



PW&A

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Newsletter

SUMMER 2018

Let the good times roll

Happy New Year and welcome to the latest newsletter from the team at Peter Walsh & Associates (PWA). We trust that 2017 treated you kindly and that 2018 will be another positive year for those of us in the livestock business.

At the end of last year, ASB's December FarmShed Report described 2017 as a year of surprises, consistency, comebacks, and consolidation. For both beef and lamb prospects this year, ASB predicts: 'The good times to roll'.

"Lamb prices surprised by surging over the year, while beef prices were consistently strong," the report said. "The meat sector took centre stage over 2017. Indeed, 2017 was one out of the box for lamb prices. After a quiet start, per kg prices surged over the lucky \$7.00 mark, reaching their highest level since 2011."

However, it does warn the risk that a drought could see slaughter levels spike and lead to lower prices. Thankfully, we have had some good rain already this year – especially in Canterbury – but we all know that at this time of year, dry periods are not uncommon and planning for these is all part of how we farm.

Meanwhile, the ASB reports that: "beef prices have been consistently high over the year, continuing a stellar run since early 2015." The bank expects more of the same over the remainder of the 2017/18 season – with the proviso of an "expected, modest seasonal dip in prices over summer and autumn". But expect the underlying picture for beef prices to "remain strong."

Let's hope our banking friends' confidence in the red meat sector for 2018 become a reality – as it will be a good fillip for hard-pressed red meat sector that has had more than its fair share of lean times over recent years.

According to analysts at NZX Agri the solid state of global lamb markets has flowed into January 2018 – with "the heavy NZ production pre-Christmas has been absorbed with little impact on prices". It reports that global frozen inventories remain short as January production is focused on the chilled UK and EU Easter trade. "Demand is solid for Easter production, with reports suggesting prices are expected to be similar to this time last year. Lamb supply through January looks patchy, impacted by rain and the heavy kill prior to Christmas. This is expected to result in competitive pricing for lamb through the Easter production period," it adds.

NZX Agri also point out that cattle operating prices (schedules plus premiums) have eased a little lower since the beginning of the Christmas holidays, "but not by anything more than is common at this stage of the year".

We're seeing good grass through the upper-half of the island which seems to be stopping the market from getting over-run with numbers and buyers are not in any rush to find stock for the moment.

So, overall, we have had a positive beginning to 2018 – let's hope it continues!

Meanwhile, we have implemented a couple of changes this year at PWA – most notably the addition of



Peter Walsh

Jesse (Jess) Dargue on to our team as assistant general manager. Read more about Jesse's background and experience in the profile over the page in this newsletter.

There is also a nice piece in this bulletin on PWA's involvement – through our central region manager Stuart Blake – with the Gateway Programme and giving a couple of local high school students some work experience, and showing them the huge career opportunities in the wider agriculture sector.

In the meantime, for any queries on livestock sales or buying and selling animals, feel free to get in touch with us here at PWA or contact your local PWA broker. For all our contacts and details see our team contacts on the back page of this newsletter.



Jesse Dargue joins the team



Jesse Dargue

As 2018 begins and the PWA team gets into gear for another busy year ahead, a new appointment has been made to our management line-up.

In early January; Jesse Dargue joined PWA in the newly created role of assistant general manager reporting directly to managing director Peter Walsh.

Peter says the appointment of Jesse (or Jess as he prefers to be called) is about future-proofing the company by adding new blood and ideas. He believes the addition of Jess to the PWA team is an exciting development for both the company and its clients.

"We have had a few management changes in the past couple of years and we see the addition of Jess to the PWA team as a positive," says Peter. "Jess brings strong experience in developing and maintaining customer relationships from his time at ALIL and we are keen to see him continue this kind of work with our farmer clients."

Jess was brought up in the village of Dufton in Cumbria, North West England. He says this is a very, rural part of England – where farming livestock is the cornerstone of the local economy. Jess's late father was a tenant farmer, who turned gamekeeper when the farm the family leased for over 300 years was sold in the 1970s.

A keen interest in farming kept Jess away from the pheasant pens from a young age, spending weekends and holidays staying at his uncle's sheep and beef farm. Many hours were spent at the local auction marts watching the sheep and cattle being sold.

A chance meeting in Perth, while working his way around Australia, led to a connection with the Mid-Canterbury Rugby Union and Jess ended up playing a full season with Ashburton Celtic's Senior team in the early 90s – the club at which he met his now wife, Susan of 15 years.

Jess returned from travelling in NZ to study a degree in Agriculture in the UK. On completion of his studies he started his own business with his younger brother building dry stone walls and traditional hedge laying. After a few years, Jess and Susan decided to return to NZ where Jess continued with the stonework business.

Jess comes to PWA after 15 years working at different roles for the Ashburton Lyndhurst Irrigation Ltd (ALIL) Scheme. He first started with ALIL as a raceman – organising water deliveries and controlling the then manually operated open channel (race) system. However, when a new position of scheme manager was created to relieve the then board

members of management duties Jess took on this role.

In the 15 years Jess worked for ALIL, the development of irrigation – both on farm and for the scheme itself – has been significant. This culminated in the recently completed Stage 2 Scheme upgrade, which now delivers 13,000 l/second through a gravity-pressurised piped system, to 240 shareholders and irrigating an area of over 30,000ha.

