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Piquet Hill

STUD

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NEWS FROM THE FARM

As I write this newsletter, I'm looking out the window and the sun is shining, winter seems a distant memory. Lambing is nearly over and while some better weather would have been preferable - lamb survival appears to be very good. For the first time in many years the sheep and beef sector is extremely buoyant on the back of record lamb and mutton prices and continued strong beef returns. Talking to processors the underlying factors driving the lamb market are strong, so prices will remain reasonably strong for the foreseeable future. While the world is trying to adjust to the political landscape with Donald Trump at the helm, New Zealand may benefit with diversified trade with American trading partners reacting to imposed tariffs. It also looks like we are going to remain in a low interest rate environment for the foreseeable future which is helpful, though paying down debt will be at the forefront of people's minds particularly with good returns on offer.

Over the last few months, Tom has decided to sell his share in the Stud and Bull Business while retaining 1000 acres at Te Akau. It has been a big few years for both of us, which has seen the business grow and flourish. I know he has some big plans and we wish him

the best in the future. Though there is a little less land, the stud business will remain unchanged.

The Bull Business has been particularly difficult this year with mycoplasma bovis at the forefront of dairy farmer's minds. We have had to test every bull on the property for the disease, although this isn't full proof by any stretch of the imagination - we felt it was our only option to give dairy farmers some surety. Our annual on farm bull sale was on the 12th of September with 410 bulls on offer. Buyer interest was very strong with 100% clearance and a pleasing result.

Nicola and I had an interesting couple of days in Dunedin at the Beef + Lamb Sheep Genetics forum with many interesting seminars. The development of in-prove to help farmers in their ram selection looks like an upgrade on SIL

giving better access to breeder data and trends helping in ram selection. I was particularly interested in a module on Body condition score which I will discuss later.

FE is still at the forefront of people's breeding decisions and there seems to be a renewed interest in the trait which I think is great for the whole industry. Piquet Hill is currently testing rams at 6.8 mg per kg which is the highest in the country. We have been testing above the benchmark level for FE gold for a decade now.

We are in the process of setting up a worm resilience program with our rams this year in combination with the worm FEC program we have already undertaken. Farmers are on the lookout for no-frills genetics that offer a sustainable product that is structurally sound with good constitution.



FACIAL ECZEMA

A group of potential sires is selected through their EBV's and genomic breeding values in late October and then put forward for a Ramguard FE test. Currently Romneys are tested at 0.68 mg per Kg of live weight, Maternal Composites at 0.6 mg per KG of live weight and Perendales at 0.45 mg per kg of live weight. All rams that are sold are by a ram that has passed this test, which ensures clients that you are getting the highest possible tolerant genetics for your flock. All Romney and maternal composites have a life time guarantee against FE.

WORM RESISTANCE

In the autumn when worm challenge is at its highest all stud ram hoggets are faecal egg counted for the Worm Fec program which is being run by Ag research. The results are then collated and inputted into SIL and run into our custom Piquet Hill index. The trait is good to pursue when you think 10% of your flock is spreading %50 of your worm burden.

STRUCTURAL SOUNDNESS & CONSTITUTION

All rams are run in natural conditions and put under significant selection pressure before they are deemed of a fit standard to sell. We pride ourselves on the structural soundness of the rams we sell and that is why we guarantee all rams for soundness for 2 years.

PIQUET HILL RAMS



PIQUET HILL ROMNEY

Extremely FE tolerant sire. Fertile and productive medium sized sheep suitable for hard hill country. Sires tested at 0.68 mg per kg of live weight.



PIQUET HILL MATERNAL COMPOSITE

Highly FE tolerant and prolific sire suitable for high production systems. High growth and early maturing lambs. High hogget lambing rate. sires tested at 0.6 mg per kg of live weight.



PIQUET HILL F1 PERENDALE

Using purebred Cheviot rams over stud Romney ewes. Extremely hardy and low maintenance rams that have been successfully used as a back cross over straight Romney and maternal cross ewes. The F1 introduces highbred vigour helping in production increases. Rams have been tested at 0.45 mg per kg liveweight.



