



farming people

HRL news

Hazlett Rural Limited

Broker Banter

On 1 July 2017 the separate New Zealand firefighting organisations will amalgamate into Fire and Emergency New Zealand (FENZ) and the current Fire Service Levy (FSL) will increase.

The FSL is the main source of funding for New Zealand's firefighters; private insurers have been collecting it for the Government since 1975.

From 1 July the FSL component of residential, rural and commercial property insurance, and motor vehicle insurance, premiums will go up by 40% for all individuals and companies. From that date, all renewals and any new policy, or if another vehicle is added to an existing motor vehicle policy, will be subject to the increase.

Without going into too much detail, the increase will see FSL on a residential dwelling rise from \$76 to \$106. Much more detail can be found at (the very good) www.firelevy.co.nz.

On the staffing front Krissy Winter has left us — we thank her for her enthusiastic service and wish her well for her future. We are currently recruiting for Krissy's replacement but meanwhile Daniel Loh who has been with us for nearly a year now has stepped up to the plate and accepted the role of desk broker. This is a very pleasing development and we congratulate Daniel for putting in the hard yards to qualify as a broker.

CRAIG MILLER R.I.P.

1964-2017

On the last day of March, a Friday, HRL rural bloke Craig Miller collapsed while marking the fields for his beloved Darfield Rugby Club. Despite massive efforts he could not be resuscitated.

Kathleen lost a devoted husband; Ryan, Ben and Kate a proud and loving Dad; and HRL a damned fine colleague. He was the best ... at whatever he put his mind to.

Podge was the consummate stock agent, the ultimate professional. Everything he did was done thoroughly and properly. You never saw him stick up a poorly-written auction pen card or leave a sale sign crooked on a post. If you asked him to do something, you could rest assured it would be done and done well.

Ed Marfell, who has worked with him since 1985, says he was the best drafter of sheep he ever knew: "He tended to leave the cattle to us, but was never shy putting in his two bob's worth."

Craig joined the livestock industry in 1982 in Christchurch when he was 17. When he was 20 he moved to Darfield and has been there ever since, making the Malvern district his own. The Rakaia Gorge on-farm lamb sale is just one enduring institution that will remain a legacy of his foresight.

It was only a month after David Hazlett started his new company in late 2008 that Craig signalled his intention to join him "... to get back to basics, back to that farmer-friendly way of doing business that some firms seem to have lost over the years." He started with HRL on April 20th 2009.

Everyone will have a Craig Miller story and many of them will involve food. He was a superb event organiser but especially meticulous in ensuring a wide variety of tucker. Even in the hut at Coalgate every Thursday there was a spread for everyone.

He was a longtime member and servant of the Darfield Rugby Club, including terms as President and Club Captain.

Craig loved everything he got involved in. He loved his family, his work, his footy, his cars, his boating ... and going away. Whenever a trip was mooted Craig would be the first to put his hand up and help make it happen — and he would be the one to enjoy it the most.

Craig leaves a huge hole in the HRL team, having created a formidable Malvern district partnership with Phil Manera, and nobody in HRL will forget the high standards he insisted upon.

Craig Miller will never be forgotten. His family will always remain part of the HRL family.

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FROM THE GM

As we near the end of our financial year it's instructive to look back to where we've come from in the last twelve months. This time last year North Canterbury was still in drought, beef was high, lamb was improving, wool was up but dairy was wallowing.

What a difference twelve months can make. The rains in March and April have turned the province unbelievably green. Those in North Canterbury who have come out of drought now have feed up to their ears, and face restocking on a market where breeding ewes, for example, have gone up about \$50 since February – and they're harder to come by – and calves and store lambs have risen just as dramatically.

And how the export markets have turned. Store beef has gone stratospheric. Dairy is back up to a \$6.50 forecast, but wool has dropped away again ... and lamb has defied the pundits by strengthening rather than weakening as forecast after the last Easter trade boat sailed north.

That last point is frustrating. We all welcome stronger values but how can the marketers have got it as wrong as the US and UK pollsters did last year? They either failed to read the market signals competently, or the signals were telling porkies. Take your pick. An old hand in the lamb export trade tells me he hasn't seen the stars aligning for lamb markets so encouragingly for a very, very long time.

The bigger picture, though, is way more frustrating. Why must we put up with this continuing volatility? Sure it's great for the dairy (and dairy-servicing) folk to be slightly smiling again, but they've been to hell and back and many of them will be carrying a whale of additional debt for quite some time.

All these ups and downs, for reasons well beyond the control of the producers, make for a terrible recipe for stability in any business, let alone farming.

Behind all the market volatility, as I was reminded yet again at a conference recently, is the price of producing for commodity markets. Those markets are driven by swings in supply and demand caused by all manner of factors, not all of them predictable.

