

# Wilfield

SUMMER 2017 ISSUE



[WWW.WILFIELDSHEEPSTUD.CO.NZ](http://WWW.WILFIELDSHEEPSTUD.CO.NZ)

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# Welcome to the 2017 Edition of our Client Newsletter

## Corriedale 2.0 – the True JEWEL Purpose sheep!

At the Marble Point Field Day in May 2017, Nathan Penny the ASB Rural Economist predicted a \$6/kg tripecta for Beef, Lamb and Mid Micron Wool. Beef hasn't quite achieved however Mid Micron Wool has surpassed the \$6 greasy mark and lamb past the \$7/kg hooked target. We are all proud and privileged to grow an animal that has at least two high quality products returning significant profits to our families in a sustainable and environmentally friendly manner. Add in the current mutton price and the increased rainfall **TO DATE** in 2017 and we have every reason to be happy.

How would you like to be growing crossbred wool at \$2/kg?

Corriedale sheep are truly the best JEWEL Purpose sheep on the market. Not only because of their returns, but also their efficiency. Research currently being undertaken suggests that Corriedales are up to 17% more efficient than other breeds.



**Wilfield Corriedale sheep presentation was voted**

**“The Supreme Exhibit at the recent Courtenay A and P Show”**

**Sheep have never won this award in the Show's 142 year history!**



## Wilfield Lamb Program



**We Want Your Lambs**

**We Will Pay More When they are by our Rams !!!**

The Program starts with us purchasing your store Corriedale lambs of between 23 to 32 kilograms liveweight approximately and placing them on farms to be finished between 21 and 25 kilograms CW. Breeders who use Wilfield based genetics are paid the current market price plus a \$2/head, Research and Development payment. Breeders will also share in the profits generated from the sale of the lamb and the wool, sold in the spring providing there is a surplus. In the Spring of 2016 we paid another \$2/head bonus to breeders who supplied lambs bred using Wilfield genetics. The 2016 – 2017 programme is almost completed. We have had some issues this past season, however the lamb price has been very favourable to us. We plan to pay a bonus in December 2017 following the final analysis of our result. We expect to pay the best bonus in our short history.

**“The Wilfield Lamb Program carries all the risk, yet shares the profit with their stakeholders. Nothing can be fairer than that” David Hazlett**

HRL facilitate the program from purchase to processing.

**Please speak with Robin if you wish to be part of this program.**



# Sheep Outlook

Prepared for Wilson Sheep Stud  
November 2017



Economic Update

ASB

## *New Government – Early Days*

It's still early days for the new Labour-NZ First coalition Government. And while we have some policy detail, other policies will be released as the term progresses.

Already though, there have been some wins and losses for agriculture and the regions. For example, as part of the coalition agreement, NZ First secured the removal of the Labour party's controversial water tax policy. Moreover, the \$1 billion Regional Development Fund has the potential to over time boost investment and activity in the regions where agriculture is dominant. Meanwhile, the weaker NZD has provided a silver lining to the change of government as it has boosted returns in NZD terms for all exporting sectors (see also the above NZD section).

However, some changes are likely to be less well-received. For example, the Government has effectively shelved the Irrigation Fund, limiting funding to existing projects only. This decision is likely to lead to less irrigation schemes going ahead over time as future projects will essentially have to be self-funding.

At the same time, it looks increasingly likely that agriculture will eventually be included in the Emissions Trading Scheme. Over this term, the Government has proposed meeting most of the cost (95%). For now though the main change is at a high level, with the Government committing to the target net-zero carbon emissions by 2050. As such we'll learn more about the detail of how we get there once the Government sets up the Climate Change Commission and passes the Zero Carbon Act.

Other developments are also mixed. The Government proposes restricting the ownership of farmland and existing homes to NZ citizens and residents as well as majority-owned NZ companies. On the one hand, this policy is likely to see an increase in the number of farms held by New Zealanders. On the other hand, less demand for farmland from foreign buyers is likely to see downward pressure on farm prices.

Meanwhile, the jury is out on another election hot topic: immigration. In this regard, we have yet to see more detail as it relates to the agriculture sector. Potentially, we may not see much change at all. Indeed for now, it seems that visas for international students are first on the chopping block.

While on labour market-related policies, one thing we do know is that the Government intends lifting the minimum wage. Its goal is to lift the minimum wage to \$20 per hour by 2020, with the first increase to \$16.50 scheduled for April 2018. Some added pressure is also likely on wage rates close to the minimum wage as workers (and businesses) look to retain relativities to the minimum wage.

