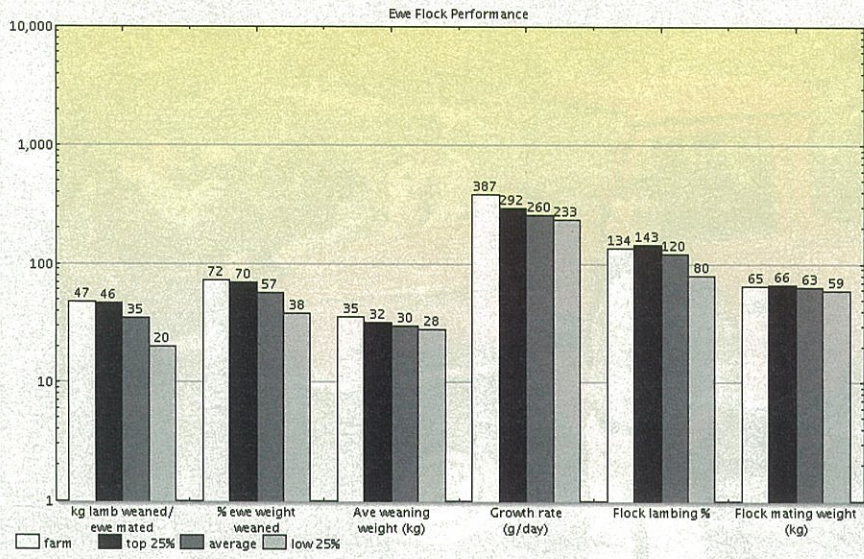


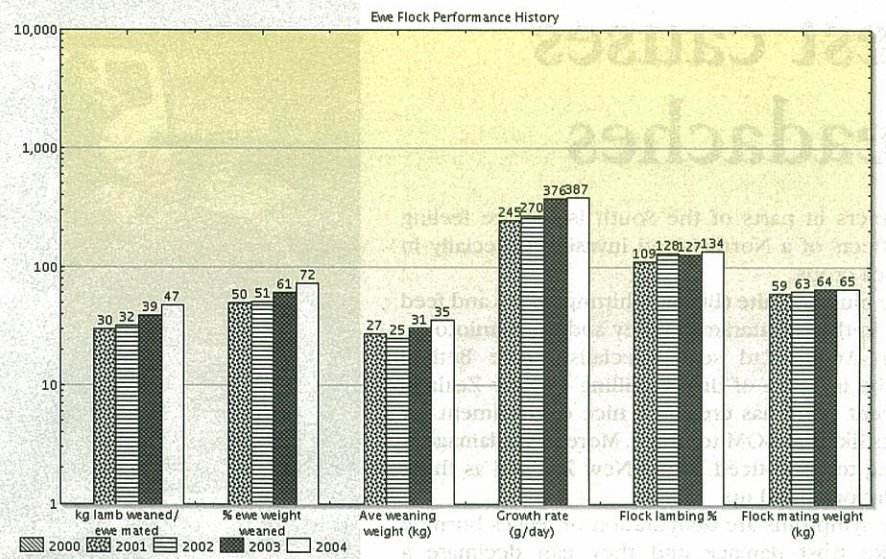
how the Tempello ewe flock has performed

Between properties 2004



Graph by Sheep for Profit

Between years



Graph by Sheep for Profit



The Grigg family, David and Joanna, and children, from left, Emma, Penny, and Hamish, plus dog Susie.

Tempello reaps returns from farm investment

You have to spend money to make money. That is the farming mantra of Meat & Wool New Zealand northern South Island region manager Gary Walton, presented at the final community day on the Marlborough Monitor Farm of David and Joanna Grigg.

"When we started the programme we didn't have much of an overdraft," said Joanna. "Now we have a beauty but we feel more confident about borrowing to develop."

The Griggs cracked their business target of earnings before interest and tax (EBIT) of \$250,000 and gross farm income of \$500,000, in one year out of the three.

"But currently our income fluctuates a lot. We are aiming for a more consistent result," says Joanna.

Over the 8700su now run, total EBIT in 2004/05 translated to about \$29/su (from a starting point of \$18, in 2002/03). With plans to increase su to 9800, they would need to make just over \$25/su to achieve the \$250,000 EBIT.

Tempello earnings had been affected by a drop in wool prices. The Corriedale ewes averaged gross

earnings of \$100/head, compared with the \$62 average earnings across the whole flock including Merinos.

With lambs sold last year at \$61 and a 135% lambing, the Corriedale ewes picked up \$82 for lambs alone.

Expenditure over the three years of the programme included \$200,000 on fences and \$80,000 for bringing reticulated water to much of the hill country. This area was previously watered by dams, which were proving increasingly unreliable.

The Southern Valleys Irrigation Scheme had added options for Tempello. With the water too expensive to justify irrigating pasture, 16ha of rape has been planted and a 15ha vineyard developed.

"Has it been worth it?" David asked. "I believe so."

The improvement in pasture quality and utilisation had meant more grazing days and higher metabolisable energy (ME) for stock.

"We have gone up 1100su, worth about \$70,000 gross in earnings, and our performance/head has really lifted."

Pasture development and subdivision had been a major expense, plus fertiliser expenditure was up, Walton acknowledged. However, the Griggs were already reaping the rewards of increased pasture control. Also, Tempello's supplementary feeding and grazing bill was well down from over \$9/su in 02/03 to \$6 in 04/05 with \$2 predicted for next year.

"Supplementary feeding is now more targeted, at crucial times such as flushing," said Joanna. Weaning ewes at heavier weights had reduced the need to feed supplements over summer at considerable expense.

While the Griggs were already seeing returns on investment made as Monitor Farm owners, "the biggest benefits will be seen in two to three years," says Walton. "Don't take your foot off the gas yet."

Where to from here?

Future goals include growing su to 9800 by developing the Islands section of Tempello (currently in four blocks of 80ha each) to lift carrying capacity there from 1600 to 2300su.

Stage one of this project is already in place; a \$7000 track that has reduced the time it takes to access the Islands from one hour to 35 minutes on a motorbike. New cattle yards have also been built.

Fencing is the next stage, then the Griggs intend to purchase more trading cattle to stock the Islands.

"We are looking at finance options, such as inviting an investor to buy perhaps a 50% share of the cattle," says David.

The Griggs had demonstrated that in a difficult farming environment, it was possible to achieve good performance/head without compromising stocking rates, commented Chris Mulvaney.

"The next stage is to lift stocking rates without compromising/head performance."

"When we started the programme we didn't have much of an overdraft," said Joanna.
"Now we have a beauty but we feel more confident about borrowing to develop."