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The structure, philosophy and direction of
Landcorp's Northern Region

**THE STRUCTURE, PHILOSOPHY
AND DIRECTION OF
LANDCORP'S NORTHERN REGION**

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INDEX

Executive Summary

Section 1. Landcorp Overview

- 1.1 Facts About Landcorp Farming
- 1.2 Corporate Mission Objectives And Values
- 1.3 Production Strategy
- 1.4 Diverification
- 1.5 Staff Management

Section 2. Resources Of The Northern Region

- 2.1 Land Resource
- 2.2 Staff Resource
- 2.3 Livestock Resources
- 2.4 Key Performance Measures

Section 3. Business Philosophy In The Northern Region

- 3.1 Goals
- 3.2 Objectives
- 3.3 Core Business
- 3.4 Management
- 3.5 Planning / Budgeting
- 3.6 Production
- 3.7 Marketing
- 3.8 People
- 3.9 Policy Setting
- 3.10 Policy Implementation

Section 4. Strategic Objectives

- 4.1 Regional Management Structure
- 4.2 Farm Production Units
 - 4.21 Breeding Units
 - 4.22 Breeding / Finishing Units
 - 4.23 Finishing Units
 - 4.24 Breeding Schemes

Section 5. Regional Policies

- 5.1 Animal Health
- 5.2 Stock Transfers
- 5.3 Fertiliser And Pasture Development
- 5.4 Stock Monitoring Programmes

EXECUTIVE SUMMARY

Following Government's restructuring of Lands & Survey Department, Landcorp Farming Ltd, Whangarei Region was allocated 28 stations and farms. A further eight properties were being farmed on an agency basis for the Department of Conservation and Telecom. The farms were scattered from Bombay Hills to North Cape and included five islands in the Hauraki Gulf. The total farmed area amounted to 34,900 hectares and carried 400,000 stock units.

Ten years on the Northern Region now farms 14 stations including one agency farm. This follows a farm rationalisation programme that has seen the loss of D.O.C. and Telecom leases, farm sales to the crown for settlement of Maori land claims as well as private sales of non core properties. Today the Northern Region farms 24,000 hectares and carries 229,000 stock units.

During this time Landcorp has developed into a fully integrated agribusiness, that farms over a million beef cattle, sheep, deer and dairy cows. From these livestock, Landcorp prepares and markets a range of quality products under its own brand name to meet New Zealand and International demands.

Landcorp recognises its key to success depends very heavily on its staff and managers. The company gives high priority to staff development, running a number of staff training programmes each year. The Northern Region employs 63 farm based staff and 4 office staff.

Marketing of all products from the Northern Region are co ordinated through the North Island Marketing Unit. This enables staff in the Region to focus on production to meet market commitment .

The Region is heavily dependent upon beef production with beef cattle making up 70% of the stock units. Where applicable, cattle to sheep ratios are being adjusted in favour of sheep, along with increasing the lamb finishing capacity in the Region. Also a diversification programme is underway to increase deer numbers to 3500 stock units.

All farms in the Northern Region are managed as part of Landcorp's integrated production system philosophy, to optimize efficient land use and focus management.

SECTION 1 LANDCORP OVERVIEW

1.1 FACTS ABOUT LANDCORP FARMING LIMITED

Landcorp Farming Limited is the farming subsidiary of Land Corporation Limited, a State Owned Enterprise. Landcorp is the largest farmer in New Zealand. Production and assets to 30 June 1997.

Land:

Landcorp farms just under 400,000 hectares which includes Molesworth Station covering 180,476 hectares which is leased from the crown. A total of 126 units are currently farmed.

Livestock:

Farms a total of 1.56 million stock units, made up of:

- ⇒ 850,000 Sheep
- ⇒ 143,000 Beef cattle
- ⇒ 29,000 Deer
- ⇒ 7,500 Goats

Activities:

- ⇒ Commercial farming of Landcorp properties
- ⇒ Marketing of Landcorp farm products
- ⇒ Livestock breeding programmes

Production:

- ⇒ 8240 tonnes sheep meat
- ⇒ 4300 tonnes wool (including slipe)
- ⇒ 10800 tonnes of beef
- ⇒ 290 tonnes of venison
- ⇒ 4.7 tonnes of velvet
- ⇒ 1.84 million kg milksolids
- ⇒ 6.7 tonnes mohair, cashgora, cashmere

Stock Performance:

- ⇒ National lambing of 111.3%
- ⇒ National calving of 89.2%
- ⇒ Wool weight of 5.5kg / S.S.U.

Landcorp Staff:

Total staff of 455 including farm based staff, supervisory staff, animal scientists, marketing staff, accountants and data programmers.

1.2 CORPORATE MISSION OBJECTIVES AND VALUES

Goals:

The mission of Landcorp Farming Limited is to maximize the financial benefits of the company for its shareholders through being a top performing large scale agribusiness.

Objectives:

The key objectives of Landcorp Farming are:

- ⇒ To achieve the highest levels of sustainable profitability while enhancing the value of the core farming business through improving the quality and output of the farm, the livestock performance and the quality of the products produced.
- ⇒ Enhance profitability by product processing and marketing.
- ⇒ Sale of non-core assets and less suitable farmland and where appropriate reinvest in business development.

Values:

Landcorp Farming Limited values are to:

