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A strategic evaluation of the introduction of the East Friesian sheep breed on a North Island hill country farm.

A thesis submitted in partial fulfilment of the requirements for the degree of Masterate in Applied Science in Agricultural Systems and Management at Massey University

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Abstract

New Zealand sheep farming has changed dramatically over the past 20 years as it has adjusted to a market-led and unsubsidised economy. Despite this, new technology and management practices such as cross breeding offer exciting opportunities for improving sheep industry profitability. The introduction of new genetic material into the sheep flock can provide benefits through improved productivity and product attributes but it may also have negative consequences for industry growth if used incorrectly. The advantages of introducing a new sheep breed to a farm are usually widely published but not necessarily well researched. The East Friesian (EF) was made available to farmers in autumn 1996. It has a reputation for being highly fertile, a good milk producer and heavy-weight-lamb producer. However, no research has been published on how to develop a profitable management strategy for adopting EF’s onto a hill country property. The purpose of this study was to test the hypothesis that the EF would improve the productivity and profitability of a lower North Island hill country farm.

A case farm analysis using the STOCKPOL farm simulation model was used to compare the productivity and profitability of the current Romney (Rn x Rn) flock with either an East Friesian (EF) x Rn crossbred flock or a purebred EF x EF flock. The STOCKPOL model was calibrated to simulate the existing sheep and beef cattle policy for the 324 ha hill country farm, Tuapaka. Pasture growth rate data were adjusted to sustain the reordered levels of animal production and establish a basis against which the EF x Rn and EF x EF flocks could be compared. The cattle policy was fixed for all options. Ewe numbers, with a 20% replacement rate, were adjusted for the live weight profiles and production levels of the EF x Rn (67 kg at mating; 148 lambs born:100 ewes mated) and EF x EF (80 kg at mating; 230 lambs born:100 ewes mated) breeds until the farm system was just biologically feasible. This indicated 1315 EF x Rn sheep or 909 EF x EF could be farmed compared to 1930 Romneys (52 kg; 117 lambs born:100 ewes mated). In stock unit terms (SU) the EF x Rn was 1.25 and the EF x EF 1.54 compared to the Rn x Rn ewe (1.00) which consumed 526 kgDM per year.

The STOCKPOL outputs were copied into an enterprise margin (EM) format and the profitability of the sheep breeds calculated after adjusting for the cost of capital (CoC) of sheep wintered. The EM’s (per ha) were $324, $340 and $351 for the Rn x Rn, EF x Rn and EF x EF breeds, respectively. The EF x EF was the preferred option for all risk preferences. A sheep age structure model was developed to simulated the transition to an EF x Rn crossbred flock. This took six years. The additional net present value (NPV) in 1998 dollars of the EF x Rn vs. the Rn x Rn was $ 92,133. The transition to a purebred EF flock would take 24 years if a grading up strategy were adopted.

An important finding was the breed x pasture production interaction. Annual pasture consumption was 869 t DM for the Rn x Rn flock, 780 t DM for the EF x Rn policy and 647 t DM for the EF x EF flock. Reduced pasture production occurred because of the higher lamb:ewe ratio of the EF sheep contributed to increased pasture senescence and decay in the summer and autumn. Ways to prevent this occurring need to be explored through further modelling studies using
STOCKPOL and by evaluating the experience of farmers who have adopted EF's. The study confirmed the hypothesis: EF sheep would improve production and profit on the hill country case farm. Recent farmer experience with the East Friesian should now be evaluated against this result.

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Table of contents

ACKNOWLEDGEMENTS .................................................................................................................... II

ABSTRACT ........................................................................................................................................ III

TABLE OF CONTENTS ....................................................................................................................... V

CHAPTER ONE: INTRODUCTION .................................................................................................... 1

1.1 INTRODUCTION .................................................................................................................. 1
1.2 PROBLEM STATEMENT ....................................................................................................... 1
1.3 HYPOTHESIS ..................................................................................................................... 2
1.4 THESIS OUTLINE ............................................................................................................... 2

