

Country Wide

GROWING NZ FARMING



YOUNG
country

DYNAMIC DUO

Wairarapa sheep and beef farmers George and Luce Williams have built a winning farm business. **p38**

June 2019  NZ Farm Life Media



\$12.00 incl GST

9 771179 985009



Dynamic duo build winning business

In 14 years, an award-winning Wairarapa couple have quadrupled their land area, developed a significant ram breeding enterprise and built a highly profitable farm business that is resilient to its coastal summer dry conditions. **Tony Leggett** reports.

By any measure, Luce and George Williams are a driven couple. Their collective dynamism and focus on goals have driven this Wairarapa farming couple to build an impressive, resilient and diverse farming business over the past 14 years.

They have quadrupled their land area, developed a significant ram breeding enterprise across four studs and built a highly profitable farm business that copes with coastal Wairarapa's summer dry conditions.

At the same time, they have brought up three children, Max (11), Harvey (8) and Sofia (10).

Their efforts were recognised by more than 250 people who attended a field day on their Tinui farm in late March to showcase their success in the 2019 Keinzley AgVet Wairarapa Sheep and Beef Farm Business of the Year.

Their coastal farm grows just 5.5 tonnes/ha of drymatter, mostly from August to December. But it is on track to earn around 25c from every kilogram of drymatter consumed in the financial year to June 30. That result is heavily

influenced by the substantial stud ram breeding business the Williams' are building, but it is a result that many finishing farm owners would be content to achieve.

Luce's own veterinary physiotherapy business plus a developing thoroughbred and sports horse sales venture add to the revenue mix along with carbon farming, a honey joint venture and a metal pit.

Their growth intentions have always been committed to paper in regular goal-setting sessions since the start. The goals they set together are a combination of operational, business and personal

George Williams: 'We are noticing our ewes are learning to count, they are managing their lambs better.'



The cow herd of Simmental/
Angus is essentially a
grooming tool.

‘You can’t change them or lie about them, but you can easily consider what decision was made that didn’t allow you to reach your goal.’



outcomes, un-costed but rarely not achieved.

“It’s only when you look back at your earlier goals that you really get the benefit from them. For us, it was the ticking off our goals we committed to that kept us going,” Luce says.

“I’d encourage everyone to commit to their own set of personal and business goals, to update them regularly. It was a goal of ours to win this award and now we’ve done that too,” she says.

George says once the goals are on paper, they are always in there.

“You can’t change them or lie about them, but you can easily consider what decision was made that didn’t allow you to reach your goal.”

They formed Longridge Trust to own their 1569ha of land and buildings. Their farm operating company, Grassendale Limited, leases the land off the trust and returns just over \$200,000 a year to cover interest on the debt and capital repayments.

Aside from the challenges of finding ways to grow, a horse accident that smashed George’s shoulders while he was shepherding on Molesworth in his early 20s has been influential in setting the stud sheep direction of their enterprise today.

He has been forced to back off a lot

of physical work in recent years but has found a good niche in sheep genetics and working on building value-based relationships with his growing list of ram customers.

Veterinarian Trevor Cook, who shared judging duties with former winner Matt Wyeth and rural banker George Murdoch, said how impressed the judges had been of the control both owners have on decision making.

Cook applauded the Williams’ continuous efforts to grow their knowledge and the leverage they’ve achieved through joint ventures and clever business structures.

“This business stood out to me as one that knows exactly where it is, where it’s going, exactly what its goals are and exactly what its structure is,” Cook says.

“I had an overwhelming sense of George and Luce being in control and having the confidence to take opportunities as they came along. When you look at the KPIs on this farm, they are all very good. That reflects the discipline of the owners.”

Luce and George both acknowledge the support of their families, staff and agribusiness partners. But it is their tenacity and desire to achieve their own goals that set them apart from other finalists, judges say.