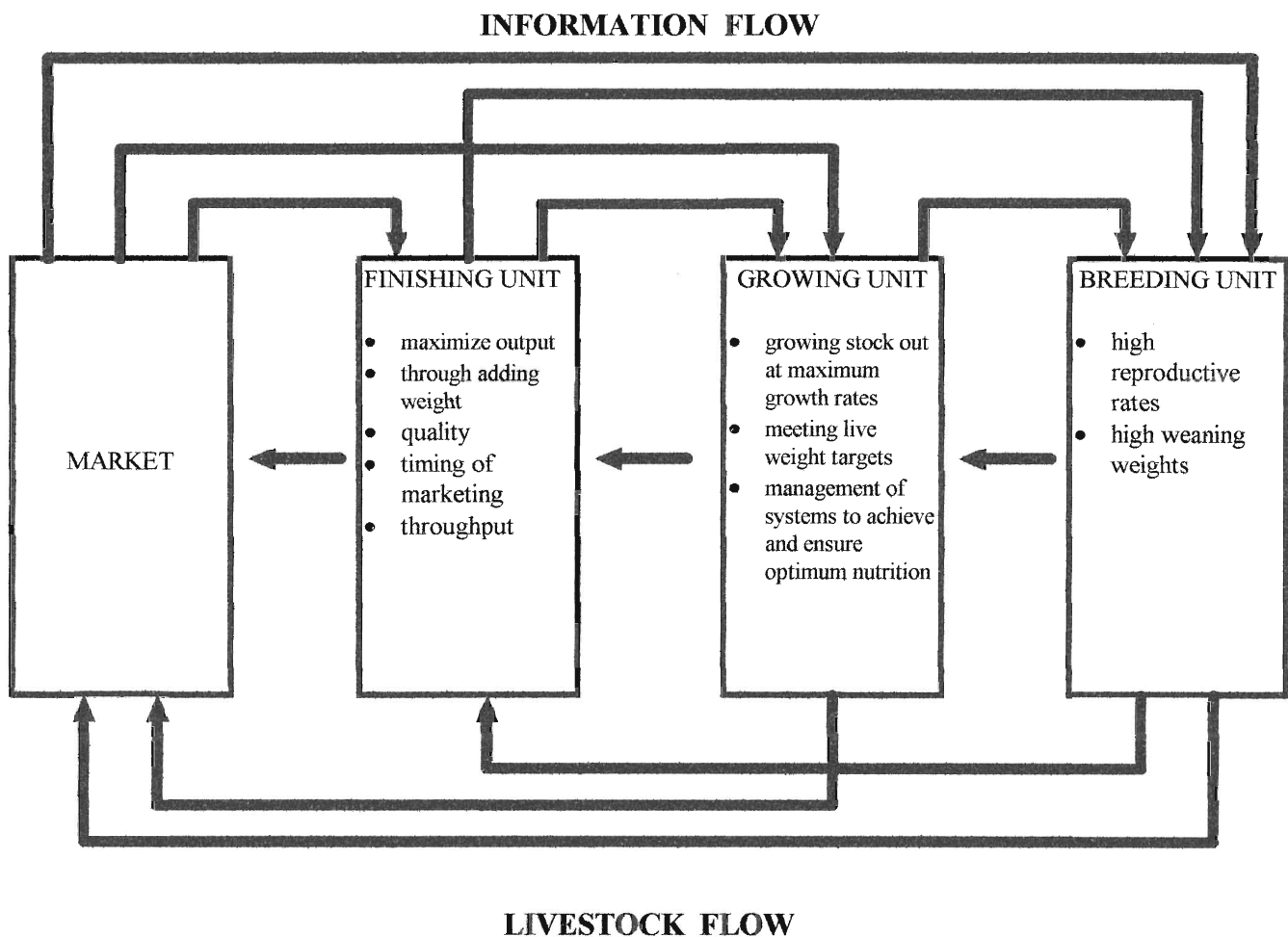
- ⇒ Act with honesty and integrity.
- ⇒ Be environmentally responsible.
- ⇒ Be a fair employer.
- ⇒ Co-operate with the shareholder in making assets available at market value for Treaty of Waitangi claim settlements.

1.3 PRODUCTION STRATEGY

There are 3 key elements to Landcorp's operation.

Integrated Production:

Landcorp seeks to maximize efficiency through the vertical integration of its production and marketing systems. Integrated management systems use refined technology in breeding, animal health and husbandry, to enable animals to be bred, grown and finished to market specifications and provide a continuous supply of livestock to meet year round commitment. (figure 1)



System supported by information technology to achieve higher value products through improved livestock production, improved nutrition and the ability to optimize input/output ratios.

Figure 1 The Landcorp Integrated Farming Production System.

Integrated production systems provides the following management advantages for Landcorp:

- ⇒ Controlling all facets of production enables Landcorp's quality assurance programme to be rigorously applied.
- ⇒ Land use is optimised through ensuring the most productive use is made of the land.
- ⇒ Management is very focused with the demands of the market constantly to the fore.
- ⇒ From sharply focused systems of production come tighter controls on the costs of production.

Genetics:

Sires for the livestock breeding operations are provided by the company's own specialist sire breeding units. These units capitalize on the company's large animal base, using the principles of population genetics to capture genetic improvement. This improvement is transferred to the company's commercial animals and translated into financial gain, through maximizing market gains and reducing production costs.

Marketing:

Landcorp's branded products are marketed nationally and internationally. From branded beef in local supermarkets to chilled lamb to Europe and North America, from specially blended lines of wool for Europe to deer velvet products for Asia.

Commitment to a programme of quality assurance ensures Landcorp products meet the highest standards.

1.4 DIVERSIFICATION:

Opportunities for improving returns and managing risk, within the confines of the land resource, are being pursued with the expansion of deer and dairy operations.

The present programme will increase dairy cow numbers in the North Island to 10,300 by June 1999, and see the company's deer numbers reach 46,000 within five years.

1.5 STAFF MANAGEMENT

Employment Philosophy:

Landcorp Farming Limited's employment philosophy is to recognize each employee as an asset to the company by making employees feel they are part of the Company and responsible for the company's performance as a successful commercial business.

It is the company's desire to reward employees for their performance and make them feel secure within themselves and the skills and knowledge they bring by creating an environment which allows people to grow, develop and achieve within the Company. At the same time, it is necessary for the Company to have optimum flexibility in its future operations.

Landcorp recognizes its future depends very heavily on its staff and managers. The employment relationship is dependent on balancing the needs of the Company with the needs of the employee.

The Company aims to build a relationship of mutual trust and commitment which ensures the success of the company and in turn provides security and fair reward to the employees.

People are of critical importance to the company. The Company recognises the key element in improving performance is to fully utilise the talents and skills of the people working for it. This is best portrayed in figure 2 on the following page.

