

# Leasehold land key to expansion

Buying freehold land within the fringes of a city's boundaries would be a prohibitively expensive exercise for many pastoral farmers. An enterprising Otago Peninsula couple have discovered they did not need to own the land to farm it profitably.

**Rob Tipa**



**O**TAGO Peninsula is better known for its wildlife than pastoral farming, but limited opportunities for expansion have not stopped Brendon and Paula Cross from growing their sheep farming operation three-fold in less than a decade.

At the turn of the 20th Century, Otago Peninsula had about 124 farms, mostly small dairy farms supplying fresh milk and produce to the fast-growing Dunedin city. Today there are closer to 20 farms and only a few derive all of their income from farming.

Brendon and Paula Cross own the 200ha Roselle Farm, an exposed north-facing class six hill country property overlooking Otago Harbour with a mild climate but erratic rainfall, which means it dries out quickly in summer.

On its own, their home farm would be regarded as uneconomic today, so the Crosses have leased another 593ha, carrying 4780 stock units, all inside the Dunedin city boundaries.

Leasing land has allowed the couple to take their operation to a new level because of economies of scale, Brendon said.

"We're probably fortunate because we already owned 200ha," he said. The capital investment for their expansion was not large because they already had the infrastructure in place, basic farming equipment and fixed costs did not change appreciably.

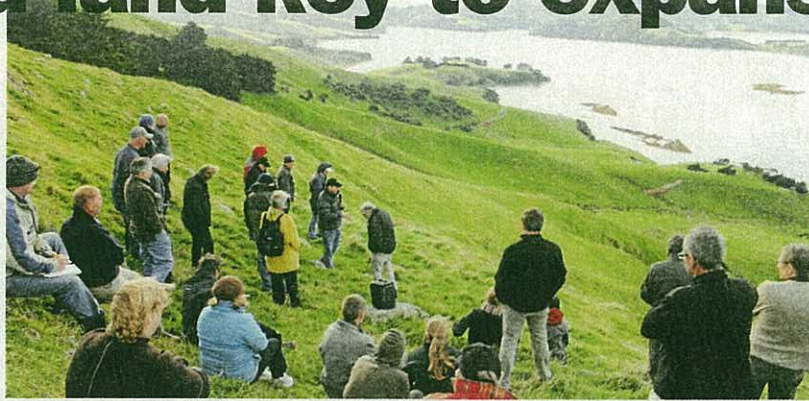
Brendon, the sixth generation of his family to farm on Otago Peninsula since 1836, grew up on Roselle Farm.

He had his farming future mapped out at 23 with one year at Telford and two years study at Lincoln when his father Ron died unexpectedly in 1995.

Brendon returned home to take over the farm, which at the time was carrying about 1500 ewes and 400 hoggets.

The dilemma he and his family faced was how to make a living off a 200ha farm that couldn't afford to employ him full-time. With help from his family he bought the property in 1997/8.

• continued page 10



The Sandymount leasehold block overlooks Hoopers and Papanui Inlets on the east side of Otago Peninsula.



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Paula and Brendon Cross on a 330ha Harbour Cone property they lease from the Dunedin City Council.



Otago Peninsula field day participants take in spectacular coastal views over Allan's Beach and Cape Saunders from George Murray's Sandymount farm.

• from page 9

"When I went to the bank I was asked three questions: My age, the size of the farm and then I was asked to leave," he told a Beef + Lamb NZ field day on the peninsula recently. In hindsight, Brendon said he could understand that reaction because he had a sentimental attachment to the farm and wanted to take it on.

In their first years of farming, the Crosses were "treading water" with Paula teaching and Brendon trying to strike a balance between working on-farm and the distraction of working elsewhere to make ends meet. With the arrival of two young children, something had to change, so they started by building a team of people around them – a new bank manager, lawyer, farm accountant, stock agent and stock buyers and

most importantly a farm adviser. They [AD1] also joined Sheep for Profit's national network of 50 monitor farms and were regularly weighing and condition scoring ewes throughout the year to lift production from an average lambing of between 110 to 115 per cent a year.

Their big break came when they took on the lease of an 80ha block at Sandymount in 2002 from Peninsula farmer George Murray, who Brendon had worked for previously.

"We were able to step up to 2000 ewes, which just made things a little bit easier," Brendon said. "It didn't change things significantly, but it was a stepping stone into trying to run two properties."

The landowner and lessee have since developed a close working relationship where regular communication is important to both.

"We've got to know what George wants us to do on his property," Brendon said. "If he's

happy with what we're doing, it means the lease works.

"But it was also an opportunity for us to be put under the microscope by George as well. He gave us the means to show us we could farm his farm."

In 2007 Brendon and Paula took over the full lease of 200ha of George's Sandymount farm, which allowed them to run 1200 Romney/Perendale type hill country ewes that did well on the steep, exposed coastal hills.

Last season that flock produced 1750 lambs, about 140 per cent lambing unsheltered, "a pretty good result on that country", Brendon said.

They had only just taken over that lease when another lease came up for the 330ha Harbour Cone block, bought by the Dunedin City Council to extend its network of walking tracks for visitors to Otago Peninsula.

"We weren't looking to expand," Brendon explained. Paula was teaching and he was already trying to run two prop-

erties on his own, doing as much of the shearing, crutching, fencing and farm work as possible without hiring contractors.

"We didn't jump into it because we had only just taken over the full Sandymount lease and we were apprehensive about stretching ourselves," Brendon said. "But we had quite good systems in place to take on the extra load."

They took up that lease in July 2008 and now run a flock of 1500 ewes on the steep faces and gullies between Larnach Castle and Broad Bay. In 2010 they leased another 18ha from Larnach Castle and 45ha at Hoopers Inlet.

Today the family runs 4000 ewes in three separate flocks and 700 to 800 hoggets on the home farm, where it is easier to monitor and manage younger stock. They also run 34 cows and 20 steers.

"We're just trying to do the basics well," Brendon told Beef + Lamb NZ field day participants.

"It's a very simple system I guess and we sell store lambs as a rule. I'm quite comfortable with that because it's store country.

"Spring is the more reliable season. For us to grow out as many lambs as we can is probably achievable nine years out of 10.

"But when we look to fatten young stock and get ewes to hit performance targets, we've concentrated more on selling store stock and do as good a job as we can with that."

There have been changes, taking on staff to handle the extra workload and allowing Paula to reduce her hours teaching and become more involved with the farm.

"We've made some good gains in the last 10 years and each year our focus has changed a little bit," Brendon said. Monitoring ewe weights and condition scoring had helped them set targets and refine what they were doing.

"We have more opportunities now than we did 10 years ago," he said. "It's a matter of trying to harness some of those opportunities."

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