If we want to escape the volatility that results from that, we need to start seeking market niches that recognise premium quality. We have seen some small lamb, beef and wool producer groups achieving that. Whether it's possible on a wider industry scale is anyone's guess, but that's where we need to be heading if we are to make our farming sustainable and consistently profitable. But then again... all that's been said many times before.

So overall, immediate prospects are far better than last year for dairy, beef and lamb but not for wool – but less volatility and more price-sustainability are urgently needed.

On the staff side, our increasingly busy finance and procurement office team has been bolstered with Catherine Wilson and Susan Lai joining us. On July 17th, Sam Matson, previously North Canterbury lamb drafter with SFF, will step into the huge boots formerly worn by Craig Miller.

We welcome them to the team warmly and we're sure they will make a great contribution to your business.

Ed Marfell General Manager



A NOTE FROM DH

First a note of appreciation for the outpouring of support from the farming sector for the Miller family and for HRL: it has been amazing. It makes us proud to have known and worked with Craig and goes to show the quality of the people we work with. They have shown a degree of empathy, respect and love that makes us truly determined to continue Craig's legacy of professionalism and commitment in our work.

Lately I've been thinking along the lines of: where is the landing pad? We think we know where we are today but we don't know where we'll be tomorrow. We don't even know what we don't know about tomorrow.

Take the so-called 'impossible foods' that the pundits say are going to put us producers of real food out of business. I say bring them on as fast as Silicon Vally can develop them. Bring on synthetic milk as soon as possible. We can't feed the masses; we haven't got the scale. Let Silicon Valley do that.

That will turn our beautiful creamy grass-fed milk, our uniquely-flavoured and textured red meat into premium delicacies. And because they will be swamped by vast quantities of apparently nutritious and assuredly cheap digitally-printed sludge, they will become so exclusive, rare even, that consumers in developed countries will have to pull every penny from their pockets to buy them.

And humans being humans, they will want them because they will always prefer real food produced from real plants absorbing real oxygen under real sunshine – luxury products.

We could consider changing the names of our products to 'Gold' – the Gold Protein, the Golden Experience ... the Gold Standard?

We will not have to keep trying to figure out how to churn out more and more of what we produce. Its unit value is going to rise, maybe dramatically, thanks to Silicon Valley and we can instead plan a future producing sustainable volumes of increasingly valuable gold without throwing on urea, or importing PKE, and reducing our debt faster than we've ever been able to in the past.

This Golden Age of farming in New Zealand is a real possibility and it will be those who thought they would put us out of business who will set it up for us!

I've also been thinking about this tourism boom: let's open up our farms to tourists looking for a slice of real New Zealand life, a chance to make an extra bob and sell the New Zealand story at the same time. It would have been nice to have had an orchestrated campaign to attract some of the thousands of UK Lions supporters onto our properties just for a night or so – we could be sending them home with a totally different attitude to New Zealand farmers and their products.

So ... where is the landing pad?

David Hazlett Rural Bloke

The Blokes' Diary...

Jul 06 Coalgate

Jul 13 Coalgate & In Lamb Sale

Jul 20 Coalgate

Jul 27 Coalgate

Aug 03 Coalgate

Aug 10 Coalgate

Aug 17 Coalgate

Aug 24 Coalgate

Aug 31 Coalgate

Sep 07 Coalgate

Sep 14 Coalgate

Sep 21 Coalgate

Sep 28 Coalgate

Sep 29 Palmerston Cattle Sale



Staff Profile . . .

Scott McIlroy *Rural Supplies Bloke*

Scott is a Darfield bloke. He was raised and schooled there. The second of those did not thrill him too much so he left aged 16 to do an apprenticeship in the Darfield Bakery where he had been working after school.

Daryl Collier, the baker who has put so many young folk through apprenticeships over the years, asked Scott if he knew anyone at school who wanted to do a bakery

apprenticeship. He jumped at it. He went all the way to Level 5 in the trade and ended up spending seven years in the bakery.

"I loved my time there but, playing rugby, I was burning the candle at both ends – starting work on Saturday at 2am then playing up until 2am Sunday. It caught up with me eventually."

He and Lauren took an OE to Kent in England where he played for Maidstone for two years. Soon after returning, he took a job with CRT in Dunedin where his family had come from, with some still there.

He played for Green Island for two years, but was more interested in upskilling himself at work. He knew nothing about farming so set about educating himself by reading everything on the packaging of the products he was dealing with.

He moved back to Darfield with CRT in 2005 and was there until joining HRL early in 2015.

Scott loves his present job managing crops for clients and supplying the inputs: "I enjoy doing what I do. Every day's a good one."

He has accumulated sufficient knowledge to be proud of what he is able to offer clients: "I pride myself on my service and my knowledge. It's a win-win for everyone. If I can get a yield improvement in a fodder beet crop of half a tonne per hectare, at 20c/kg dry matter, it's a good win for the client."