KEY FACTS

- Grassendale is 1569ha (1039ha eff.)
- About 5.5 tonnes of pasture/ha/year, mostly from August to December
- 9500 stock units (9su/ha) comprising 5182 ewes; 1950 ewe hoggets (1250 to ram); 1300 ram hoggets; 1673 trade lambs; 120 mixed-age sire rams;
- Cattle: 338 cows; 247 calves, 59 R1 trade cattle, and 15 sire bulls.
- Ewe scanning 2017: 3452 MA ewes 183% (3% dry), 1023 2T ewes 177% (4% dry)
- Ewe scanning 2018: 3035 MA ewes 202% (4% dry), 1409 2T ewes 178% (7% dry)

TOP 10 TIPS

- Separate heavy ewes and tail-end ewes, feed accordingly
- Estrogen is stored in fat, so no money in skinny ewes
- Minimise mobs where possible, helps build feed levels ahead of them
- Leave 10% of older ewes (tail enders) with lamb mobs for refugia
- Integrate two-tooths with mixed-age ewes 12-14 days before ram date to boost social interaction
- Integrate MA ewes with two-tooths 17-21 days before ram date to boost ovulation
- Leave bellies at pre-lamb shearing to improve lamb survival
- Use cows to clean up pasture when bulls go out, southerly aspect paddocks first
- Drive around the farm once a fortnight, with staff
- Trust staff operationally, but evaluate how to deliver advice or tasks differently if it doesn't go to plan
- Grazing is the key to livestock performance - knowing when to feed and what to feed.

The path to their success

A two-year shepherding stint in the early 1990s on nearby Wairere fuelled George Williams' passion for farming and ram breeding.

After a lengthy stint working on several large South Island farms, George headed overseas where he met Luce. The pair returned to Wairarapa in 2004 with a burning ambition to own a farm.

After crunching numbers on several farms and being disappointed, they got their start the following year with the support of both their families and Rabobank when they bought Longridge 311ha next door to Grassendale, the family farm where Luce had grown up with her three sisters and parents, John and Sue Dalziell.

They started share farming the 1254ha Grassendale in 2009 with a plan to buy it within seven years but nailed it in five. In 2006, they started building their ram breeding business, initially through a joint venture with Wairere buying 1000 recorded Romney ewes and 700 Romney-Texel ewes. In 2010 they bought 400 Coopworth ewes from the nearby Seymour family's Coopworth stud flock, and leased 170ha at Gladstone. Their next move was to buy 400 Suftex stud ewes in 2013.

A year later, in 2014, the Williams' developed the Romworth breed (name

patented in 2016) and set up a second joint venture with a nearby terminal breed stud. In 2015, they bought the 600-ewe Rahu Ruru Romney stud flock from Wairarapa Romney Improvement Group (WRIG) members John Hume and Marcus Edge at Pirinoa, and moved it to Grassendale.

In 2017, with an eye on meat yield, they bought two Beltex sires and formed a joint venture breeding programme with another stud operation. This year, all their Suftex ewes were mated to Beltex sires.

Across all four studs, ram sales have more than doubled since 2015. The Williams' have transformed the farm from a traditional system, selling store lambs well before Christmas to beat the dry summers, to include a ram breeding business now.

They have a total of 2600 recorded ewes and expect to tag about 3500 lambs at birth. Their stud operation includes the central progeny test flock of 1250 ewes from the WRIG.

"When we bought the Valley Coopworth flock, everyone told us we shouldn't bring Coopworth ewes out to Grassendale, but it's worked out really well. Those ewes have adapted to this farm and are thriving in this environment."

Knowing when to feed stock and when

Ewes are run in big mobs.



Luce Williams behind the wheel of the new Isuzu ute prize.



it's appropriate to take weight off them is a regular discussion topic with staff on the farm.

Significant wind run, a hallmark of farming on the Wairarapa coast, creates a noticeable difference between the two predominant soils types on the farm. George estimates the mudstone soil paddocks have up to twice the grazing capacity of the argillite sandstone soil pastures.

This year Grassendale received good rain in January and early February but little had fallen in the weeks leading up to the field day in late March. With rain in the forecast for the following week, George was keen to wait and see what it delivered before making any decision on ewe shifts.