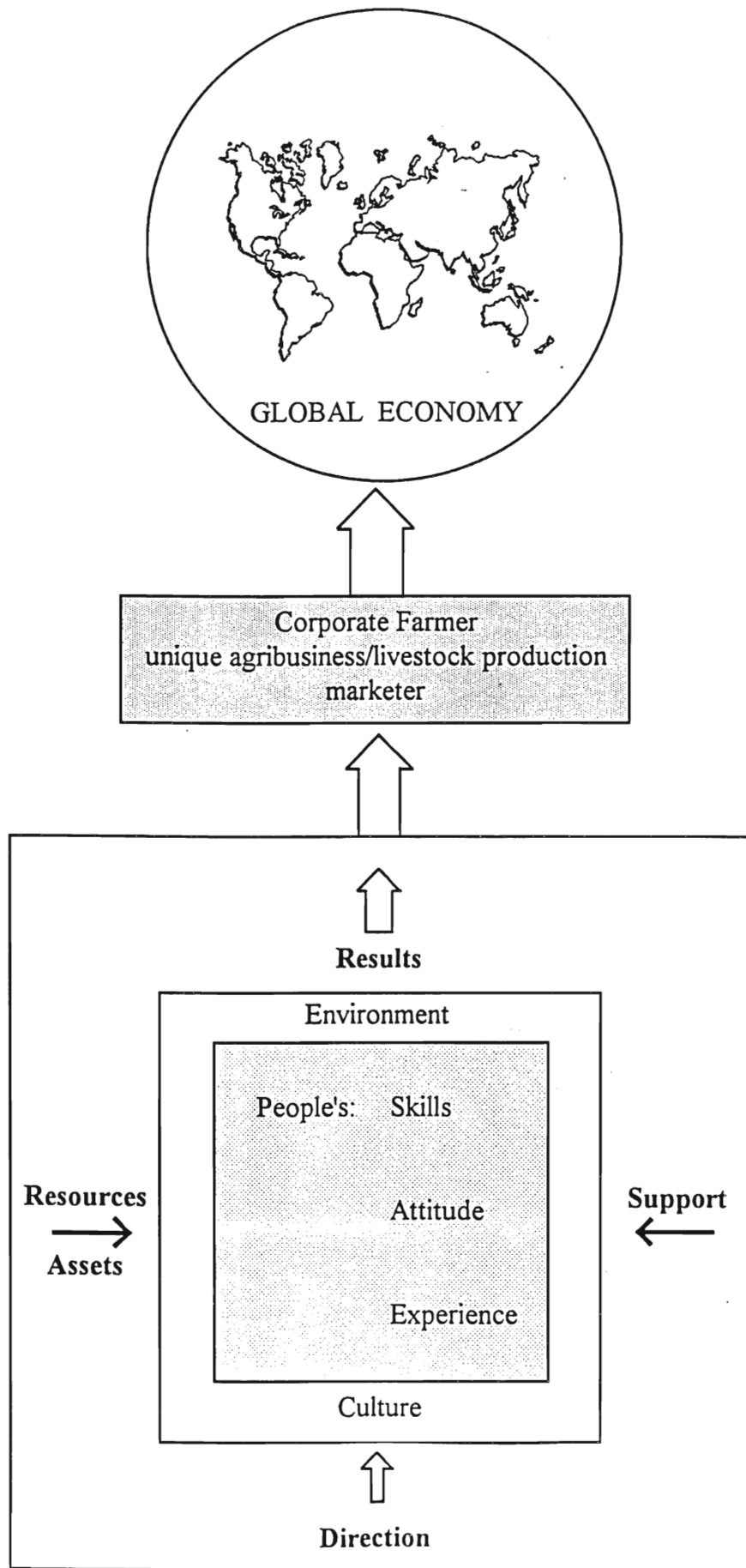


Figure 2 Landcorp's Human Resource Concept.

SECTION 2 RESOURCES OF THE NORTHERN REGION

2.1 LAND RESOURCE:

The Official boundary is from the Auckland Harbour Bridge to Cape Reinga encompassing thirteen freehold properties and one agency (leasehold) property spread throughout with one controlling Regional Office based in Whangarei.

As at 30 June 1997, 229,650 stock units of sheep, beef, deer and goats are being farmed on 24,077 hectares.