CHAPTER TWO: LITERATURE REVIEW ...................................................................................... 4

2.1 INTRODUCTION .................................................................................................................. 4
2.2 SHEEP FARM SYSTEMS IN NEW ZEALAND .................................................................. 4
2.3 NORTH ISLAND HILL COUNTRY PASTORAL LAND ......................................................... 7
2.4 NEW ZEALAND SHEEP FLOCK ......................................................................................... 8
2.4.1 Introduction .................................................................................................................. 8
2.4.2 Sheep Breeds in New Zealand ................................................................................... 8
2.4.3 Sheep breeds and their productive traits .................................................................. 9
2.5 BREED COMPARATIVE PERFORMANCE ....................................................................... 11
2.5.1 East Friesian breed .................................................................................................... 11
2.5.2 The New Zealand Romney ....................................................................................... 17

CHAPTER THREE: CASE FARM DESCRIPTION AND MODELING METHODS 20

3.1 INTRODUCTION .................................................................................................................. 20
3.2 FARM CASE STUDY .......................................................................................................... 20
3.2.1 Physical features ......................................................................................................... 20
3.2.2 Stock Policy ................................................................................................................ 21
3.2.3 Pastures ...................................................................................................................... 22
3.2.4 Pasture growth rate data .......................................................................................... 22
3.3 CURRENT SYSTEM .......................................................................................................... 23
3.4 MODELING PROCESS ....................................................................................................... 25
3.4.1 Physical comparison .................................................................................................... 26
3.4.2 Financial comparison ................................................................................................. 27
3.4.3 Risk analysis ............................................................................................................... 29
3.4.4 Investment analysis .................................................................................................... 30

CHAPTER FOUR: RESULTS ......................................................................................................... 33

4.1 INTRODUCTION .................................................................................................................. 33
4.2 LIVESTOCK WINTERED AND PERFORMANCE LEVELS .................................................. 33
4.3 EWE LIVE WEIGHT PROFILES ........................................................................................ 34
4.4 HOGGET LIVE WEIGHT PROFILES ............................................................................. 35
4.5 TOTAL AND PER HECTARE LIVE WEIGHT .................................................................... 36
4.6 FEED SUPPLY AND SHEEP DEMAND ........................................................................... 36
4.7 PASTURE COVER ............................................................................................................. 38
4.8 PASTURE PRODUCTION AND UTILISATION ................................................................. 38
4.9 STOCK UNIT (SU) EQUIVALENTS .................................................................................... 40
4.10 ANNUAL DRY MATER INTAKE (DMI) .......................................................................... 40
4.11 SHEEP AND WOOL SALES .............................................................................................. 41
4.12 MEAT AND WOOL INCOME ........................................................................................... 42
4.13 COST OF CAPITAL (COC) ................................................................................................. 42
List of tables

