

Sheep for Profit®

NEWSLETTER

July 2006



CONTENTS

- **To shear or not to shear.**
- **A Sheep for Profit review of recent information regarding drench resistance.**
- **Are you an effective leader?**
- **Profit is an opinion, cash is a fact!**

The past few months have been pretty tough right throughout the country.

Many of you involved in Sheep for Profit can become driven by the targets you set each year. This is fantastic, but there will always be times when the weather (and other things) can just get too tough so it becomes important to review your targets. They must be realistic and achievable.

In some regions it is only reasonable the ewes will be lighter and feed a bit tighter but as long as the finger stays on the pulse good decisions can be made.

To shear or not to shear

The potential benefit of mid-pregnancy shearing is to improve twin lamb birth weights which should mean better lamb survival.

However, the responses can be very variable. Paul Kenyon who was involved in the trials at Massey University reviewed several studies to see if he could explain the variable responses. They also ran a trial where ewes that were on restricted feeding to limit foetal growth did not respond.

They concluded there are two criteria that affect the birth weight response to mid-pregnancy shearing:

1. The ewe must have the potential to respond **before** shearing.

She must be destined to give birth to a lamb(s) of low birth weight which really means have a multiple pregnancy and be underfed during early pregnancy).

2. The ewe must have an adequate level of maternal reserves and/or nutrition **after** shearing.

While mid-winter shearing doesn't significantly increase feed demand, the ewes must be fed or have body reserves to lift the lamb birth weight during the development period.

In several trials the shorn ewes have increased thyroid hormone levels for 2-3 weeks after shearing. In the ewe these hormones increase heat production, improve carbohydrate metabolism and help glucose move into fat and muscle. In the final stages of foetal development thyroid hormones promote the final developmental stages of many organs, especially the brain and brown fat tissue.

Mid-pregnancy shearing does have the potential to improve lamb birth weight, lamb survival and lamb weaning weight. But this potential benefit must be there and weighed up against the risk of shearing.

For many, the short term may be more about ewe survival than anything else. But, if too many delay their shearing there may be a bottle neck later on.

High scanning, low pre-lamb body condition, low feed levels and late shearing combined with cold weather may create a situation worse than many are facing now.

Planning considerations

- Shearing (use cover combs as a minimum). The problem with winter shearing is getting and then keeping the ewes dry. This may mean the ewes are in the shed for long periods and very empty when they go back out onto pasture. Being hungry, they will need to eat a lot so plan for pasture that is easy to harvest and close to the shed. Plan to let them out by at least 3 pm so they have enough daylight to graze.
- Consider shearing multiples in better condition as soon as practical. This may not alter lamb birth weights but should reduce any impact of a bottle neck later on.
- Consider shearing lighter multiples if feed and weather permit.
- Leave singles till later.

- Lift the frequency of condition scoring & preferential feeding for the multiple ewes between now and lambing.
- Make sure iodine supplementation is on track.
- Keep an eye on FEC's. Ewes under "stress" will be struggling to retain adequate immunity to deal with worms.

Drench resistance update

There is plenty of resistance to all the action families including the ML group (ivermectin, moxidectin, abamectin, doramectin) and double combinations.

Whenever we use drench we risk selecting for resistance. But how big that risk is and whether

HELP!

We are looking for six farms to compare the economic benefit of a drench capsule in condition score 2 & 3 **twin** ewes.

- 100 score 2 and 100 score 3 ewes which will be managed together from set stocking until weaning. They can be run as smaller mobs but we need equal numbers of score 2 & 3 ewes in each mob.
- BW & CS ewes at pre-lamb, docking & weaning.
- Identify lambs at docking by spraying udders on score 2 ewes 3 days before docking.
- BW lambs at docking and weaning.
- FEC ewes at 21 day intervals from treatment day until weaning.

Drench capsules & FEC's supplied by Merial.

If you can help please ring Chris Mulvaney (07) 872 0249 (wk), (07) 827 7505 (home), (0274) 333 534, mobile

- Talk to your vet about metabolic profiles in the multiple ewes. We recommend testing for:
 - Calcium (milk fever)
 - Magnesium
 - Non-esterified fatty acids (NEFA) which indicate fat breakdown.
 - B-hydroxybutyrate (BHOB) which indicates excessive fat breakdown and is a handy indicator of early sleepy sickness closer to lambing.
 - Blood urea nitrogen (BUN) which may be an indicator of a diet with excessive protein, low fibre, low carbohydrate and high ME. This may become a risk factor close to lambing.
- Finger on the pulse

resistance is inevitable is a difficult question. We can often see two farms in the same locality that have had very similar drenching practices for many years but one has a significant resistance problem and the other has no detectable resistance. This just reinforces the complexity of the problem where there must be some on-farm practices that can make a difference but we don't know what they are.

The results of the national survey, a survey by Paul Hughes in the Taihape region and the Flock House drench capsule trial have been widely publicised. There may not be many new answers and they may have increased the confusion and frustration but they must be

regarded as another significant step forward. The more we understand the issues around managing worms in the face of getting drench resistance the better.

The Sheep for Profit Advisors with guidance from Dave Leathwick, AgResearch, Justin Hurst, Merial (NZ) Ltd and Alex Familton, Ancrum Consultancy have reviewed the information that is currently available.

Worms and drench resistance are both extremely complex issues. Trying to make it simple isn't going to work – it hasn't for the past 20 years!

The current focus on theories such as refugia are tending to mask the opportunity from some straight forward short term risk management strategies that can be implemented as standard practice on most farms.