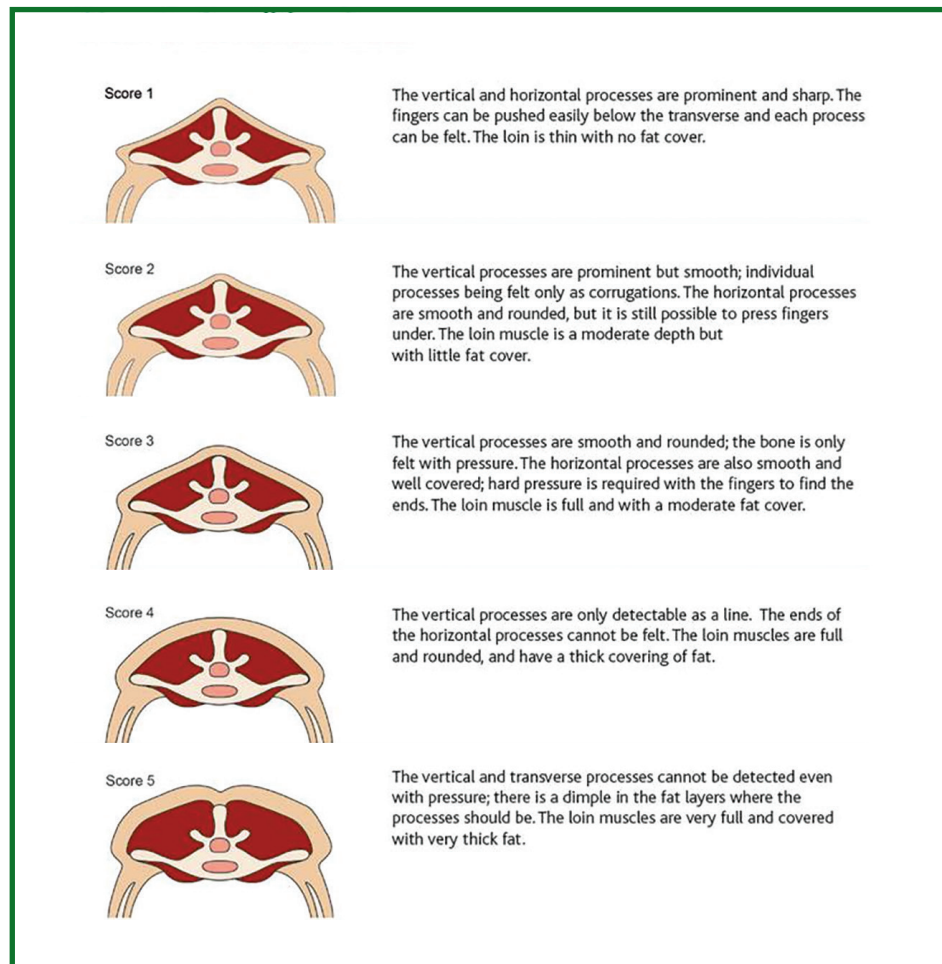
PIQUET HILL SUFFOLK TERMINAL

The ultimate terminal sire. Good lamb marker with strong growth and lamb survival. Ewes run under commercial conditions with the main focus of developing rams that will perform on hard hill country in a high FE environment.

RAM SELLING

Ram selling will take place in early January. We will be in touch in October firming up your orders and allocating times and dates. We look forward to seeing you soon.

THE IMPORTANCE OF BODY CONDITION



It has finally dawned on many in the sheep industry that we could have been making a rod for our own back in regards to ewe live weight. Farmers have constantly been told of target live weight gain for optimum production but this has pushed us in the wrong direction with lamb survival and ewe efficiency. The main problem is fat - and not enough of it! It has now been conclusively proven that ewes with a higher BCS have better scanning, lamb survival and lamb growth. It is estimated that gross margin will be improved by up to \$117 per hectare by improving your overall BCS by .5 of a point from 2.5 to 3. Ewes that have high BCS are more resilient to climatic changes eg drought, feed deficits and worm burdens. The best part about all of this that it is highly heritable.

IMF has a heritability of around .68 which is huge compared to say fertility which is below .05 and even growth at .4 so huge advances can be made in a short period. The take away message for the commercial farmer is be very careful and perceptive in your selection of ewe hoggets and of culling of ewes in relation to this trait and buy rams that have been selected for that trait. Trevor Cook is an absolute guru in this field and if you want to get any more information give him a call he has some really good information. On our breeding front we are now giving ewes a BCS post weaning and pre-tup, this data is then uploaded into in-prove and into our custom made Piquet Hill performance breeding value.

WHANGARA MULTIPLIER FLOCK

Piquet Hill has been asked to participate in a multiplier flock program teaming up with Whangara Farms, Abacus Bio and Beef+Lamb Genetics. Whangara Farms is a large sheep and beef property north of Gisborne comprising of 40,000 ewes. Richard Scholefield approached Piquet Hill to see whether we would be interested in teaming up in the project and we felt it was something we would like to be involved in. Whangara has a high demand for Romney rams so has decided to set up a linked multiplier flock with Piquet Hill and ARDG focusing on FE tolerance, structure, soundness and general flock performance. Piquet Hill has supplied semen from our top sires and this has been used over 500 unrecorded multiplier ewes at Whangara Farms. Whangara will then performance record the progeny in a progeny test run by Abacus Bio, sourcing the best ram lambs which will then be introduced over there commercial flock. Though the cost of an AI program is prohibitive in a usual commercial context, the availability of the best genetics will be cost effective for Whangara and beneficial for Piquet Hill, giving us improved benchmarking within the Whangara flock and across flock with ARDG. This will help identify top performers earlier and speed up genetic gain.

