
FARM DEVELOPMENT FROM REVENUE"

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ABOUT 1960, after a partnership with our father, my brother and I took over this part of the property as a partnership with a flat mortgage for 100% of land and buildings, plus a mortgage for the portion of the livestock which we did not already own. Five years ago my brother withdrew his interest and I now employ a married man.

In the 15 years we have more than trebled the carrying capacity to 3500 stock units (SU) plus cropping. I have never been impressed by the numbers game and quote the figure simply to speak a common language. To me it is more important at each year's end to have a better and more productive farm asset, to have fulfilled some of the family's aspirations, and to have posted a satisfactory profit. We have managed to make a profit each year.

This movement in carrying capacity has been achieved out of revenue and I shall outline some of the management factors, along with hard work and good luck, which have made this possible.

(1) Starting from the beginning, a partnership offered a sound basis, in terms of both tax and **labour**.

With another family farm nearby, the co-operative use of our own **labour** was a factor in handling the work load. It also made it possible to specialize and indulge one's personal interests — e.g., my brother was responsible for machine work while I handled the livestock. Meanwhile, on the homestead property, my father was very happy in the workshop. Although a Jack Sprat arrangement, all members have been sufficiently versatile to help around as required. More recently this same principle has applied to two other farming brothers.

(2) This **labour** arrangement has enabled us to do our own contracting, hay baling, heading, cartage, bulldozing, shed building and most shearing.

With modestly priced capital equipment, on a share basis, we saved many dollars — which, of course, were dollars earned.

"The **Executive** considered that Mr Jordan's description of his farm development during the Field Day visit should be included in the Conference *Proceedings*.

Nowadays, with depreciation being a negative factor, an argument can be made for buying more expensive gear as an investment, especially if its use will minimize reliance on outside labour.

(3) I think it is significant that our development has been steady rather than chunky. A new shearing shed, or even a house, or a 30 ac paddock cleared, grassed and fenced with its attendant stock increase in one year has been accommodated within our financial scheme of things, whereas the blitz method of development would inevitably call for outside capital.

(4) In retrospect, a very wise decision we made was to attack noxious weeds from the outset.

Initially we had some sizable patches of gorse, broom, and Californian thistle, but these are now virtually eradicated. Later, barley grass and other noxious thistles have shown up, but relentless pressure has kept them in check.

This policy could be financed from revenue but, had we cleared land flat out instead, we would have had a fight on our hands now.

I gladly pay the price for being virtually weed-free — i.e., I buy in no hay and only sires for sheep flock, to protect the gain in this department.

(5) Two of the major factors generating revenue for development have been a regularly high lambing percentage and some high-yielding cash crops.

Production costs of mediocre and high-producing stock and crops are very similar, and I have been mindful of the great reward attention to detail will give here.

Lambing percentage, ewes mated to lambs weaned, varies between 115 and 130. At present it is about 120%.

Although lambing time is hell on earth, it is one time of the year when I can convert effort into real money. As an incentive to keep going, one could say, each lamb saved, sold, tax paid, and the proceeds judiciously invested off the farm will give \$1 per year, every year, regardless of snow next lambing, summer droughts, or delays at freezing works.

We dock lambs at birth, twin marking ewe lambs and studs. The system calls for shedding off each morning and night. Of necessity one is spending one's whole time where the action is — i.e., where the ewes are actually lambing or where they were the day before.

We draft our own prime lambs and ewes and market through PPCS. It looks like a very merry Christmas with bonus, above schedule, on lambs of \$1.20 and on ewes of 55c.

(6) Likewise, with growing barley, that extra fertilizer or attention to ground working can pay a big dividend. On some of our better paddocks we have managed over 5600 kg/ha when the weather, too, has been favourable.

Broad red clover seed has, from time to time, provided us with the cream of income. Never budgeted upon, but especially on the newer clearing before the establishment of broomrape, it has been a real boost to our income, enabling us to marshal appreciably more capital from revenue sources.

