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call of the country



Welcome to the

Professionals Call of the Country

This publication offers relevant articles to those of you who are part of, or interested in, the rural and lifestyle sector of the New Zealand property market.

We hope you enjoy this edition and the many to follow.

IN THIS ISSUE

Effects of the Dairy Boom on Rural Real Estate

Slugs: Management in Pastures

Thoughts Before you Buy Sheep

So you want to Build a Fence. What Kind?

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Effects of the Dairy Boom on Rural Real Estate

It's no surprise to see most pundits predicting a boom time for dairy producers.

Peter McDonald spokesperson for the REINZ stated "All the gauges are pointing in the right direction for the dairy industry at present and everyone wants to invest in that sector which is driving prices up". The latest REINZ press release has the median price for a dairy farm moving to an all time high of \$3,450,000, which eclipsed the previous high in March of \$3,275,000.

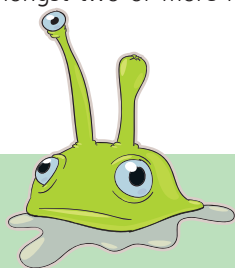
Most of the causes are obvious; being lead by a \$6.40 payout foreshadowed by Fonterra based on rocketing commodity prices. Economists are predicting the best long-term outlook for the future in agriculture since the 1950's.

Downstream effects of this optimism has seen increased dairy conversions and extensions to milking platforms which in turn has created pressure on suitable convertible beef and sheep farm prices. Farms continue to get larger as properties are cannibalised by their neighbours, often with one smaller farm being split amongst two or more neighbours. Some of these sales achieve

higher than expected prices per hectare as the land has greater value to the neighbour who already has the production infrastructure in place and is just adding grass to an already efficient machine.

Seasoned rural salespeople who have seen many boom bust cycles over the last 50 years are urging caution. One factor is dairy farmers tend to price in the future returns before they are achieved. Many of the sales happening now are the result of the market catching up with prices established by sellers 12-18 months ago, says Brian Wells of some 50 years rural experience. We are currently seeing properties re-priced to reflect the expected market conditions in June next year. When most property transfers occur, buyers have to gamble that the returns will be there. Other sellers have removed their properties from the market with the intention of re-listing in late summer when prices stabilise.

Martin Albrecht a long-term rural personality from Waipu believes farmers have considerable justification for their high price expectations as this boom cycle is predicted to last five-ten years as opposed to in the past, one good year followed by five bad ones. The big winners in this boom cycle will be the provinces who will see increased cash flowing into their communities.



Slugs: Management in Pastures

Left uncontrolled the grey field slug can devastate a newly sown pasture overnight, particularly after direct drilling. They can also reduce the clover content of established dairy pastures during winter and spring. There are several ways of controlling this pest, including cultivation, the use of molluscicides and stock management.

The Grey Field Slug

Several slug species have the potential to be pests. The main threat to pasture is the grey field slug, which is present in pastures year around. They hatch from eggs as small slugs and reach full size between 3 and 9 months. Numbers peak twice a year, in spring and autumn.

Grey Field Slug Damage

Grey field slugs can cause damage without farmers being aware they are there. They are most active in wet areas of the country. The threat of this species has become more apparent with the increasing use of direct drilling methods. Cultivation, particularly that producing a fine tilth, kills slugs, which is why they are not traditional pests for farmers. Direct drilling creates drill slots that provide moist, dark conditions that slugs favour, and there is an easily accessible food supply. The most suitable times for direct drilling coincide with peak times of slug activity.

As soon as the newly drilled seed swells with water the slug will eat it. They move up and down the drill slots feeding on the seeds and

young shoots, wiping out the new pasture before it is established.

Grasses become less affected by slug feeding as they mature, but legumes remain a favourable food source. Grey field slugs eat into the leaves of clover, in between the main veins, leaving "windows". They also destroy the clover leaf buds and stolon growing points.

Diagnosis

Slugs are good at hiding, so the best way to establish the extent of a problem is to put out wet sacks in the pasture. Use salt or lime as a barrier around the edge of the sacks, and after 4 to 7 days pull them up and count the slugs sheltering underneath. Populations in the order of 10 per m2 will damage direct drilled pastures, and 50 slugs per m2 can damage established dairy pastures.

Remedies

The three main methods of dealing with the grey field slug are:

Cultivation

The more finely cultivated the land, the greater the slug kill, but this method rules out direct drilling.

Molluscicides

These include metaldehyde, thiodicarb and methiocarb. They all come in bait form and have attractants. They are best spread on the surface of the pasture, but can be drilled with the seed. Ideally, bait should be spread a week before seed is sown, so that it has a

chance to kill the slugs before drilling begins. Bait must be applied once ground moisture levels have increased after summer, to ensure that slugs are active.

The main drawback is that weather conditions may render molluscicide baits ineffective before a good kill is achieved, and repeat applications may be necessary.