2018 MARKET UPDATE



UNITED KINGDOM /EUROPE

The word Nirvana comes to mind. Others may call it hitting the sweet spot, when one looks back on the record market place returns lamb producers received this year. Yes, New Zealand lamb, when and wherever it is sold or consumed, continues to be the good news story each and every way you view it.

Yes, our lamb remains the premium product on display in every major retail meat case, however, the buy British campaign has had an impact on demand! Subject to regulatory approval, two of the UK's largest supermarket groups, Sainsbury and ASDA are to merge their businesses. Competition is driving their strategy, as it is for other retailers. Carrefour (France) and Tesco (UK) are working together in a number of markets for obvious reasons.

Aldi and Lidl the German owned supermarkets are growing their UK presence quickly, one of many reasons for their merger response.

To be realistic, retail prices are softening. Producers should note, it has been a long hot summer in the Northern Hemisphere, wholesalers have increased stocks on hand, which will temper any

enthusiasm for retail prices to firm going forward. We have also had the good fortune of the exchange rate to move in our favour. The premium selling/marketing periods continue to be pre Christmas and pre Easter.

If there is to be any softening of demand post Easter it may be that time that was not what happened, prices firmed this past season.

However from a meat producer's perspective, processing companies continue to improve their individual performances with at least three making changes to their senior management team as well as lifting in market representation.

Yes you the producer, will continue to enjoy strong competition at your front gate. This effort was admirably demonstrated this past season, your farm gate prices increased consistently during the peak processing weeks, this action is unprecedented in living memory.

What more can we ask of processors. They have really come to the party this past season, they have made every effort to lift their revenues and yours, and deserve our thanks and congratulations.

The continued shrinking of the national flock is not in the nation's best interests, and yes the value of cross bred

wool has much to do with that.

However, one does not have to look too far into the future to suggest its day in the sun will shine again, as the long term damage to the environment by oil based products become more evident.

Who would have thought an \$8.00 plus schedule would be with us today?

It may not be \$8 plus all season in future years, what ever it is; it will certainly recognise all the competitive factors that are at play every day of the week.

Export sales of New Zealand lamb is represented by 35% to China, Continental Europe 20%, UK 18 %, USA 7%, and the Middle East 6.5%. In weight terms China imported 98000 tonnes. This highlights what a positive impact China is having on our collective future. Off shore sales of NZ lamb and mutton accounts for 285000, and 90000 tonnes respectively.

Beef and Lamb's promotional spend of \$4.1 million on the Taste Pure and Natural will add much emphasis to collective efforts of marketing our Primary Produce. Currently there is no certainty of the UK leaving the EU other than the hard way, the 31/3/2019 time frame is close at hand.



CHINA

China is at long last has delivered on all the expectations that have been forecast during the past decade, NZ chilled lamb is well and truly on the menu now. The excellent farm gate prices received this past season for Lamb/ Mutton is entirely due to demand from China, who in percentage terms purchased 35% of lamb and 85% of mutton sales. Tonnages purchased are on the increase as demonstrated, the

consumers' taste for the product exceeds supply.

The future is now, there are 600 million plus upwardly mobile Chinese consumers who have the wherewithal to consistently enjoy eating our lamb regularly, and have demonstrated this by the growing tonnages imported year on year.

These Customers / Consumers will have every right to know where their lamb was born, looked after, treated, they now

demand a picture or story that underwrites their perception of our green and clean image, thinking producers will develop web sites which will enable consumers to view/ inspect the farm of origin on line, its a must in todays world.

In the meat trade there is a saying, if it's chilled its sells like gold, if its frozen it can only be sold. Meat processors that know the trade well, remember this every day of the week!

ORDER FORM



PLEASE CONTACT US TO PENCIL IN YOUR RAM ORDER FOR THE COMING SEASON

PRICE GUIDE

	STUD SIRES	HIGH PRODUCTION FLOCK RAMS	FLOCK RAMS	RAM HGTS
ROMNEY	\$7,000	\$1100-\$1500	\$750 - \$1050	\$750
MATERNAL COMPOSITE	\$7,000	\$1100-\$1500	\$750 - \$1050	\$750
F1 PERENDALE		\$950 - \$1200	\$700 - \$900	\$650
SUFFOLK		\$850 - \$1000	\$650 - \$800	\$600

	STUD SIRES	HIGH PRODUCTION FLOCK RAMS	FLOCK RAMS	RAM HGTS
ROMNEY				
MATERNAL COMPOSITE				
F1 PERENDALE				
SUFFOLK				

Name _____

Address _____

Phone _____

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