In addition, Labour-NZ First coalition agreement has allowed for a "review and reform of the Reserve Bank Act". The Labour Party's long-standing policy is for an employment objective to be added to the Reserve Bank's mandate. In addition, the Labour Party has expressed a desire to shift the decision-making model to a committee structure rather than solely rely on the Reserve Bank Governor to call the shots.

The impacts of adding an employment goal will depend on how it is incorporated in the Act. A soft word-based goal (e.g. "foster full employment") is unlikely to impact interest rate decisions. However, an explicit numerical unemployment rate target may change the Reserve Bank decisions, while also making them less predictable. In particular, it possible to imagine a scenario where a new employment target and the existing inflation target may be in conflict.

More policy detail will be released over time. In December, the Treasury releases the Half-Year Fiscal Update; this is likely to include additional detail, including the estimated size of operating surpluses that the Government intends to run. Given the new Government's commitment to Budget Responsibility Rules, we expect estimates to continue to show surpluses, albeit probably smaller, over the next five years. In that sense, while much is made of the social and environmental differences between this Government and the last, when it comes to fiscal policy, the difference is more subtle than as at first glance.





# Sheep Outlook

## Prepared for Wilson Sheep Stud

### November 2017



## Commodities Outlook

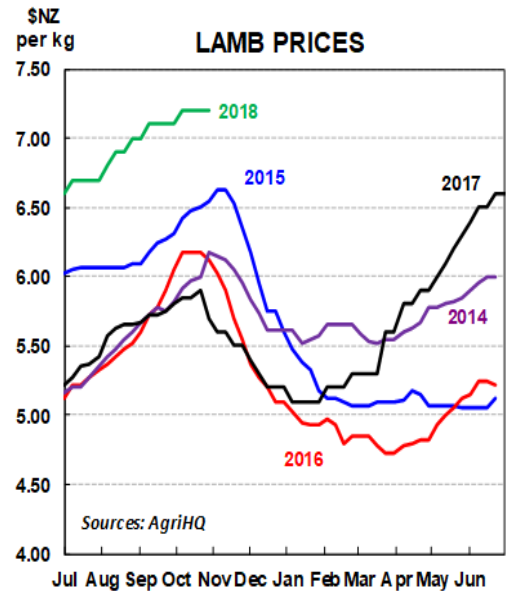
### Lamb – Smaller lamb crop to underpin prices

This year's lamb crop is likely to be smaller than last year's. In its New Season Outlook, Beef+Lamb NZ forecasts a 1.9% fall. This forecast contrasts with its previous estimate of a modest rise of 1.1%.

If this new estimate is close to the mark, we expect lamb prices this season to remain elevated, allowing for the normal seasonal price pattern. For a start, the per kg price for 17.5kg lambs looks to be peaking at \$7.20.

From there and with the smaller lamb crop, we only expect a modest seasonal decline. Indeed, in recent seasons the seasonal decline has ranged between \$0.60/kg and \$1.60/kg, and averaged \$1.20/kg. Accordingly, we expect the seasonal decline to be towards the lower end of this range. The more conservative assumption of the average decline and starting from the \$7.20/kg peak, would see prices reach around \$6.00/kg by autumn.

Of course other factors such as the NZD may change this outlook, but at this juncture, we expect lamb prices to remain healthy over 2017/18.



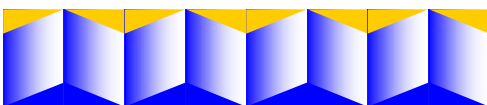
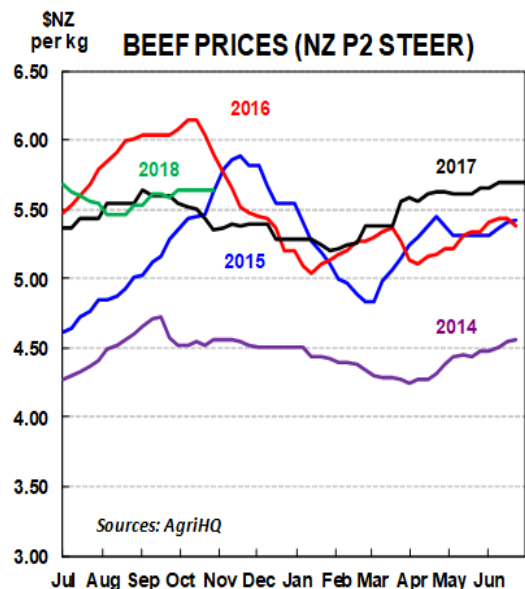
### Beef – Sideways

Beef prices have largely tracked sideways over October. For example, since the last edition of Farmshed Economics, the AgriHQ beef index was unchanged, while the per kg price of P2 steers lifted a modest 1.1%.