Stock Management

Stock management is an effective tool when planning to direct drill and should be an integral part of direct drilling. First, heavily mob stock the pasture, by putting on the equivalent of 1500 ewes per ha per day. Once the existing pasture has recovered with 5 to 10 cm of growth, herbicide can be applied, followed by normal direct drilling methods. This operation can be reversed by spraying, then leaving the pasture 3 to 4 days before heavily grazing it before drilling.

Trials have shown this system can be more than 90% effective. Heavy stocking traps the slugs either underground where they die, or above ground where they are trampled by stock, or caught by birds. For this reason slugs are not normally a problem in established pastures, as rotational grazing reduces their number. Slug numbers and damage can, however, increase during winter on dairy farms when rotation length is extended to 50 to 100 days.

This article has kindly been supplied by www.rd1.com

So you want to Build a Fence. What Kind?

When building a fence, various materials and methods can be combined to provide a suitable fence for any situation.

There are several types of stock fences commonly used in New Zealand,

- 7-9 Wire post and batten fence
- Multi-wire electric fence
- Sheep netting
- Deer netting
- Post and Rail
- Temporary and semi-permanent

7-9 Wire post and batten

Used commonly for boundary fencing and as a general all purpose fence. It is strong, durable and secure. Posts are usually 4 metres apart and 5 battens are spaced evenly between the posts. Although one of the most expensive and labour intensive fences, it will contain sheep, cattle and horses adequately in most cases.

Multi-wire electric

Depending on the type of stock being contained, different number of wires can be used, which are then electrified. Posts are spaced further apart, sometimes up to eight or ten metres between posts.

Electric fences create a mental barrier to stock. The shock that they get from the fence acts as a deterrent in future escape efforts. This is opposed to the post and batten fence which simply provides a physical barrier.

Because electric fences require fewer materials, they are usually cheaper, easier and faster to erect, however security and longevity can be sacrificed.

Outriggers - An 'outrigger' is an electric wire which is offset from the main fence and can be added to any existing fence. This stops stock from leaning or rubbing against the fence, and prolongs the life of the fence for minimal cost.

Sheep netting

Sheep netting is wire netting, about a metre high, with wooden posts. It is ideal for sheep, and other small or young stock such as calves. It is also adequate for large stock when one or more outriggers are added to either the top or side of the netting.

Deer fencing operates on exactly the same principles as sheep netting, except on a larger scale.

Post and rail

Used commonly with horses as it is highly visible. Spooked horses have been severely injured after running through wire fences, particularly fences using high tensile wire. Most horses are kept within wire fences however, so it comes down to a personal choice.

Post and rail fencing is also used around houses and driveways as it is aesthetically pleasing. Posts are usually two metres apart, with between three and four wooden rails. It can be difficult to get it looking straight and level without a high level of expertise. Post and rail fences are very secure with larger animals, especially when accompanied with an electric wire to prevent stock rubbing. It has a high cost per metre when compared to other fences.

Temporary and semi-permanent fences

- Semi-permanent - There are a wide range of materials available, such as electric tape and poly-wires, varying in different sizes and thicknesses. As well there is a range of semi-permanent type steel posts, such as Warratahs and Kiwitahs, often used on lease blocks, or as a quick fix option. This type of fence is very cheap and easy to build. The disadvantages are the deterioration of the fence over a few years, and these fences require more regular maintenance.
- Temporary - Electric plastic tape usually wound up on a hand held reel. It is used mainly for cattle and horses to subdivide an existing paddock, usually on a day by day basis. It uses 'electric fence standards' which are light weight and about a metre in height. They have a steel peg at the bottom which you press into the ground with your foot and a loop to hold the electric tape at the top. They are put up and taken down at the pace at which you can walk. They are the least secure of any type of fence and require a good electric current and stock which are trained with electric fences.

If unsure of the best type of fence for your situation, speak to other people and find out what works for them and what doesn't. Have a look at other properties and think about your budget. Over the long term, it can be more profitable to invest in good quality fences from the start.

Article written by Shaun Murray,
www.lifestyleblock.co.nz

Moving In Moving On



Morrinsville

The property approximately 250 acres of rolling land in pasture, partially surrounded by native bush features a fresh running stream. The property includes good cattle yards, loading facilities, a hay barn and is subdivided into 3 titles with water in all paddocks. Sold for \$1,430,000 by Morrinsville Real Estate.



106 King Road, Waianiwa, Southland

This 3 bedroom home is set on an attractive 19.3 hectare block. Sheds are abundant on the property and it is also well set up for deer farming. Sold for \$500,000 by MacPherson Realty Ltd.



Waitoki, Rodney District

With 14.8 hectares the property has two entrances and the opportunity for subdivision. This native retreat also features two lakes which host native birdlife. A three bedroom villa accompanies the property perfect for lifestyle living. Sold for approximately \$2,000,000 by Classic Real Estate Ltd, Albany.