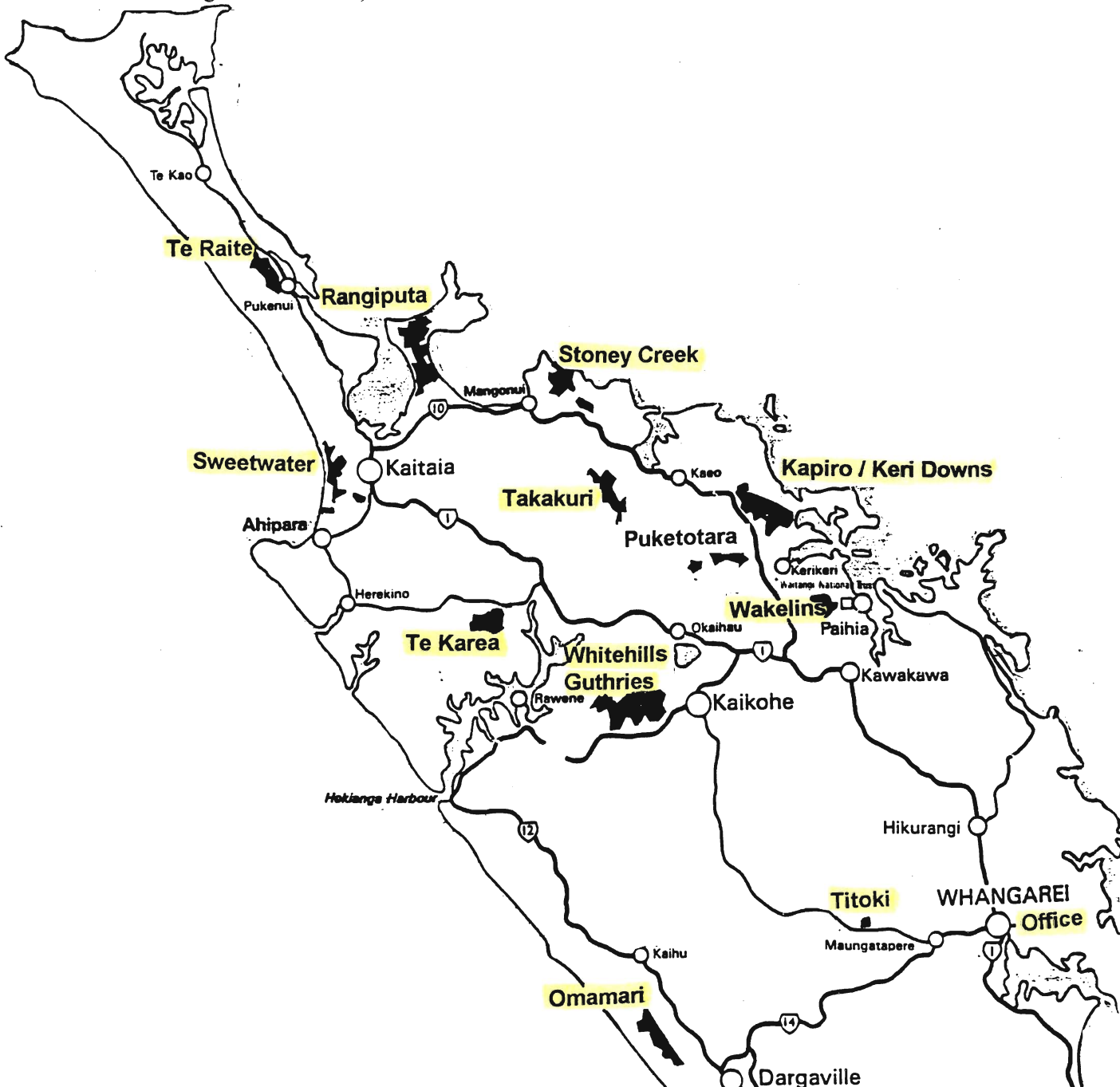


Figure 3 Stations Of The Northern Region.

Station	Sheep S.U.	Run Cattle S.U.	Goats S.U.	Deer S.U.	Total S.U.	Surveyed Area Ha.	Farmed Area Ha.	S.U. per Hectare	Perm. Staff	S. U. per Man
Guthries	7,944	17,485			25,429	2,674	2,288	11.11	6	4,279
Kapiro	7,019	15,989			23,008	2,858	2,160	10.65	7	3,528
Omamari	6,650	10,204			16,854	2,381	2,208	7.63	4	4,017
Puketotara	3,580	8,415			11,995	1,340	1,033	11.61	3	3,740
Keri Downs Breeding Centre		6,742	1,284		8,026	356	642	12.5	4	1,724
Rangiputa	6,966	21,976			28,942	3,700	3,521	8.22	6	4,467
Stony Creek *	5,152	7,122			12,274	2,275	1,583	8.02	3	4,356
Sweetwater	5,079	18,962	657		24,698	2,479	2,177	11.34	5	4,738
Takakuri	5,443	6,150			11,593	1,653	1,494	7.76	3	3,877
Te Karae	4,342	9,334			13,676	1,968	1,645	8.31	4	3,339
Te Raite	5,372	9,317			14,689	1,850	1,720	8.54	4	3,649
Titoki	4,144	5,704			9,848	1,002	949	9.94	3	3,146
Wakelins *	2,145	4,895		743	7,783		730	10.66	2	3,771
Whitehills	4,435	16,395			20,830	2,002	1,980	10.52	5	3,922
TOTAL	68,271	158,690	1,941	743	229,645		24,077	9.54	63	3,645

* Stony Creek = agency farm.

Wakelins = includes 142 hectares of land leased from the Waitangi National Trust.

Table 1 Landcorp Farming Ltd. - Whangarei : On Farm Resources @ 30 June 1997

2.2 STAFF RESOURCE:

The region has 63 farm based staff and 4 office staff.

Each station has a manager with larger stations having a Head Shepherd (Assistant Manager), Senior Shaped and specific task personnel, e.g. tractor drivers.

Office staff consist of a Regional Manager, Operations Manager, Office Manager and Personal Assistant to the Regional Manager.

Livestock marketing is coordinated by the North Island Marketing Unit based in Rotorua. Similarly accounting activities for the Northern farms are run from the Rotorua Office.

2.3 LIVESTOCK RESOURCES:

Sheep

53,000 Romney breeding ewes and replacements are farmed. This represents 11.5% of the breeding ewes in Northland. (source: Statistics New Zealand).

The Romney flock has been bred to its current status from a predominately Peredale flock over the last 7 - 10 years, using facial eczema tolerant rams supplied from Landcorp's Romney breeding programme at Waihora.

In the financial year to June 1997 31,700 lambs were finished in the Region, with a further 14,700 lambs transferred to the Central Region for finishing.

Run Cattle

A breeding cow herd of predominately 13,000 Angus cows and replacements are farmed. This represents 8 % of the breeding cows in Northland. (source: Statistics New Zealand).

Angus sires for the Regions herd come from Rangitane Angus Breeding Scheme, located on Kapiro Station. This breeding herd is run as part of Landcorp's Angus breeding programme and the screening in and progeny testing work associated with this programme guarantees that we sustain best possible performance sires for district use.

In the financial year to 30 June 1997, 5,100 steers and bulls and 5,350 heifers and cows were slaughtered.

Goats

Landcorp's Boer goat breeding programme operates from the Keri Downs Breeding Centre.

Currently 600 pedigree Boer does are farmed with progeny sold through both auction and private treaty.

Deer

A 350 Red Deer hind herd accounts for 10% of the stock units on Wakelins Station.

All fawns from this operation are transferred to specialist deer finishing units in the Central Region.

2.4 LIVESTOCK KEY PERFORMANCE MEASURES:

The following are key livestock performance measures of stock farmed in the Northern Region, for the financial year ending 30 June 1997.

Sheep

⇒	Lambing %	112.2 %
⇒	Average Lamb Slaughter Weight	15.3 Kilograms
⇒	Average Ewe Slaughter Weight	21.9 Kilograms
⇒	Kg Wool per S.S.U.	5.15 Kilograms
⇒	Deaths and Missing	3.0 %

Cattle

⇒	Calving %	89.3 %
⇒	Average Steer Slaughter Weight	284.2 Kilograms
⇒	Average Heifer Slaughter Weight	203.0 Kilograms
⇒	Average Cow Slaughter Weight	209.4 Kilograms
⇒	Deaths and Missing	0.9 %

Deer

⇒	Fawning %	91.6%
⇒	Deaths and Missing	0.3 %

SECTION 3 BUSINESS PHILOSOPHY IN THE NORTHERN REGION

3.1 GOALS

To continue to improve as a profitable integrated agribusiness, through the application of the Landcorp Integrated Farming Production System, while giving consideration to environmental sustainability, social responsibility and business ethics.