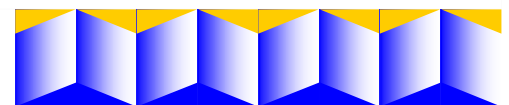
As we have mentioned in recent editions, beef market fundamentals remain firm. With that in mind and while we expect prices to continue to wax and wane, we expect the general price trend to be sideways over the remainder of 2017 and heading into 2018.

That said, the normal seasonal pattern is likely to apply with prices likely to grind lower over the 2018 summer. But we'd expect the seasonal fall to be modest and for it to mirror the fall during the 2017 summer.

In particular, tight supply continues to underpin prices. Indeed NZ and Australian beef export supply is tight, with supply from the latter tightening following recent rains. All up, we expect the beef sector to continue to roll on over the remainder of 2017/18 season.



## Client Quote



**“We sold our cull ewe hoggets for \$160 each and their wool for \$27 each.**

**Outstanding!”**

**Kent Tisdall, Stoneblend Farm, McRaes**

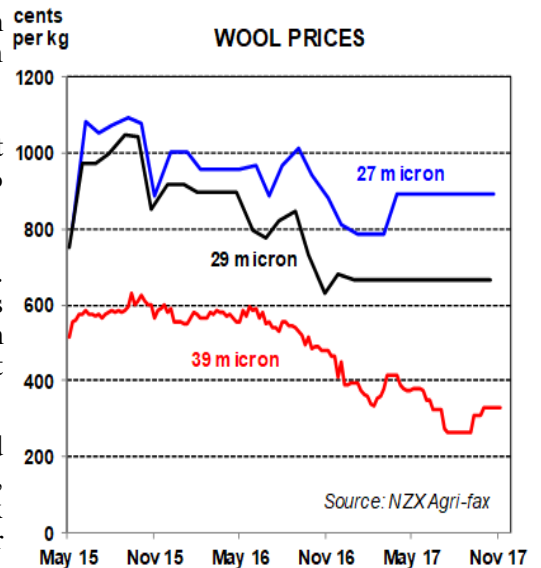
## Wool – Past the bottom

The worst appears to be over for wool prices. For example, 39 micron wool prices have lifted by 25% from the record low level, set back in July 2017.

However, prices are still very low and the wool industry is still not out of the woods yet. Indeed, despite the lift 39 micron prices remain 28% below the 10-year average level.

Meanwhile, mid-micron prices have been stable over recent months. Mid-micron wool prices bottomed earlier than coarse types (towards the start of 2017). However, while that was a blessing, mid-micron prices have not lifted in tandem with coarse wool prices over recent weeks.

Looking ahead, we expect prices to rise generally as global growth and demand improves and wool supply remains low. Notably though, while we are optimistic that prices will improve over the next six months or so, we anticipate that prices are likely to remain below their long run averages.

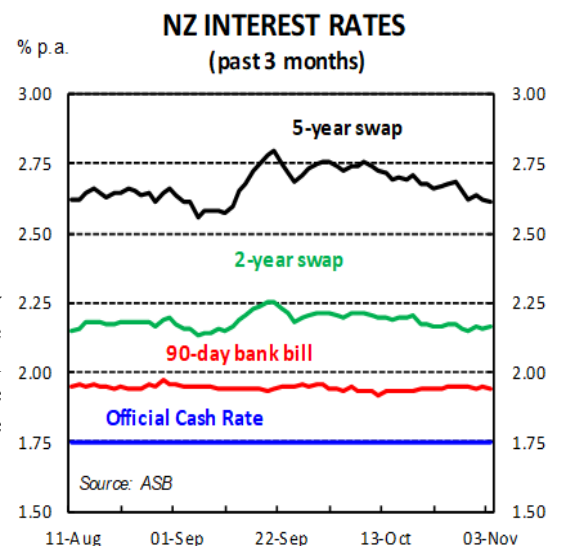


## Interest Rates – The more things change, the more they stay the same

While the sinking NZD has grabbed the headlines in the wake of a new government, in contrast, NZ interest rates have been relatively stable. Indeed, if anything, some rates have drifted lower. For example, benchmark 2-year swap rates have fallen by about 5 basis points since the coalition announcement.