Table 2.1: New Zealand lamb, mutton, beef and wool production. (Source: NZMWBES 1996-97) ........................................6
Table 2.2: Sheep livestock export from New Zealand (Source: NZMWBES, 1996-97) ............................................................7
Table 2.3: New Zealand’s registered sheep commercial population (Source: Stewart, 1996) .........................................................9
Table 2.4: The registered sheep population in New Zealand (Source: Stewart, 1996) .................................................................10
Table 3.1: Net herbage accumulated rates for the base Rn x Rn system at Tuapaka .................................................................23
Table 3.2: Characteristics and performance parameters for Romney sheep flock at Tuapaka .......................................................24
Table 3.3: Characteristics and performance parameters for the three sheep policies .................................................................25
Table 3.4: Key physical and financial performance indicators using in the comparison of the alternative sheep policies ..........27
Table 3.5: Sheep schedule prices and wool values for the different sheep policies ($/head) .........................................................28
Table 3.6: Financial parameters used in the comparison of the sheep policies for the case farm ..................................................29
Table 3.7: Template describing the initial flock structure for the Rn x Rn flock ..............................................................31
Table 3.8: Ram requirements for the transition from the Rn x Rn to the EF x Rn flock ..........................................................32
Table 4.1: Livestock wintered and performance levels for the three sheep policies .................................................................34
Table 4.2: Live weight of animals on the farm (total and per hectare) on 1 July for the three sheep policies ..............................36
Table 4.3: Total feed supply and sheep and cattle demand per month (kg pasture DM equiv./ha/d) for the three sheep policies. The cattle feed demand (3275 kg DM/ha) was identical for each sheep policy .........37
Table 4.4: Pasture grown (kg OM per ha) and its utilisation (%) under three breed policies. The DM consumption of the sheep is decomposed by class and the percentage values are the annual consumption per class relative to the Rn x Rn policy ........39
Table 4.5: Calculated annual DM intake of sheep classes of three breed policies and estimated SU equivalents for each stock class relative to the base ewe consuming 526 kg DM/ewe ..................................................40
Table 4.6: Decomposition of annual DM intake by sheep class for the three sheep policies. Values are per flock and per hectare, and the proportional intake of other sheep classes relative to the ewes for each breed (=1.000). The percentage (%) of feed eaten are by class within the respective breeds ...............................................41
Table 4.7: Characteristics of animal and wool sales for the three sheep policies .................................................................41
Table 4.8: Live weight sold and wool income for the three sheep policies......42
Table 4.9: Per head values and the total farm and per animal class cost of capital (CoC, $) values for the three sheep policies, assuming an interest rate of 5.6% per annum.................................................................43
Table 4.10: Financial attributes of the three breed policies: income, expenditure, enterprise margin (EM) and the farm EM............................................44
Table 4.11: Application of alternative decision criteria reflecting the different emphasis a farmer may place on risk in the selection of a sheep policy on the basis of EM per hectare ($).........................................................46
Table 4.12: Age structure, production, and gross margin of the Rn x Rn flock from 1998 to 2004, the period it would take to achieve a transition to an EF x Rn flock..........................................................47
Table 4.13: Age structure (at 25 September) production and gross margin of the Rn x Rn flock from 1988 to 2000..................................................48
Table 4.14: Effect of different discount rates on the Net Present Value (NPV) for the Rn x Rn versus the EF x Rn breed options (including the 6 year transition).........................................................48

List of Figures

Figure 2.1: Growth of the New Zealand sheep population from 1950 to 1997. (NZMWBES 1996-97). .............................................................5
Figure 2.2: Sheep numbers and lambs tailed 1960-1997 (Source: NZMWBES 1996-97).................................................................6
Figure 4.1 Ewe live weight profiles for the three sheep policies.............35
Figure 4.2 Ewe hogget flock replacement growth profiles by breed option...35
Figure 4.3: Annual distribution of feed supply and total demand for the three sheep policies (kg DM equivalents per hectare per day)...........37
Figure 4.4: Pasture cover profiles for the three sheep policies..................38
Figure 4.5: Summary of the cumulative frequency of the total farm Enterprise Margin (EM, $/ha) for each sheep policy and assuming an identical cattle policy.........................................................45
Figure 4.6: Annual pasture consumption by sheep if the Rn x Rn flock is maintained versus the transition to an EF x Rn crossbred flock............47
Figure 4.7: Annual farm GM for the sheep enterprise during and after the transition from a Rn x Rn flock to an EF x Rn crossbred. The GM from 2006 was assumed to the same as that for 2005..............49

List of Appendices

Appendix I. Gross margin and sensitivity of returns to wool and lamb price for the three sheep policies.........................................................60
Appendix II. Risk analysis of the gross margin for the three sheep policies...62
Appendix III. Frequency distribution and cumulative frequency (%) of the gross Margin for the three sheep policies...........................................65
Appendix IV. Procedure to obtain values for alternative decision criteria to select a sheep policy on the basis of the EM per hectare..................66
Appendix V. Transition effects of changing from the Rn x Rn flock due to the introduction of the EF x EF and EF x Rn rams..........................67
Appendix VI. Transition effects on the gross margin of changing from a Rn x Rn to an EF x Rn flock through the introduction of EF xEF and EF x Rn rams .......................................................... 70

Appendix VII. Age structure effects during a six year period on the Rn x Rn flock. .................................................................................. 72

Appendix VIII. Effects on gross margin during a 6 year period on the Rn x Rn sheep enterprise ........................................................................ 75