Jess was at the forefront of the \$110 million Stage 2 project, from its conception with the pilot 'Stage 1' scheme in 2008 – through the feasibility, design, installation and commissioning phases of the project which is now fully operational.

"The most satisfying part of the project for me was the involvement in getting shareholders to support and commit to the project," Jess says. "Many of who were, understandably, reluctant in the early days, to now seeing them appreciating and reaping the rewards of the end result."

Jess says very much enjoyed the contact with the shareholders in the ALIL Scheme.

"Over the years, I earned the trust and respect of the shareholders and I am looking forward to developing similar relationships with the clients and customers of PWA."

Jess lives on a small lifestyle block on the edge of Tinwald, where his interest in farming is maintained by rearing calves and keeping a few sheep.

Jess and Susan have three boys, 15, 13 and 11 who keep them busy at weekends with cricket and tennis in summer and rugby in winter.

New appointments

We have made some new appointments to the PWA livestock broker team since our last newsletter:

- Glen Armstrong – based in North Canterbury assisting Alby Orchard;
- Angus Ayres – based in Ellesmere assisting Gary Batchelor;
- Reon Smith – based in Ranfurly; and
- Austin Dickson-Smith – based in Gore assisting Jack Meehan.

Coalgate sale day remains Thursday!

This year we had planned to run the Coalgate sale on a Wednesday – as indicated on our 2018 PWA calendar. However, this is no longer possible – so the Coalgate sale remains on the Thursday of each week. Please refer to our website: www.peterwalsh.co.nz where you will find all the Coalgate sale dates – along with many others on there as well.



Good, keen young pups teach old dogs new tricks

You have probably seen a great deal of media coverage about the lack of encouragement in New Zealand's education system to attract young people into the primary sector. Or that young people are not attracted to careers in the wider agriculture industry because they reckon it is not seen as a 'sexy' sector to be in.

However, PWA central regional manager Stuart Blake reckons his involvement last year, with Gateway programme high school agriculture students Shiloh Mould and Cannan Elvines proves there are still many fantastic young people out there wanting to get involved and have careers in the wider agricultural sector.

Stuart, who admits he was a bit reluctant at first, when PWA was approached by a couple of local high schools to take on Gateway students for work experience. The Gateway programme is designed to support school students' transition into the workforce by offering them workplace learning while still at secondary school (i.e. work experience). The students' learning is assessed in the workplace and they can achieve credits on the New Zealand Qualifications Framework (NZQF) towards their National Certificate of Educational Achievement (NCEA).

Last year, was PWA's first experience with the Gateway programme when year 13 students Shiloh Mould from Geraldine High School and Ashburton College's Cannan Elvines signed on for

work experience with the company. This involved the students coming to PWA on a Monday and helping out the team at the Temuka sale – organising stock for sale; helping out with penning stock up; basic stock handling; learning to appraise and sort stock; as well the administrative side of the business.



Shiloh Mould and Stuart Blake

Stuart says his initial reluctance was soon turned around by the attitude and work ethic of Shiloh and Cannan – who he describes as "bloody good kids".

"They didn't sit on the rails and were always asking what they can do help," Stuart says. "If they were asked to do something they would do it and both were always wanting to learn."

He adds that both Shiloh and Cannan were given PWA uniforms to wear and

were proud to be part of the team.

"By the end, they were regularly up beside the auctioneer at the sale and clerking."

Stuart says a real highlight was when both Shiloh's Geraldine High School and Cannan's Ashburton College ag classes came to the Temuka sale and saw them both in action and being part of the PWA team. Stuart even got to make a presentation to Cannan at Ashburton College's prize giving.

He says PWA is more than happy to repeat the exercise again if any local schools approach the company about taking on Gateway students.

"However, we were spoilt by the calibre of both Shiloh and Cannan – they have set the bar pretty high," he adds. "It was a good experience for both them and us."

In the meantime, Shiloh is off to Lincoln this year to further her agricultural education and Cannan is currently working on a farm, near Ashburton, to strengthen his farming knowledge.

Meanwhile, Stuart – who Shiloh affectionately came to call 'grandad' – says he would not be surprised if both Shiloh and Cannan ended up joining the PWA team on a permanent basis one day.

"They would not be out of place and would make outstanding additions to our team," he says.

Stop the blame game!

Renowned North Island ram breeder Derek Daniell, from Wairere Rams, made some excellent points in his January client newsletter about the work the farming sector is doing to mitigate its environmental impact.

We are re-running an edited version of his points here, which Derek has kindly given us permission to do so....

"Farming in NZ is being treated as a scapegoat for water quality and climate change issues. However, urban people and politicians need to understand the land use changes and the environmental

work farmers have been doing over the past 40 years. Here are some examples ...

- Since 1980 there has been a huge reduction in sheep numbers – down from a peak of 70 million to 27 million;
- From 2005-2015, NZ's total stock units (sheep, beef, dairy and deer) dropped 8%;
- Each sheep, dairy cow and beef animal is now being farmed more efficiently on average, with reduced carbon emissions per kg of product produced;

- Dairy farmers have spent, on average, \$100,000 each (more than \$100 Million in total) on protecting the environment;
- Since 1977, more than 3000 QE2 covenants have been set aside by private landowners – many of them farmers. QE2 covenants now total over 180,000 hectares.

Farmers in NZ deserve the support of our politicians – rather than the blame game! Farmers' attitude change and response to community concerns about the environment should be applauded."



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