In a way, the more things change, the more they stay the same. For example, despite the change in government, at this juncture we still expect the RBNZ to start lifting the OCR at the start of 2019.

At the same time, some changes may be afoot. For example, the new Minister of Finance has expressed a desire to review and reform the Reserve Bank Act. In addition, a new Reserve Bank Governor will take the helm in March next year. However, all these changes take time. In the meantime, for NZ interest rates, it's a case of the more things change, the more they stay low.



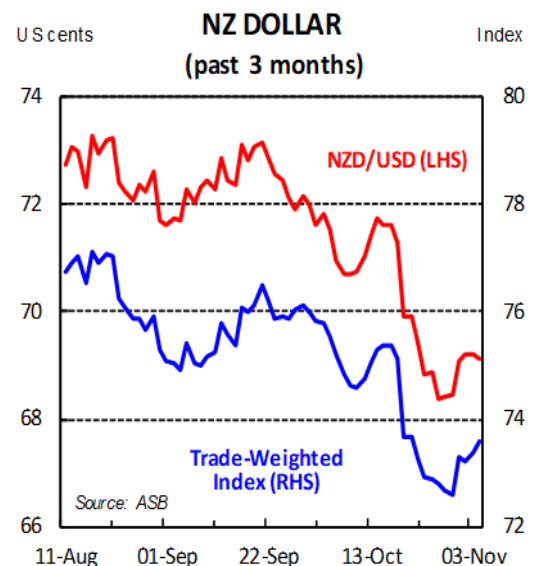
## NZ Dollar – Silver Lining

For farmers, there is at least one silver lining to the new Labour- NZ First Government. That is a lower NZD! Indeed, the NZD is lower across the board, falling 1.5 cents against the USD on the day of the announcement and then falling by roughly that amount again since.

A new PM, a new government, new policies and new Ministers all come with questions and uncertainties for currency markets. Policy details are being released gradually, but until markets get a better understanding, the NZD will remain under pressure.

In the meantime, the weak NZD is providing a boost to commodity prices. The NZD has fallen around 5% since prior to the election against the USD. Indeed, this fall trumps the dip in dairy price since the election.

From here though and as the Government's policies and their implications become clearer, the NZD may regain some lost ground. As a result, some of the commodity price gains may not last.



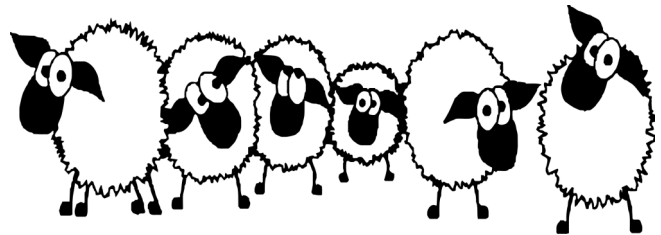
# The Bell Family



**Area:** 420ha

**Location:** Ardamine Farm, Dorie, Mid Canterbury

**Stock:** 3800 Corriedale Ewes plus 600 replacements



(Pictured Above is Ian Bell)

The Bell family has successfully been running Corriedales for generations. With the youngest in the family keen to remain involved with the breed, the future looks to be in good hands.

Ian and Julie Bell are running 3800 Corriedale ewes on 400ha near Dorie on the Canterbury Plains. Their son David recently returned home to farm, after time spent working on farms overseas, and their daughter Lizzy also helping with the peak work load during lambing. Lizzy is a pre-school teacher with a keen interest in farming and plans to turn the family's premium mid micron wool into a quality baby blanket brand.

David is focussed on building on his parents' good work but he does not want to make radical changes. The Bells' Corriedales are performing well and rather than replace them for something more fashionable like a dairy cow or composite ewe, David says he wants to keep doing what they are already doing well, while continuously improving.

**“We want to build a low cost system and Corriedales fit that. We want low cost, low input, with above average output.”**

**LOW  
COST**



=



David believes further gains are on offer though chasing lamb growth rates, more lambs killed off Mum and lifting body condition at key times.

David is involved in Young Farmers and this year entered the Young Farmer of the Year Contest for the first time. He made the top 8 in his first district final, an impressive achievement in the competitive Aorangi region.