The recorded ram lambs weighed 31.5kg at weaning in December last year and sale lambs 29-30kg at 80-90 days. The ram hoggets are grazing at 25/ha and weighed an average of 35kg by week three in March. "It's about identifying rams that thrive out here in this tough environment, with the use of mob pressure."

The ram hoggets are considered a buffer mob over the winter but get priority treatment from August in the lead up to sale time. "Last year, our ram hoggets did 0.5kg per day for first four weeks (from

August)."

Working at Wairere cemented what he wanted to do. Bringing recorded sheep to Grassendale was the perfect environment. It is where he believes sheep breeding is heading.

"We've had some wobbly moments but creating structurally sound sheep is a high priority for us.

George says the pressure they put them under, allows faults to be seen earlier. By August they are picking rams that have thrived and risen to the top of the mob of 1300. Once they have made the final cull the rams are then moved on to better feed covers to ensure a 70-75kg sale ram by November. The ram hoggets are yarded about once a month, drafted and anything that is identified with a worm challenge

receives a drench and that information is recorded. At the field day in late March, more than half the ram hoggets had not been drenched.

They are putting a lot of pressure on them in terms of resistance to internal parasites which seems to work for them.

"It's brutal but it works."

"We're seeing the benefits of these traits being passed on to our ewe lambs as well, creating a more-robust resilient sheep, to meet the challenges of the modern-day hill country farming."

Ewes are run in big mobs and are separated only for single sire mating which starts on March 25. Their weight at mating this year was 65-67kg for the mixed age ewes, 61-64kg for the two-tooths and 39-43kg for 1250 ewe hoggets out of 1750.





Visitors to the field day at Grassendale on a ridgeline track.

Quest for a specific type

George works closely with a conformation and structural specialist, Guy Martin from the South Island, to evaluate all stud ewes and rams before the end of May.

George is after a specific type and talks of the angle of the neck and depth of hind quarters, but he's focused primarily on robustness, resilience, structural soundness, and performance.

After nearly seven years they are noticing an improvement in the ewes.

Feet are a classic one, every farmer has a foot story about his sheep. It is not breed-specific, it's breeder-specific.

They remember tipping ewes over in dark using a head torch on because they could see the problems more easily.

"With a sharp knife you can fix anything that's wrong, and I don't mean trimming their feet either."

George says balance is the key.

"You don't get something for nothing with sheep breeding."

They are striving for the perfect genotype and phenotype sheep, which takes time, hence their catch phrase '2morrow's performance 2day'!

Clever use of technology has reduced

workload and accuracy in the studs. After using field notebooks and early data logging devices, they now use Trimble Nomads to record information linked to each sheep's electronic ear tag.

Ewe mating lists are created using DNA-based technologies for selecting 'best' mating data, and ewes are automatically drafted through a five-way drafting kit in a fraction of the time required when lists were printed off and ewes had to be individually selected.

They are now just through the second mating of the Wairarapa Romney Improvement Group's Central Progeny Test flock. A DNA profile has been taken on all the rams used this year and their progeny will be fully recorded to complete a full data set for later selections.

Ewe hoggets are also put under pressure. Only about 60% are drenched at each drenching interval. This mating, about 1250 have been selected to go to the ram at an average weight of 41kg.

Looking ahead, George says he is keen to develop greater intra-muscular fat levels in his rams for improved taste and eating quality. He's started by noting IMF levels

during scanning of eye muscle area in the 2018 ram lamb progeny.

George says the move to Beltex breed reflects its superior yield quality, but he acknowledges the trade-off between yield (EMA) and IMF. So, the aim is to identify rams that have both yield and enough IMF to create the eating experience consumers want.

Previously, they have experimented with putting triplet-scanned ewes with singles, but last lambing there was enough feed to set stock 850 triplet-scanned ewes on high covers. However, that fell apart in August with the storm that swept up through Wairarapa.

"We lost a lot of lambs in that storm last spring, but the multiples which survived during that storm we have identified and keen to utilise those specific genetics.