3.2 OBJECTIVES

Northern Region's objective is to achieve "**The Ultimate Marketing Package**", which is a combination of **Animal Production** at least cost, plus **Animal Presentation** with guaranteed quality, plus **Selling Product** consistently on time, to equal **Success**, with cash in the bank.

3.3 CORE BUSINESS

To breed, finish and market Landcorp Farming Limited stock within the integrated production system.
Sales and / or Purchases at intermediate points in the production chain are only made to facilitate the primary production system.

3.4 MANAGEMENT

As a Region all stations will be managed :

- ⇒ As part of an integrated production system philosophy.
- ⇒ As profit centers to maximise long term productivity.
- ⇒ To maximise the advantages of complementary and supplementary production relationships and to minimise competitive relationships which exist within the system.
- ⇒ To maintain productive diversity within the core business.

3.5 PLANNING / BUDGETING

Individual farm budgets along with farm business plans, form the seasonal operational plan for the farm units

Detailed annual budgets and cash flows will be prepared in March / April for the year commencing the 1st of July. Budget forecast will include livestock reconciliation's, physical production estimates and financial budgets. Budgets updates will be prepared in October and February in addition to the monthly reporting of actual against budgets. Farm business plans are updated yearly.

The combined farm budgets form the Regional consolidated budget and operational plan.

3.6 PRODUCTION

To improve on farm profitability through reducing the unit costs of production. This will be achieved by the following methods:

- ⇒ Increasing production via the use of technology, innovation and refined management.
- ⇒ Increasing inputs that contribute to enhance production.
- ⇒ Reducing expenditure by taking advantage of the economics of scale that exist within the company.

3.7 MARKETING

To market all livestock and produce under Landcorp's logo or brand wherever appropriate.

All marketing activities are to be coordinated by the Marketing Unit, allowing farms to concentrate on production to ensure quality products meet market deadlines.

3.8 PEOPLE

The Northern Region recognizes that the strength of its staff is the key to its success.

To ensure the success of the Region, staff are given the initiative and drive to achieve, though clear objectives, and job ownership together with encouragement.

3.9 POLICY SETTING

Regional Policy is determined by the Regional Manager and forms the basis for overall direction of the region. The development of regional Policy follows corporate policies and is determined in consultation with the Operation Manager, Marketing Unit, and others.

Areas covered by Regional Policy include:

- ⇒ Regional operating and capital expenditures.
- ⇒ Regional production goals and targets.
- ⇒ Regional breeding policies including livestock numbers, breeds and strategies.
- ⇒ Marketing strategies and procedures.

3.10 POLICY IMPLEMENTATION

This is defined as the development of systems and procedures to implement applicable regional policy.

The Regional Manager, Operations Manager, Livestock Marketing Coordinator and Farm Managers are responsible and accountable for the implementation of regional policy.

SECTION 4 STRATEGIC OBJECTIVES

4.1 REGIONAL MANAGEMENT STRUCTURE

Regional Management is structured to enhance the development of regional policy and improve communication, coordination and regional development. (Figure 4).

At office level, there are two distinct roles for people to focus on. Both activities are closely linked and crucial to the efficiency of the Region. The two roles are:

- ⇒ Production / Financial Monitoring
- ⇒ Administration / Compliance / Audit Control

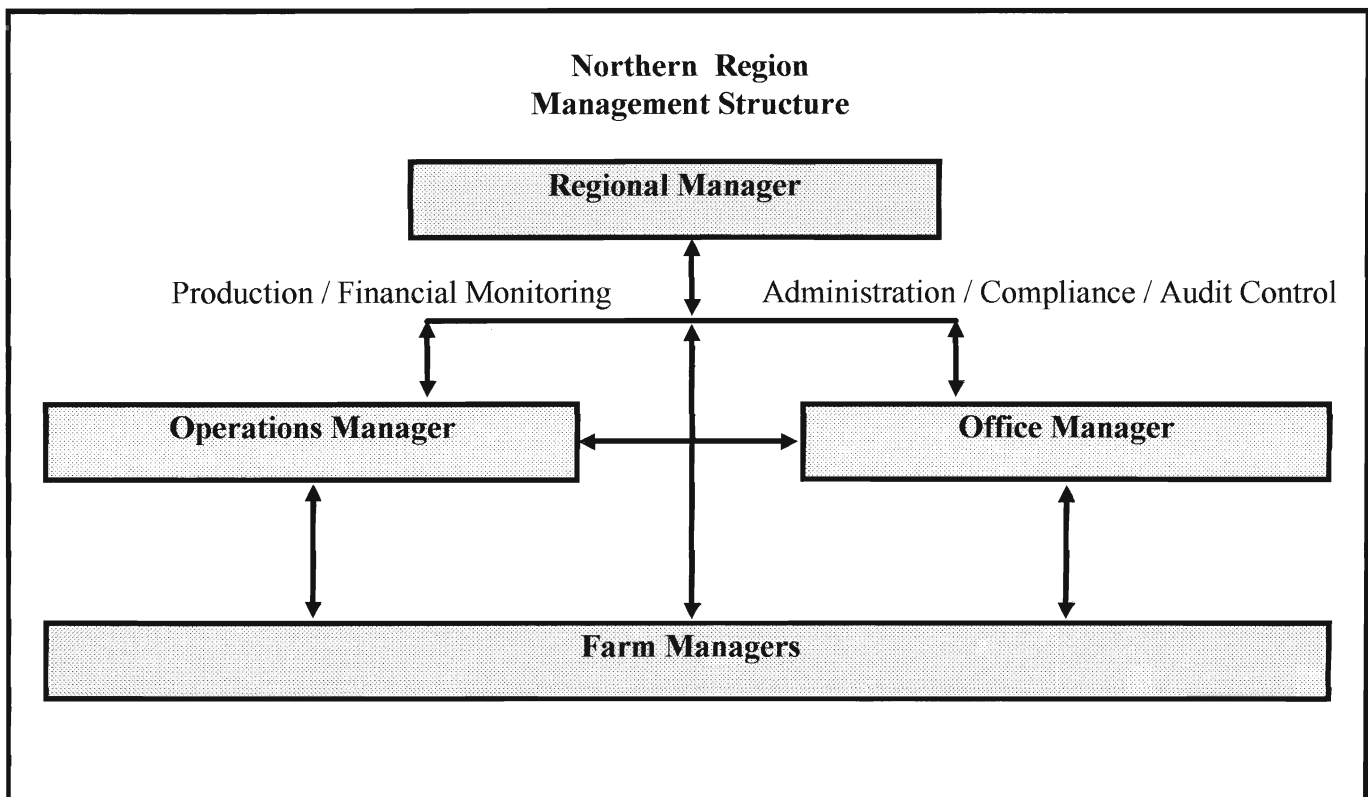


Figure 4 Regional Management Structure.