Thoughts Before you Buy Sheep

Sheep on small farms must make money

If you are going into sheep, they've got to leave a clear profit. You must include in your expenses all those little things like deaths, agent's commission and animal health, that are often forgotten.

So let's look at the decisions you'll have to make assuming you start a sheep flock in autumn. The breed you choose is not all that important but age is, so what's available?

Five-year-old ewes

These are ewes that should have had at least four lamb crops on a hill country farm and are ready for an easier life. They are sometimes called "cast-for-age" or CFA ewes.

They should have a full set of eight permanent front teeth (incisors) in their lower jaw. Sheep have no top front teeth - only a hard dental pad. These front teeth may be well-worn down but they should all be there, firmly fitted, even and working. The vendor should guarantee that they are sound in mouth and udder - but just beware and check.

Mate them to a "meat-breed" ram or a "down breed" and sell all the lambs. You may hear the term "terminal sire breed." This describes a meat sire breed where all the lambs are slaughtered.

If you have the feed, sell these lambs for slaughter to the meat works or local butcher at 4-6 months of age for best returns. You can sell them as "weaners" or "stores" off their mothers for someone else to finish, but you'll make less money. It depends on the feed supply and your stocking levels.

These old 5-year-olds should last you at least one if not two seasons if well looked after, and they themselves will then be sold for meat.

Two-tooth ewes

These ewes usually haven't had a lamb and are about 14-18 months old. They should have two permanent teeth. They'll be mated for the first time in the autumn you buy them.

Two-tooths are generally about twice the price of 5-year-olds but obviously they are good value as they have their productive life ahead of them.

Mixed-age ewes

These can be a mixed bag and with little guarantee of teeth and udders. The concern here is that they may be "culls", otherwise, why would someone want to sell young ewes that still had a lot of life left in them? There is no such word as "culls" in some vendor's and agent's books - they're all "surplus to requirements"!

Your question should be, "Is there a genuine reason for selling them?" If you buy through an agent you'll have some comeback if there are problems. Not so if you buy privately.

It's up to you to check teeth and udders. If the udder is not very obvious, they probably have never had a lamb and they'd be a poor buy. There are two types of "dry" ewes, ie ewes that have not milked. "Wet/Drys" are sheep that have lambed and not reared a lamb to weaning, and "Dry/Dry" ewes have never had a lamb at all. Keep away from both if you can, but certainly the latter! If you have someone buying for you - tell them you want ewes that have reared lambs last season - and the best evidence is a developed udder with two good teats free from shearing cuts.

In-lamb ewes

If you can't buy in time for mating, you may be able to buy so-called in-lamb ewes. Now here you can have problems with guarantees. All you may get is that they've been running with a ram over certain dates, or they've not returned to the ram - so are assumed to be pregnant. They could have aborted after the ram went home. If you can get a pregnancy scan done then that would be ideal.

Ewe lambs/hoggets

These are previous years lambs born in July-August. When a lamb becomes a hogget is a bit hard to define. If they're well grown (round about 25-30kg), they are well worth mating, to lamb later than the main flock say in September. They make great mothers and of course having lambed as hoggets go on to make very productive and profitable ewes.

Traditionally ewe hoggets are not mated in New Zealand, and it's a great shame as they add greatly to the profitability of the flock. Any ewe hoggets born to ewe hoggets are real gold, as they will invariably be highly productive sheep over their lifetime.

Rams

The way the market is at present it would be wise for small block owners to consider a ram from one of the main meat breeds such as Polled Dorset, Southdown, Texel or Suffolk. There are many other types of these "Down" breeds that also do a good job. It's not the breed but rather the individual ram that you should pay attention to.

Autumn & winter feeding

Aim to feed sheep well at all times. If sheep get down in condition then internal parasites will get at them, they'll go through the veterinary text books of sheep diseases and not see Spring.

The younger the sheep (especially ewe hoggets), then the better they must be fed. Weigh some with a sling and a spring balance at regular intervals aim at 50kg as a minimal target for your ewes. If they get down to 40kg on good land then you have too many and you aren't feeding them enough. Remember that the lamb makes most growth in the last 4-6 weeks of pregnancy so ewes really need to be well fed over that time.

A lot of folk panic thinking that if sheep are too well fed they'll end up with lambs that are too big and they'll have lambing trouble. This was once the case, but things are vastly different now.

Now that scanning sheep is commercially available you can find out which ewes have singles, and which ewes are carrying twins so you can feed them accordingly.

Plan some concentrate feeding (meal) for twin-carrying sheep in the 2-3 weeks before lambing. Apart from meeting their nutrient needs - they'll become your lifetime friends.

Article courtesy of Clive Dalton of www.lifestyleblock.co.nz