This year the Bells will grow Raphno brassica for the first time. This is an example of David looking for a new idea to tweak the current programme. He hopes it will offer multiple lamb grazing's over summer and autumn and potentially winter feed for ewes or hogget's.

Other crops in the ground this year include 10ha of process peas, 13ha of malting barley and 9ha of feed Barley.

As part of the pasture renewal programme 15ha of barley for cereal silage is sown annually. This is undersown with grass. David says “this works well for us. We have a paddock of new grass ready to grow after we've baled the cereal.”

14ha of Lucerne is used for baleage and lambing finishing.

Irrigation water is spread over the entire farm but allocation and reliability would make changing from the current sheep and mixed cropping system a challenge. Water is sourced from several wells and the Rakaia river water under the Acton scheme.

Scanning is consistently 170% in the Corriedale ewes mated to Corriedale rams. David says improvements in growth rates and post-tailing survival are more important to make progress than further increases to scanning percentages in the foreseeable future.

While the Bells would like a higher number of replacements to increase selection pressure, their older ewes are performing under the current model. The 600 replacements are bred from an 'A flock' of 800 ewes annually, which lamb comfortably at 150% or better. The lower rate of replacements is not creating issues in the performance of the flock and helps profitability. The longevity of Corriedale ewes makes this low replacement rate possible. Old ewes are kept as long as they continue to deliver healthy lambs and show sound constitution. Ian says a number of the Bell's ewes are ten years of age or older but continue to perform.

**“They are incredible sheep actually and most of them have twins. Mothering ability is hugely important.”**

The A flock of 800 is selected from four-tooths that have lambed as a two-tooth. These ewes are chosen on constitution, ability to lift after weaning, an open face and wool style and quality.

Julie is adamant that ewes which have required more dagging than their peers are marked and none of these retained for replacements. Lambing starts in late July and early August with the first draft sold prior to Christchurch show. Two drafts before weaning, two weeks apart, help the Bells attract a premium for reasonably early lambs, with weights around 19.5kg.

Corriedale wether lambs are retained through summer and shorn in January. They are sold from May but shorn a second time if the price is over \$6/kg, which has been achievable in recent years with Corriedale wool.



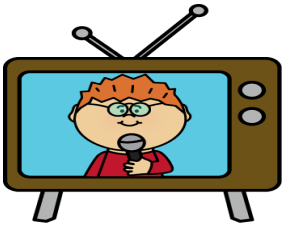
The Bells have been buying Wilfield Corriedale, Suffolk and SufTex rams for twenty years. They also buy teaser rams from the Wilson family and believe this has helped them lift lambing percentage and survival over time.

**The biggest change the Bells have noticed in this time is in feet management.**

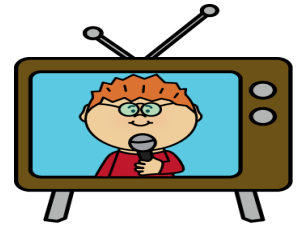
Years ago they tipped all sheep over every year in an effort to combat footrot but they haven't done this since 1988. They are fastidious about buying rams with a (1,1) footscore. They like modern, open headed sheep with wool around the 28 micron mark. Their ewe flock is around 26 micron and recent introduction of slightly stronger rams is helping drive carcass traits and performance.

**Written By James Hoban**

*Sadly, Ian Bell passed away shortly after this story was written. His family is continuing his Corriedale legacy.*



# NEWS



- ◆ Lamb Prices at near record level
- ◆ Wool below 27 micron at almost record levels
- ◆ Another record year with lambing percentages. 2ths equalling M/A ewes, again!!!!
- ◆ Limited supply of Footrot resistant SufTEX rams available.
- ◆ Base Ram Prices increased by \$50
- ◆ Wilfield Lamb Program returns record rebate to suppliers



## 2017 Christchurch Show Highlights

- ◆ 1<sup>st</sup> Prize – NZ Corriedale Commercial Pair of the Year – Ram Hogget's
- ◆ 2<sup>nd</sup> Ram Hogget Production Class including Best Meat Scanning and 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> in Wool
- ◆ 2<sup>nd</sup> Ewe Hogget Feature Class
- ◆ 2<sup>nd</sup> Ram Hogget Feature Class
- ◆ Dalgety Trophy for Champion Corriedale Fleece at the Christchurch Show
- ◆ Won every Corriedale Wool Class entered at the Christchurch Show