Further, Regional Management is assisted by the strong business relationship that exists between the Northern and Central Region. Information shared across the Regions insures commonality is being enhanced across the North Island.

Livestock Marketing, National Stores Purchasing, Personal and Accounting Operations are all run from the Rotorua Office.

Roles:

Regional Manager:

The specific goals of the Regional Manager is the efficient management of the Regions assets, activities and people.

The roles of the Regional Manager are:

- ⇒ Commitment to Management of Region.
- ⇒ Financial Success.
- ⇒ Staff Management.
- ⇒ Supervise 2 properties, 20,000 stock units.
- ⇒ Business Appraisals / Plans.
- ⇒ Marketing link to North Island Marketing Committee.
- ⇒ Boer Goat Marketing.
- ⇒ Timber Marketing.
- ⇒ Farm Pride - Quality Assurance Audit.

Operations Manager:

The specific goals of the Operations Manager is to increase Kgs of product at the farm at least cost.

The roles of the Operations Manager are:

- ⇒ Supervise 12 Properties 200,000 stock units.
- ⇒ To prepare the a farm budgets in collaboration with Farm Managers.

- ⇒ Farm budget financial control.
- ⇒ Regional Capital Development Programmes.
- ⇒ To ensure a programme of improving on farm performance is in place on each farm and realistic targets are in place on each farm to facilitate the achievement of Region targets.
- ⇒ To monitor the physical performance of each property.
- ⇒ To provide and facilitate the transfer of technology to Farm Managers.
- ⇒ To co ordinate activities between the farms within the Region.

Office Manager:

The specific goals of the Office Manager is to facilitate efficient administrative operations between office and farms.

The roles of the Office Manager are:

- ⇒ Regional Tendering (ie shearing, haymaking etc.).
- ⇒ Regional Purchasing.
- ⇒ OSH Compliance.
- ⇒ Woolcare.
- ⇒ Chattels / Vehicle control.
- ⇒ Computer Hardware.
- ⇒ Liaison with ASC for all requirement.
- ⇒ Information Flows.
- ⇒ Data Capturing for Regional Production Policies.

Farm Manager:

The specific goals of the Farm Manager are to ensure the property's physical and financial objectives and targets are achieved.

The roles of the Farm Manager are:

- ⇒ Forward planning and day to day management of all farming operations on the property.
- ⇒ In conjunction with the Operations Manager, prepare physical and financial budgets, and targets.
- ⇒ Monitoring of seasonal expenditure in line with budgeted cash flow.
- ⇒ To ensure the property and associate assets are adequately maintained within the limits of the seasonal operating budget.
- ⇒ To ensure the Companies products are presented for sale in line with the Companies policy regarding quality, quantity and timeliness of delivery.
- ⇒ To ensure all livestock operations are carried out in a humane manner.
- ⇒ To ensure all livestock are maintained in a healthy condition with a high standard of nutrition.
- ⇒ To keep up to date and institute where applicable physical and technological change in farm management practices.

Where Farm Managers have a genuine interest in an activity, the responsibility for this activity may be delegated away from the office. To date this is occurring with biological pest control and possum control.

Responsibilities Outside Of Region:

Livestock Marketing Co ordinator:

The specific goals of the Livestock Marketing Co ordinator is to facilitate the efficient and timely marketing of the Regions livestock. The Livestock Marketing Co ordinator is based in Rotorua.

The roles of the Livestock Marketing Co ordinator are:

- ⇒ In conjunction with the Regional Manager, Operations Manager and Farm Managers, formulate a livestock marketing plan for the Region.
- ⇒ To coordinate all livestock sales, (store and prime).

- ⇒ To coordinate livestock transfers from Northern Region to Central Region.
- ⇒ In conjunction with the Operation Manager to coordinate livestock transfer between properties in the Northern Region, to locate stock to best advantage.
- ⇒ Relay market information back to the Region.

4.2 FARM PRODUCTION UNITS

All farms in the Northern Region are managed as part of an integrated production system to benefit both the Northern and Central Region. The farms are grouped together in the following production units, to allow the Northern Region the best opportunity to optimize efficient land use and focus management:

- ⇒ Breeding Units.
- ⇒ Breeding / Finishing Units.
- ⇒ Finishing Units.

The Growing Unit concept of ,

1. movement of stock off breeding farms at predetermined dates to enhance the overall breeding production and,
 2. optimizing winter growth rates at least cost,
- in the Northern Region is incorporated into the roles of the Finishing Units.

Farms are assigned to each Production Unit on the basis of the physical resources available to that farm.

4.21 BREEDING UNITS

The Breeding Units of the Northern Region are:

- ⇒ Omamari Station.
- ⇒ Rangiputa Station.
- ⇒ Stoney Creek Station.
- ⇒ Takakuri Station.
- ⇒ Te Karae Station.
- ⇒ Te Raite Station.

Operations for the Breeding Units are geared primarily to the production of weaned calves, lambs, wool and replacement stock. Lamb finishing is important on some Breeding Units.

Breeding Unit Business Objectives:

The business of the Breeding Units is to maximise the kilogram of meat and wool per hectare for the downstream benefit of the company. Income for the company is relayed by the Finishing Units and productive marketing of the product by the Marketing Unit.

Hence the business objective of all the Breeding Units is to achieve maximum liveweights of all transferred animals at minimum cost per unit.