"We are noticing our ewes are learning to count, they are managing their lambs better. A lot of farmers want to get rid of triplets, but every year we get ewes weaning three 28kg lambs, and we do believe there is an opportunity to combine survival traits and growth traits to net the commercial farmer more money."



Shepherds Billy Hayes, Joshua Volman and Joseph Wyatt with their dogs.

Financial performance

ANZ regional manager Sean Stafford says three key influences have lifted gross farm revenue this year to \$1.43 million (\$1376/ha) - the lift in farm gate prices, further improvement in sheep performance and better extraction of value from the ram sale business.

The dramatic lift in revenue has been achieved without any large increases in spending, meaning the economic farm surplus has tripled from \$220,000 in 2016-17 to an expected \$629,000 in the current financial year.

“Gross farm income of nearly \$1400/ha is pretty unbelievable. These guys are top 10% in terms of what they are driving off this farm. It’s a challenging farm, so that performance is phenomenal,” Stafford says.

“The \$600/ha EFS is three times the national average, and that’s a real credit for this class of country.”

Stafford commended the Williams’ for their continued investment in the property, particularly repairs and maintenance, fencing and fertilizer, at around 60% of GFR.

Return on capital is 5.1% based on asset value divided by earnings before interest and tax. But when you back out the 500ha of bush and forestry that contributes to asset value, it takes return on capital to above 7%.

That level of return on capital is well above this business’ cost of capital so it was capable of a lot more growth off the back of that, Stafford says.

George says he learned a valuable lesson from entering the Farm Business of the Year competition in 2013.

When asked by judge Derek Neal if he would compromise on investing in fertiliser and subdivision if money was tight, he answered yes. When he caught up with Derek later that year, the former winner told George he should never reduce spending on both fertiliser and fencing, even in tight years.

“Farming is not a 12-month gig, you must play the long game and invest in the farm.

George says the take-home from it all was pin their ears back and go for it.

“It can be daunting, but it was a great lesson to learn early on in our career.”

Grassendale has not compromised on fertiliser or lime ever since. In 2017 and 2018, a total of 900t of lime has been applied and

How Grassendale is performing

Year	2016-17	2017-18	2018-19 (actual/budget)
Physical data			
Effective ha	1039	1039	1039
Total stock units	9337	9759	9171
Stock units/ha	9	9.4	8.8
% sheep stock units	75	74	74
Labour units	3	2.8	3
Lambing %	130.4	148.3	133.2
Calving %	85.4	82.6	93.6
Sheep deaths/missing	9.7	6.6	7.7
Cattle deaths/missing	4.6	1.5	1.4
Wool per sheep su	3.1	4.5	5.7
Revenue			
Sheep revenue (\$)	859,822	993,938	1,174,372
Cattle revenue (\$)	169,815	215,169	245,988
Gross Farm Revenue (\$)	1,029,637	1,210,325	1,430,075
Standard expenditure (\$)	700,848	780,738	739,497
Economic Farm Surplus (\$)	219,811	355,301	628,853
Expenditure			
Wages	104,668	127,760	154,857
Animal health	58,547	66,104	42,616
Fertiliser and lime	70,709	70,672	154,055
Shearing	41,662	64,174	70,188
Freight	18,808	26,527	28,491
Feed and fodder crops	150,545	185,699	97,048
Weeds and pests	6,726	24,020	10,122
Farm working	37,887	49,151	52,429
Repairs and maintenance	90,012	81,870	34,886
Vehicles	51,990	40,979	35,638
Administration	39,126	22,559	33,543
Rates and insurance	30,168	21,223	25,623
Debt servicing	309,206	290,456	277,928
Actual expenses as % of GFR	68	65	52
Per ha			
Gross Farm Revenue	991	1,165	1,376
Actual farm expenses	675	751	712
Economic Farm Surplus	212	342	386
Other			
Farm cash income per ha	896	1,229	1,350
Farm cash surplus per ha	-76	198	370
Ratio of GFR to land value	6.1	8.7	7.3
Return on capital (%)	3.5	2.9	5.1

more than 500t of a blend comprising nitrogen, phosphate and sulphur.

