.nz

Office

Postal: P.O. Box 20-424
Bishopdale
Christchurch 8543

Phone: (03) 358 7988

Fax: (03) 358 7989

585 Wairakei Road
Christchurch 8053*

*No mail service

Leone Bryce

lbryce@hazlettrural.co.nz

Jacinda Stevens

jstevens@hazlettrural.co.nz

Rebecca Stoop

rstoop@hazlettrural.co.nz

Sally Graham

sgraham@hazlettrural.co.nz

Jo Manson

jmanson@hazlettrural.co.nz

Sandy Boyd

sboyd@hazlettrural.co.nz