Breeding Unit Management Objectives:

It is recognized that the majority of saleable product originates from breeding, and it is essential to maintain and protect the Regions capital stock base, while removing all impediments to maximum economic productivity. Therefore management objectives of the breeding units are to develop a livestock breeding production system focusing on:

- ⇒ High reproductive rates.
- ⇒ High weaning weights.
- ⇒ Maintaining sustainability of replacements.
- ⇒ Stabilise capital stock numbers at 165.000 S.U. for the Region.
- ⇒ Adjusting sheep cattle ratios where applicable more in favour of sheep.
- ⇒ Maximise livestock genetic improvement and increase direct returns from the Companies breeding programmes by using Landcorp breed sires.
- ⇒ Specialization and simplification of livestock breeding.
- ⇒ Lower the overall cost of production (\$ / Kg) for cattle, sheep and wool.

Breeding Policies:

Livestock breeding policies and programmes will be decided on;

- ⇒ Regional Manager and Operations Manager in consulting with Marketing Unit / and Farm Manager concerned.

- ⇒ In keeping with the capabilities of the properties.
- ⇒ Due regard of the overall Corporate objectives and policy.

Cattle:

Cattle breeding strategies to meet breeding objectives:

- ⇒ To farm a pure breed Angus breeding cow herd using Angus Sires exclusively from the Rangitane Breeding Scheme.
- ⇒ Where appropriate Hereford, Simmental and Charolais terminal sires are to be used.
- ⇒ Increase weight of calves weaned to cows and heifers wintered by mating heifers as yearlings.
- ⇒ Achieve a well structured herd with a minimum of 20% in calf yearlings entering the herd each year.
- ⇒ Shorten mating period to a maximum of 45 days and cull all animals identified empty at P.D.

Cattle Breeding Production Targets

	Target
Calving Percentage	90 Plus Percent
Deaths And Missing	Less Than 2 Percent
Weaning Weight	Steers 220 Kilograms Minimum Heifers 200 Kilograms Minimum
Yearling Heifer Mating Weight	300 Kilograms
Two Year old Heifer Calving Weight	440 Kilograms

Sheep:

Sheep breeding strategies to meet breeding objectives:

- ⇒ To continue the exclusive use of Waihora facial excema tolerant Romney sires on all breeding properties, until such time the Landmark composite sheep sires are available, to maximise number of lambs born, achieve higher weaning weights and increased wool weight per sheep stock unit.

- ⇒ The controlled use of Landcorp’s Lamb Supreme terminal sires will target cast for age ewes and / or stand alone terminal ewe flocks to maximise quick maturing traits of this sire.
- ⇒ To achieve optimum lamb production, be prepared to forego wool production to some extent, by selecting hoggets in May on twinning ability and liveweight before wool production traits.
- ⇒ Achieve a well structured ewe flock with a minimum of 30% in lamb two tooth entering the flock each year.
- ⇒ Restrict mating to two cycles, culling all third cycle ewes and those diagnosed empty at pregnancy scanning.
- ⇒ Unless otherwise stated maintain a one year (full wool), shearing policy.

Sheep Breeding Production Targets

	Target
Lambing Percentage	130 Plus Percent
Deaths And Missing	Less Than 3.5 Percent
Lamb Weaning Weight	25 Kilograms
Wool - Weight Per Sheep Stock Unit	6.0 Kilograms
- Length	75mm Minimum
Tupping Weight - Two Toths	60 Kilograms
- M.A Ewes	65 Kilograms

Deer:

The deer operations are run by the North Island Deer Production Group which has developed a production model to utilize the deer fenced areas optimally for the benefit of the entire North Island.

The Deer Unit at Wakelins operates as a deer breeding unit only, with all fawns transferring to growing or finishing units at weaning. Replacement hinds are transferred in from growing units at weaning.

The new deer conversion at Keri Downs will operate as a breeding and yearling hind growing unit.

4.22 BREEDING / FINISHING UNITS:

The Breeding / Finishing Units of the Northern Region are:

- ⇒ Gutheries
- ⇒ Puketotara
- ⇒ Keri Downs
- ⇒ Sweetwater
- ⇒ Titoki
- ⇒ Wakelins

These stations adhere to both the breeding and finishing management strategies of the Region.

While operations on these units are geared to both breeding and finishing, the finishing side of the operation will be specialised therefore the station may:

- ⇒ not breed all they finish, or
 - ⇒ finish all they breed.
- as livestock are transferred in and / or out so they are located on the appropriate finishing unit.

4.23 FINISHING UNITS:

Farms in the North Region which are predominately Finishing Units are:

- ⇒ Kapiro
- ⇒ Whitehills

Operations:

Operations on the finishing units are geared primarily to the growing and finishing of lambs and cattle to market specifications. Major commitment to 52 weeks per year supply to both the Marketing Unit and contract markets. Lamb breeding and finishing plays an important role on both finishing stations.

Finishing Unit Business Objectives:

To realise income for the company by finishing animals transferred from

breeding units in the minimum time to meet market commitments at least cost.

Management Objectives:

To develop a livestock growing and finishing production system focused on:

- ⇒ Movement of livestock off breeding stations at predetermined dates to enhance the overall breeding production.
- ⇒ Growing and finishing livestock utilizing Regional property and management strengths to finish all cattle the Region breeds and all lambs surplus to breeding requirements not transferred to Central Region.
- ⇒ To develop market diversity within a product range.
- ⇒ To develop skills and expertise in the finishing of livestock to specific target weights to enhance the speed of throughput and efficiency.
- ⇒ Lowering the production cost (\$/kg) of finished stock.

Finishing Strategies

Finishing strategies being developed to meet growing / finishing objectives.

- ⇒ Finishing stations are to become specialised within a product range. This specialisation matches the stations physical resources to its finishing capabilities. See table below:
- ⇒ The potential number of stock available for transfer is collated by the Operation Manager and the Livestock Marketing Coordinator from which a strategy will be formulated, so livestock is moved to the best advantage to the appropriate finishing units.
- ⇒ The development of specialist forage crops for finishing.