Olsen P levels range from 11-22 and average 17. Standard practice is to apply 26-32 units of N on lambing country about August 1, three or four weeks before any lambs appear. The N goes on with 200-250kg of super phosphate equivalent.

They expect a 10:1 response from the nitrogen, so that equates to 400-500kg/ha drymatter lift as the ewes head into lambing.

Ewe mating lists are created using DNA-based technologies.

Farming with facts

Grassendale Genetics is a big advocate of farming with facts - particularly body condition scores and liveweights for ewes - because it gives staff the confidence to make early decisions.

When ewes are weaned in December, they are all weighed and condition scored. The heavier ewes are grazed on the southerly steeper, harder middle paddocks of the farm. Tail-end ewes are put with the ewe hoggets to create refugia to slow parasite resistance, and the rest of the ewes are mobbed up to graze the back of Grassendale and preferentially fed in their weight categories.

Ewes are either rotationally grazed or block grazed, and any opportunity is taken to build feed ahead of them through slowing down the rotation, if conditions allow.

Their cow herd of 320-head Simmental/Angus is essentially a grooming tool to prepare pasture for sheep to graze. The cows are a first-choice buffer mob if conditions demand it.

George says timing of cow grazing



was a critical factor in the performance of the farm. Cleaning up native brown top to allow clover growth and improve palatability had to happen ahead of that peak lactation period for the ewes.

Calving date has been put back a full month to get lambing completed before moving cows on to that lambing country just before calving begins.

“Although this sounds very simple, it has had a significant impact and reduced a lot of early spring grazing pressure”.

He says tail-end ewes are a real weakness in any sheep system and everyone has them.

“Our aim is to whittle down our tail end mob to as small as possible pre-mating and down to 3% of total ewes by weaning, so therefore the feed allocated to this particular mob does not impact the

ewe hoggets as that’s where they are grazed.”

After their second cycle with rams, twin scanned ewes are mobbed up into two main mobs – mixed age ewes and two-tooths – right through to set stocking. Any triplet scanned ewes come out at scanning and receive priority feeding. Singles often graze in with cows, breaking in native pasture.

The aim is to set stock by August 15 at about 5-5.5/ha on covers of 1150-1200kg DM/ha. However, George admits lambing usually starts on lower covers with growth fuelled by a nitrogen application three weeks earlier.

The average weight of lambs at weaning was 30kg last December and 29kg the year before. Growth rates peaked at around 300g/day by docking, George says.

What’s next for the winners?

A period of consolidation aimed at reducing debt and improving income is where George and Luce Williams want to head in the next seven years.

One key ingredient to achieving their goal of reducing debt to less than 20% of gross farm revenue is the growth aspiration they have for the ram selling component in their business.

George says the ewes are always the biggest limiting factor to growth in a stud sheep business.

“We have a high bar to keep. The ewes need a lot of selection pressure on them to achieve results.”

One option is to joint venture with another farm to run the stud ewes. George admits that he’s not super keen on it

because he likes to see the ewe flocks all at Grassendale, though he’s content for now with the Beltex-cross flock which is share-farmed at Wainuiorou.


Operationally, they feel the farm is ‘sorted’. They have very capable and experienced staff to run the farm day-to-day, and the infrastructure is in good shape thanks to a solid annual repairs and maintenance investment (\$34/ha).

In the past 14 years, they have built three new sets of sheep yards, completed more than 30km of fencing, built 10 new dams, planted 3000 native plants and completed 25ha of willow pole planting.

There are 112 paddocks, six sheep yards, two cattle yards, two woolsheds, dams plus some reticulated systems to troughs, and a

main laneway on Grassendale from front woolshed to back yards.

For George, the next step is in developing his knowledge of genetics and his relationship management skills, especially with his client base.

“I’ve tried to write a job description for myself, but it’s very difficult. I’m in the fortunate position to be driving around talking to people about farming. I can drop in and hear five good ideas and consider them for the use on Grassendale, or share some of the experiences we have trialled and whether they could be applicable to their own farming businesses.” 

• More pics Focus in Farming p82