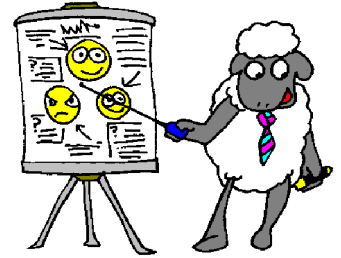
Below Left Pip Wilson receiving the Dalgety Trophy and Right the Wilfield Winning Champion Corriedale Fleece







# MAXIMISING CORRIEDALE GENETICS



1. Weigh all hogget fleece wool and cull the bottom 10% on weight
2. Only use rams with a DNA foot score of 1-1, 1-2,2-2 or 1-3. Keep away from 4's and 5's
3. Cull all ewes that scan in lamb but fail to wean a lamb
4. Use Toxovax and Campylovexin abortion vaccines
5. Minerals are hugely important for high conception and survival, in particular selenium, iodine and zinc.
6. Use Teaser rams
7. Avoid excessively woolly headed sheep
8. Avoid dark pigmentation around eyes and ears. Can be an indication of Black fibre in the fleece.
9. Select rams with a high SIL index. This index predicts greater productive performance.
10. Purchasing rams with a Breeding Value of 0.1 or more will increase your lambing percentage. This is the best way of improving profitability on a sheep farm!
11. Flush ewes by pre tup drenching with minerals and increase the ewes dietary intake. There is no substitute for good grass and clover!



# Wilfield SufTex

*"Wilfield SufTEX – The Meat Breed that combines MEAT and GROWTH!"*

This cross is becoming more popular by the year. We sold a record number of Wilfield SufTEX rams last year on the back of the quality of the rams we put into the market.

SufTEX rams are the cross between the fast growing Suffolk and the increased hardiness and improved muscling of the Texel. The difference between Wilfield SufTEX and many other SufTex rams is their breeding. We mate the best rams we can find with the best ewes we can find. We also cull male and female progeny heavily, retaining less than 40% of males for sale and less than 30% of females for our breeding program.

A limited selection of Footrot Resistant rams (1-3 or better) will be available this season as we continue to develop the Wilfield SufTEX brand. Also SIL Breeding values and indexes will be available with the better animals bringing a small premium.