(7) Cattle have been kept at a lower ratio to sheep. Cows have run on the rougher country chiefly, and been used to process barley and clover straws. Their progeny, less replacements, have been sold prime before the second winter. This means feeding them as well as possible now to extract the maximum compensatory growth. Cows are now mostly crossbred. From Angus we used the Hereford and later introduced a top-weight-gain Friesian to boost milk supply and increase efficiency in conversion of grass to beef.

Cattle-to-sheep ratio last winter had risen to 1: 12, partly because of difficulty with killing space, and I do not envisage any increase in that ratio at present.

I do most of our shearing and crutching. I quite enjoy it and as I bend over the sheep I can look them straight in the eye and tell them what is expected of them.

Actually I find this intimacy invaluable in understanding production, effecting culling, and sometimes simultaneously drenching, tagging, or vaccinating across the board.

(8) The selling of potential slaughter sheep or cattle as stores is a practice I shun except in exceptional circumstances.

Perhaps one exception is the larger mob of ewe hoggets run on the oversown hills. These are easy to manage and less worry at lambing than ewes, giving acceptable profitability, and a wider selection of ewe replacements. We keep mainly twins ourselves.

Running ewes on this oversown bracken brings the annual problem of flogging the lambs and keeping the pasture clean or treating the ewes better and allowing the rubbish to slowly invade again. As we are encircled by forestry this entails a burning risk which I try to minimize.

(9) I support our Federated Farmers Trading Co. My annual dividend by way of rebates is in excess of 1000% on the capital involved. This is typical of the efforts made by our organization but appreciated by too few members.

(10) Talking of return on investment, my second hobby is studying shares and off-farm investment generally. I have found this 'a most absorbing and completely relaxing pastime. It is amazing the subjects one becomes interested in as being pertinent factors.

Beside the financial gain, it has given me a greater insight into the commercial and industrial sectors, made me acutely aware of the opportunity cost of whimsical farm investment, and given me a very useful understanding of business generally. It is an interest I could wholeheartedly commend to *all* farmers.

I see the farm as a vehicle to generate the cash flow, not only for its own steady development, but also to invest in less cyclical and more diversified development, of importance to the national economy also. But, like all vehicles, to run well it needs regular care and maintenance.

I do not grow feed just to look at. Even without the present high porina population in some paddocks, now is the pinch time for feed. At present we have the greatest number of livestock to feed and paddocks coming out of grazing for winter feed crops, grain, seed and hay.

In conclusion, you may have noted I mentioned my second hobby.

I firmly believe to attain some of my goals farming has become my first hobby, as well as my job.

This is a happy situation and will certainly have played a part in enabling us to do this development from revenue.

I am proof that in some situations this can be done. Even during years of adverse terms of trade, lower interest and capital repayment commitments have allowed us to continue with some development work, albeit at a lower level.

What of the future? I intend to continue a steady rate of land clearing, then move to improve pastures, and generally intensify production.

Meanwhile we shall maintain the same steady increase in stock units *with* continued efforts to increase per head production. I foresee changes in land-use demarcation. Forests will encroach as the prognosis for wood is excellent. Also we shall manage our native forest. Stock will graze this rolling phase, under the exotic forests, and consume crop residues. On the flat paddocks, I expect to see more intensive cropping for foodstuffs, largely short-circuiting the grazing animal for reasons of efficiency.

This is the type of regime I expect my boys will run.

APPENDIX

Details of Farm

Area:

168 ha — Cultivated
 111 ha — Oversown
 14 ha — Native

30 ha — Fern and Scrub
 40 ha — Exotic Trees
 340 ha — Native Bush

293 ha-Effective

410 ha

Stock (Winter, 1976) :

125 Cows (AA x Breed)
 93 Weaners
 1750 Romney ewes
 900 Ewe hoggets
 50 Rams, etc.

Stocking Rate:

12.4 e.e./ha (5.0 e.e./acre)

Wool:

14 000 kg — 5 kg/ewe

Lambing:

120% weaned

Calving:

94%

Cropping:

12 ha — Barley
 12 ha — Red clover
 14 ha — Swedes and choumoellier

Fertilizer:

500 kg/ha 25% potassic superphosphate on flats, 430 kg/ha superphosphate on hills.