He, Lauren, Ella (3) and Jed (9 months) are about to start building a house on Lauren's (nee Hawkins) family farm in Springfield "...and very much looking forward to being part of the community with our kids."

MANAGING CLIENTS' CROPS There's an app for that!

This is how the farm of Brent and Anna Fisher at Greenpark looks in Scott's iPad. The brightly coloured paddocks are those under Scott's monitoring.

HRL Rural Supplies bloke Scott McIlroy loves his job (see above). He is making a specialty of managing clients' crops, optimising their inputs for maximum yields.

He walks crops every week in the season and provides his clients with recommendations for timely treatment of weeds and diseases that he spots.

You can imagine the paperwork involved in keeping track of hundreds of fodder beet, brassica and cereal paddocks – and new pastures as well. For every paddock he writes a recommendation and sends it to the client, he advises the spray contractor, and he arranges the delivery of the product to the farm.

He has to stay on top of every registered chemical available and he virtually needs an encyclopaedia of all the crop species he manages – all the different varieties of each – and all the pests and diseases he needs to control.

Frustrated with all the bits of paper he left for clients, contractors and drivers that not infrequently got blown away or rained on, he determined there had to be a better way. After months of research he found the tool he thought must be out there.

It's an app called Agworld, launched by a couple of agronomists in Western Australia in 2009. Scott believes it has now 17,000 users throughout that country. He started using it last season and it has revolutionised his service to clients.

Now after he's walked a crop he brings the paddock up on his iPad, types in

his recommendation from the library of chemicals, and the app sends an email to the client and the contractor. It details the recommended product, its cost, application timing and the mixing rate. The message contains links to all the information on the recommended product – the label, the MSD (material safety data) sheet included. All with a few clicks.

HRL's delivery driver doesn't need paperwork for the properties concerned. "I used to have to try to meet him in the morning, rip all my recommendations out of my book, fold them all up, put them in envelopes for every property. Now I just email him a list straight out of Agworld."

Scott can click on a paddock that he is managing and see how input costs are running against the client's budget. Another useful application of the system has emerged with dairy conversions: he can monitor the new pastures and report on how different varieties are performing.

All this data remains in the system as a paddock history. Scott can enter a current yield estimate. The client can if desired log in and add further realtime data such as rainfall events. In practice, most clients are happy just to leave him to it.

A client's property is loaded into the system using Google Earth, and he then edits in recent fenceline or other changes, and paddock names, as indicated by a



client-supplied farm map. The way Scott demonstrated all this, it seems as easy as falling off a log.

Scott's colleague Hamish Marshall is also using Agworld and Scott can monitor his work as well.

It seems to have been a good product choice. Scott has had no problems with the software, and if he wants any product added to the system's database he simply emails Agworld and it appears in the app within, usually, 12 hours.

"The Agworld people are very good to work with. If I need a new weed put in there, they'll research it and put it in within the same timeframe."

And the understatement of the year: "It's made my life a lot easier"

Great response to appeal

By the end of May HRL clients had donated nearly \$4000 to the 'Dig Deep, Give a Sheep' Child Cancer Foundation appeal inspired by Hamish and Gemma Guild of High Peak Station.

Obviously, more would be welcome. You can donate a sheep from any next line of lambs, hoggets or ewes you send to any sale at Coalgate. The sale proceeds of that animal go to the CCF – no commission will be deducted, just the yard fee.

We've made it as easy as possible: simply note your intentions on the Animal Status Declaration form down the bottom with the reference.

Email comms more important than ever

Early last year we appealed for clients' email addresses as communicating that way rather than by mail is cheaper (for all of us), faster, more reliable and more eco-friendly.

This is also becoming more pressing as we're finding the NZ Post service is growing ever less efficient.

The ease, low cost and immediacy of email cannot be beaten, especially now that email can be accessed on phones.

If you haven't already, please send an email with "Email Address" in the subject line to admin@hazlett.nz.

All such messages received by July 21st will go into a draw for a \$200 shopping voucher.

HAT PICS

Above: Willy Leferink of Mid-Canterbury at 2800 metres in the Damar region of Nepal. Willy and Jeanet recently joined a party from the Forgotten Sherpa Trust (associated with the Geraldine Tramping club) on a project to improve the lives of the Sherpas in the region by installing wood burners in their homes. Of Mongolian descent, these folk were still using open fires inside, fuelled by rhododendron wood and vented through a hole in the roof. The Trust's goal was to install 120 of the burners over a fortnight before another two weeks tramping. Willy says the locals soon figured out how to assemble and install the burners so they only had to do 60 and simply check the rest. "They are a lot smarter than they let on." Below: Willy and Jeanet and a Sherpa family with their new burner installed. Unsurprisingly, they would like the \$250 donation to go to the Forgotten Sherpa Trust.



HRL

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