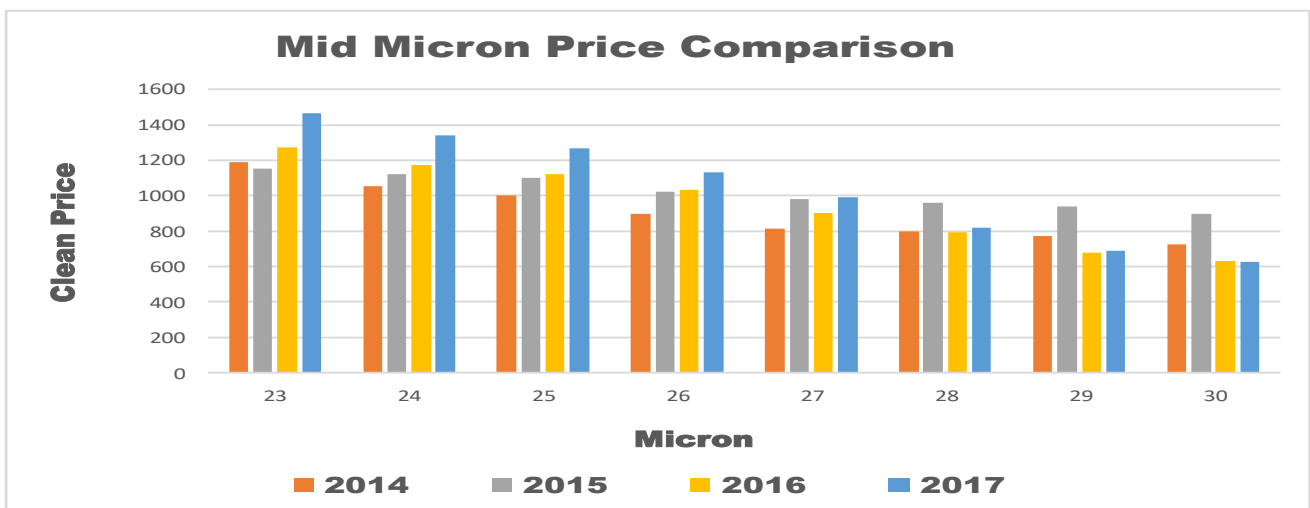
## MID MICRON WOOL MARKET UPDATE

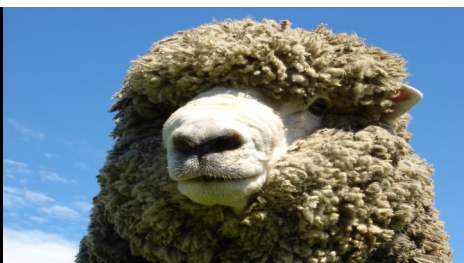


We have seen some really positive signs in the wool market for Microns 23 to 30 during the current season. At the time of writing the following is the increases year on year. One interesting point has been the fluctuations throughout the season especially in the 26 to 28 micron bracket.

Not seen before there was up to a 70cent clean drop one sale and 2 weeks later a 60 cent increase. The quality of wool has been superb with most clips recording increase wool weights. Demand for this has been driven by China and Europe which has also seen the same increases in the Australian market.

Roger Fuller, CP Wool





# **WILFIELD**

## **2017 Flock Ram Price List (GST exclusive)**

### **Wilfiel Corriedale Base Ram \$650**

#### **Premiums for:**

- “Gold Mark” \$400 (limited supply)
- “Silver Mark” \$300 (limited supply)
- Footrot Resistance 1-1 \$400 (limited supply)
- Footrot Resistance 1-2 \$300 (limited supply)
- Footrot Resistance 1-3 \$200 (limited supply)
- Footrot Resistance 2-2 \$200 (limited supply)
- Smart Wools-26.5 micron and less \$100

#### **Example purchase:**

Base ram + Silver Mark + Footrot Resistant 1-3 = Ram Purchase  
 \$650 + \$300 + \$200 = \$1150

### **Wilfield SufTEX Rams \$750**

#### **Premiums for:**

- SIL Index - Gold \$200 (limited supply)
- SIL Index - Silver \$100 (limited supply)
- Footrot Resistance 1-1 \$400 (limited supply)
- Footrot Resistance 1-2 \$300 (limited supply)
- Footrot Resistance 1-3 \$200 (limited supply)

#### **Example purchase:**

Base ram + SIL Index Gold Mark + Footrot Resistant 1-3 = Ram Purchase  
 \$750 + \$200 + \$200 = \$1150

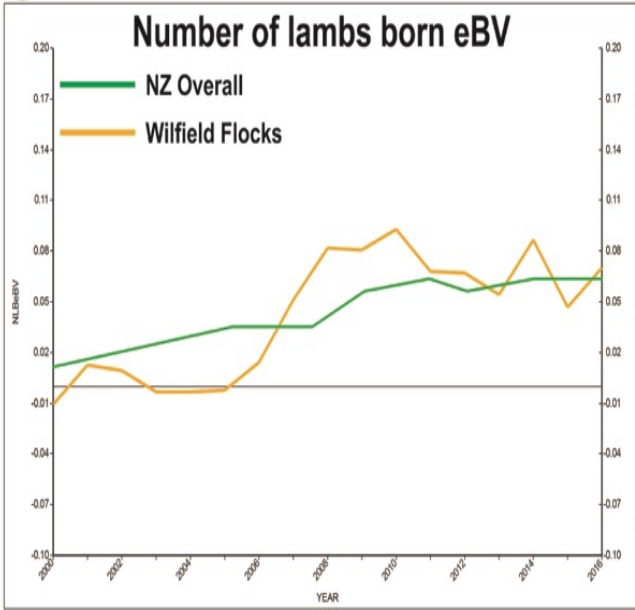
### **Wilfield Vasectomised Rams \$250**