Finishing Units Objectives

	Finishing Objectives
Gutheries	Specialist Local Trade Heifer and Steer Finishing Lamb Finishing
Kapiro	Export Steer Finishing - 270 -295 Kilograms Once Breed Heifer Finishing Lamb Finishing
Puketotara	Specialist Lamb Finishing Unit Potty Calf Growing and Finishing - Local Trade
Keri Downs	Export Steer Finishing - 270 - 295 Kilograms
Sweetwater	Local Trade Heifer and Steer Finishing
Titoki	Local Trade Heifer Finishing Weaner Steer Wintering Lamb Finishing
Wakelins	Lamb Finishing - Terminal Sire Ewe Flock Local Trade Heifers
Whitehills	Specialist Heavy Weight Steer Finishing - 295 kgs + Lamb Finishing

4.24 BREEDING SCHEMES:

Two breeding schemes are operating in the Northern Region.
These are:

- ⇒ Rangitane Angus breeding scheme, located on Kapiro Station.
- ⇒ Boer Goat breeding programme operating on Keri Downs Breeding Centre.

These breeding schemes are a national asset of Landcorp and decisions regarding these schemes will be subject to GM approval. The breeding programmes along with the breeding objectives of the breeding schemes are under the control of the companies Genetics Unit.

The purpose of the breeding schemes is to provide sires for Landcorp's Breeding Units that have been selected on commercially meaningful traits. Sales of sires to private clients are permitted only once Landcorps own breeding needs have been meet. Any private sales should involve above average animals.

SECTION 5 REGIONAL POLICIES

Because of the need for coordination and efficiency in the Regional operation, specific Regional policies are required for the following areas.

5.1 ANIMAL HEALTH

T.B. Accreditation -

Monitored by surveillance testing every three years. Because of the T.B. free status of the Northland area cattle transfers from the Central Region are not permitted and any bulls required to be purchased from private breeders must come from the Northland area.

Avoiding Drench Resistance -

- Monitor any drench resistance with drench resistance testing every two years.
- Adopt a common annual drench rotation policy for all 14 Stations, for all livestock. New drench rotation commence on the first of September each year.

Year	Drench Rotation	Export Drench	Import Drench
1997	Combination	Endectocide	Levamisole
1998	Levamisole	Endectocide	Benzimidazole
1999	Benzimidazole	Endectocide	Levamisole
2000	Endectocide	Endectocide	Combination

- All farms are to adhere to the export / import quarantine drench.
- Minimise drench use, through faecal egg counts.
- Use narrow spectrum drenches for specific problems, ie Barber pole worm or Liver fluke.
- Use a specific Tapeworm drench. If it is consider necessary that a Tapeworm drench is essential for lambs, a specific drench for Tapeworms from the family of the annual rotation is to be used.

- Mineral status - monitored through Optigrow test - completed by a local vet.
- Transfer stock - an animal health status card is to accompany all transferred stock.

5.2 STOCK TRANSFER POLICIES

Lambs:

- All lambs to be crutched, drenched and weighed prior to leaving the farm.
- All lambs can be transported as soon after weaning as practical.
(no 10 day restriction)
- No ram lambs to be transferred.
- Minimum weight 17 Kilograms.

Weaner Calf Transfers:

- All calves are to be tagged, weighed and drenched before transport.
(note, \$50.00 per head penalty for each non compliance).
- Calves can be transported as soon after weaning as practical.
- \$50.00 per head penalty for poorly marked calves, which develop into rigs or bulls not identified.

General Cattle Transfer Policy:

- Receiving Manager to be contacted by phone at least two days in advance of cattle weighing to arrange a time for both Managers and or senior staff to be present during weighing and selection.
- Mature cattle must be yarded no later than 5.00pm the night before they are to be weighed.
- Weighing will not commence before 8.00am the following morning.
- Twenty percent of the transfer line is to be sample weighed with both Managers and or senior staff present or if necessary all animals are to be weighed, eg specific weighing for finishing cattle or calves into specific weight ranges.
- Transport - If possible cattle should be transported on the day of selection.

Advice notes must be signed by the donor Farm Manager and the truck driver then faxed to the receiving Farm Manager. The receiving Farm Manager must identify the mob as to description before the truck departs.

- Weights are to be recorded on the Advice Notes for each transferred line eg. Minimum, average and maximum.
- An animal health status form must be filled out for transferred lines of cattle and faxed to the Receiving Manager.
- Export drenching is the responsibility of the Donor Manager.
- In the case of sale cattle the whole line is to be weighed and information including weight range (or truck weight) and average weight is to be recorded on Advice Notes.
- All misdescribed cattle will be subject to a \$50 penalty fee.

5.3 FERTILISER AND PASTURE DEVELOPMENT:

- Allocation of resources is made on a regionally oriented “biggest bang for the buck” basis.
- Fertilizer maintenance requirements are based on information from soil and herbage tests and specialists recommendation. Soil and herbage testing is carried out every second year along recorded sample lines, taken in October of the sampling year.
- Pasture development and cropping programmes require individual paddock soil sampling.

5.4 STOCK MONITORING PROGRAMME:

Ewe Flock Performance Monitoring:

Flock weighing programme.

	Weighing Date	Target Liveweight
Lambs	Weaning	25 kg
Hoggets	May 1st	36 kg
	October 1st	48 kg
2th Ewes	Tupping (Ram Out)	60 kg
M / A Ewes	Weaning	60 kg
	Tupping (Ram Out)	65 kg

Sampling weighing of livestock is all that is required. For a particular stock of class a representative sample of 10-20% of the mob need to be weighed. For replacement hogget selection in May 100% weighing is required.

Other information to be collected are, pregnancy scanning results and lambing percentages. Lambing percentages will need to include results of mobs identified through scanning plus the number of dry ewes on hand at the completion of lambing.

Cow Breeding Herd Performance Monitoring:

Breeding herd weighing programme:

	Weighing Programme	Target Liveweight
Calves	Weaning	180 kg Heifer Calves 220 kg Steer Calves
Replacement Heifer Calves	May 1st	200 kg
Replacement Yearling Heifers	Mating (Bull Out) May 15th	300 kg 420 kg
Two Year Old Heifers	Pre- Calving Pre-Mating (Bull Out) Weaning	440 kg 440 kg 450 kg

A 100% weighing is required for:

- Calves at weaning
- Pre mating weights of yearling heifers.

At all other times only a representative sample of between 10 and 20% of the mob is required, though a minimum weighing of 50 animals is required.

Other information to be collected are, calving percentage for two year old heifers and mixed aged cows, bulls used for yearly mating and pregnancy scanning results.