Key points from the review:

- **Aim for a balance between your performance targets & the required level of worm management**
- **Feeding, feeding, feeding**
- **Know what is going on**
 - Use informed advice to help you understand the issue on your property under your management systems.
 - Focus on where the real issue is – on the **pastures** not in the animals.
 - Use your vet to create a worm management plan which incorporates your animal production information generated by Sheep for Profit.
 - Use the Faecal Egg Count Reduction Test to find out how all the drench action families are working on your property. Regard this as an investment in to your business.
- **Quarantine drench**
 - Do it for ALL sheep coming onto the property.
 - Use a triple combination.

- **Ewe drenching**

- It's OK to drench ewes. Ewes can and do get wormy and at times will need drenching.
- Drenching ewes, especially around lambing, will select more strongly for resistance than drenching lambs.
- Use FEC's to monitor ewes, especially during pregnancy and lactation.
- Only drench the ewes that need it.

- **Drenching practice**

- Use an effective drench, preferably a combination.
- Use scales & set dose to the heaviest in the mob.
- Check guns before & during drenching.
- Restrict the number of long acting treatments in ewes and lambs.

Leadership

From the NZIPIM newsletter

Given that credibility is a big factor in effective leadership, we've included a simple self-assessment test for existing or aspiring leaders. It comes courtesy of the American Management Association.

How would the people who work for you rate you? Answer using a 1 - 5 scale where 5 = always, 4 = often, 3 = sometimes, 2 = not often enough, and 1 = never.

People in my organisation would say.

1. I am transparent, clear, open and honest.
2. I am clear and understandable in the directions/feedback I give.
3. When I make a promise, I keep it.
4. If I fail to do it, I own up and apologise.
5. I walk the talk - embodying the values I ask others to live up to.
6. I never ask people to do something I wouldn't be willing to do myself.
7. If I set a policy or make a decision, everyone knows I'm behind it 100%.
8. When I set a policy or make a decision, it's for the right reasons.
9. If someone tells me something in confidence, it stays in confidence.
10. I freely trust others around me, particularly those whom I need to trust me.

Add up your score.

- 41 - 50, you are probably a great leader
- 35 - 40, your credibility is high
- 30 - 34, it's only moderate
- 20 - 29, you're exhibiting signs of low credibility
- Below 19? Oh dear!

PROFIT is an opinion, CASH is a fact!

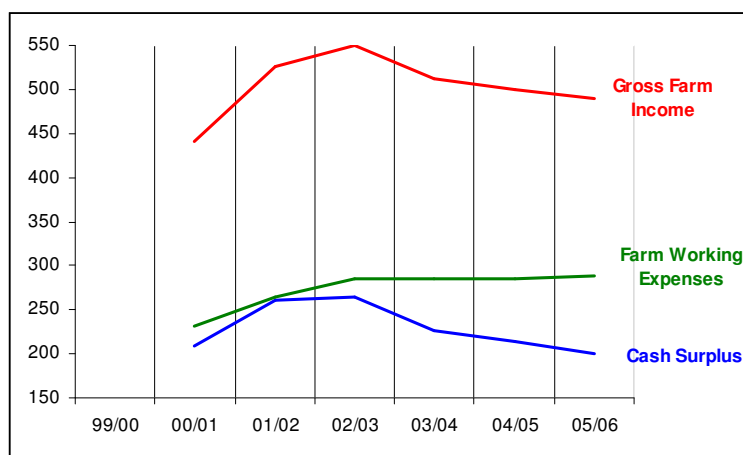
Farmers have a varied perception of “profit”. The most common was “what is left after paying all the bills”. But “having healthy stock”, “being able to take time out with the family”, “enjoying what we do” and “being my own boss” were regarded as profit for some.

In accountancy terms, “profit” is a function of

FWE is the costs associated with the day-to-day running of the farm business. It does not include drawings (personal drawings, tax, personal insurance etc), debt servicing or rent and lease. Production per hectare and per head are the key drivers of business performance but the costs of production must be managed carefully to make sure there is enough cash falling out the bottom to pay for the costs of owning (interest) or leasing the farm, personal and capital improvements.

The national M&WZ Economic Survey shows GFI is declining and FWE (adjusted to be the same as used in Sheep for Profit) will stay much the same.

GFI, FWE & Cash surplus 1990/2000 to 2005/2006 adapted from M&WZ Economic Survey data. Note: 2004/2005 is provisional, 2005/2006 is estimated.



Are rising costs the only reason for the cash surplus projection or are there opportunities to review expenditure? eg.

Objective: How can you lift cash surplus by 10%?

1. Update your Sheep for Profit Financial reports.
2. Reduce FWE by 5%
 - Where are you spending **more** than everyone else?
 - Why is it over the top?
 - What will happen if you reduce it?
 - How long can you reduce it for?
 - How much can you reduce it by?

money left over after paying the bills, sundry debtors, sundry creditors and the change in asset value. But asset valuation can be extremely variable.

Sheep for Profit uses “Cash surplus” as the key financial outcome of the farm business. It is the difference between the Gross Farm Income (GFI) and Farm Working Expenses (FWE).

GFI is the sales and income less all animal purchases.

- Where are you spending much **less** than everyone else?
 - Is it hurting your production?
 - If you spend more will it lift your income AND your surplus?
 - When will it lift your surplus?
- 3. Lift GFI by 5%
 - Where can you lift animal performance?
 - Talk with your Sheep for Profit Advisor.