**Phone Robin to discuss your requirements: Mobile:021 158 3866**

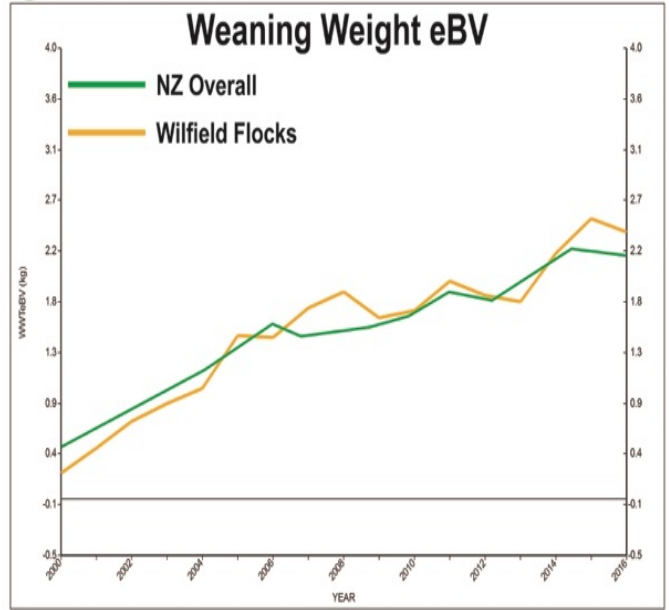




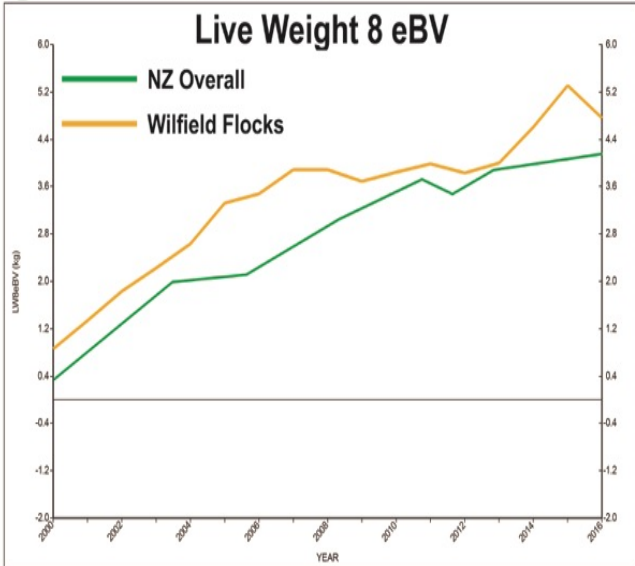
Genetic Trends for all Flocks  
GE Analysis #35147 30/10/2017 Analysis Flocks: 1,2,7,8 + 1170 others



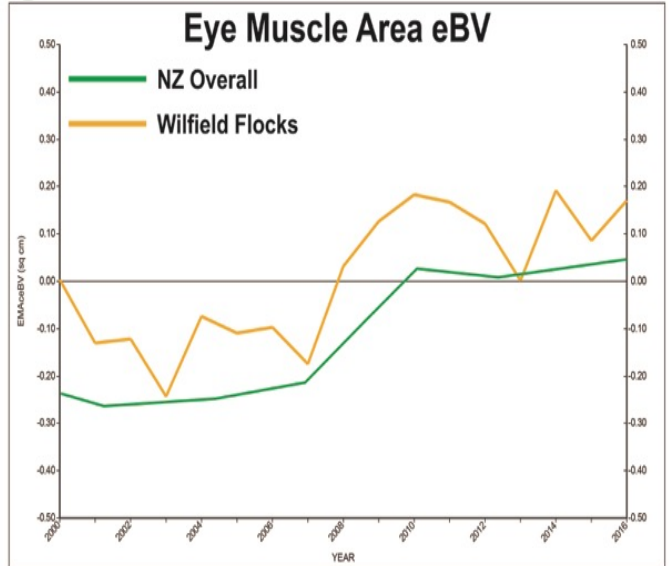
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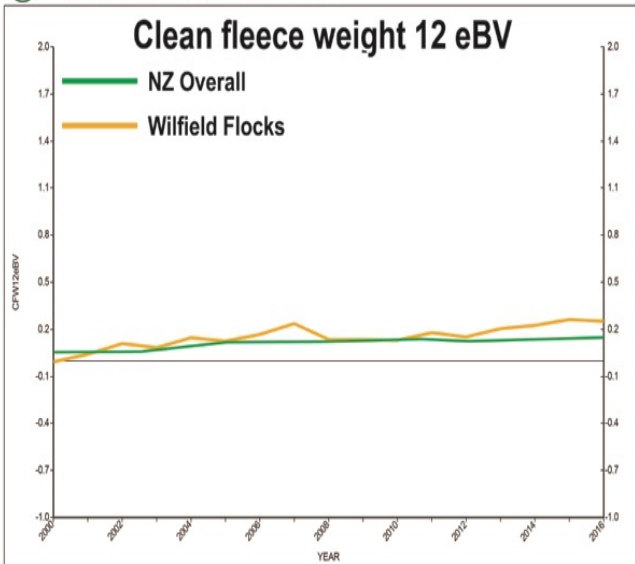
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