



Milking with a long-term plan

Sharemilking in Taranaki this season, Charlotte and Sam Lawn will move east next year with plans to be in beef in the future. Jackie Harrigan reports.

Thinking laterally and being prepared to move regionally has helped Charlotte and Sam Lawn achieve farm ownership, along with working in with family and being brave about making calculated moves.

Charlotte and Sam met at Lincoln University and Charlotte moved to Sam's home province of Taranaki in 2012 and has worked as an agrimanager for ANZ for five years.

The couple are now married, are 27 and 28 and sharemilking on a 450-cow Stratford farm for the Mason family, but Sam has always been brave about being ahead of the curve.

"If you have some nous around your financials and you surround yourself with similar people it's easier to leapfrog into the industry."

Sam leased a dairy farm straight out of Lincoln and later with his brother Hamish and his wife Emma, invested in a 750-hectare, 6000-stock-unit sheep and beef farm in north Taranaki in 2013.

"Hamish and I were both sharemilking and he sold his herd and exited dairying and we borrowed a whole lot of money and bought the Uriti Valley property in a partnership."

Sam has enjoyed being a shareholder,

'We became aware of the Oringi property and we investigated it and saw it had great potential for increasing production – the bones of the property were there.'

saying he loves getting on to the drystock farm, picking up a handpiece and helping with the sheep and cattle work.

The experience has cemented the view that the pair don't want to be tied to a cowshed for their farming careers, and they have set their sights on a beef block.

"Dairy farming at scale is a great way for us to be able to get to that end point – it's hard to beat that monthly milk cheque but there is more to farming than cupping cows."

Sam and Charlotte were looking for ways to get into farm ownership and keen to get a foothold, so she could put her

LEFT: Working together has helped Robert Mensen (left) leap forward into a contract milking job, while Charlotte and Sam Lawn were able to jump into farm ownership.

RIGHT: Oringi Pastures is an excellent stepping stone for Charlotte and Sam Lawn towards their longterm goal of beef trading and drystock block ownership.



FARM FACTS

- Oringi, Dannevirke
- 250ha milking platform
- 170ha freehold (90% flat and mowable), 90ha (rolling) lease block in the middle
- 580 cows, 150 younger cows on OAD
- 60-bale rotary dairy with ACR
- Two 400 cow feedpads for feeding supplement
- Production: 200,000 kg MS target
- 2/3 cows wintered off, young stock grazed off from December.

day-job salary into a mortgage or reducing debt, but were wary of buying in an area where land prices would constrain them to a small block and doing all the milking themselves.

"We have an aim to be out of the cowshed by the time we are 40, and a small farm in Taranaki at an average of \$60,000/ha for good quality land would be all we could afford, locking us into farming with no staff and having to do all the milking ourselves, not having the scale to have a

contract milker. Even in Canterbury we would be facing the same issues of buying a smaller farm and being back in the shed," Charlotte says.

"For a young person trying to get into land ownership, you have to be looking outside the box," Sam says.

Charlotte was aware a number of her clients had been looking at land in the Taranaki area and says at \$23-26,000/ha it was a lot more affordable.

"We became aware of the Oringi

property and we investigated it and saw it had great potential for increasing production – the bones of the property were there with scale, land type, great infrastructure and it was for sale as a going concern mid-season."

"While we were not actively looking, the property ticked a lot of boxes to give us some scale so that we could eventually farm without being in the shed each day – we enjoy spending time out of the shed and on other parts of our business."

While the timing wasn't right for them, during a sharemilking contract, they were aware of the property and its potential so felt the opportunity was too good to pass by.

"That was the golden thing about this property – it had amazing infrastructure with a big shed, feed pads, a lined effluent pond with a separator and three and a half houses," Charlotte says.

"The farm had so much potential as to what it could do – we could see that – and the price for this area is so favourable compared to Taranaki and Canterbury. The beauty of this farm is it has the mix of country too – the lease block on a 15-year lease arrangement works well, we supply them water, and our farm surrounds the block – even if the lease was lost we would have retained the best milking country, and if times get tough in the dairy industry we can trade beef on the hilly lease block."

"A lot of farms we have looked at have dairy sheds and houses that are at the end of their working life and need a lot of investment – but this farm had had a lot of money spent on it."

Charlotte and her parents, the Mensens, bought the land and dairy company



The Oringi property had great potential for production and pasture improvements and already upgraded infrastructure.

shares and her parents bought the cows, plant and machinery. So the Mensens 100% sharemilk the property and pay a commercial lease rate to their joint venture company with Charlotte to cover the mortgage. As a company they employ her brother Robert as contract milker.

"It just made it quite clean for Sam and me as we already own our own cows and machinery and when we move down here and take over the farm in June 2019, at the end of our Stratford sharemilking contract, we will bring our own cows down."

Their contract milker Robert Mensen is Charlotte's 25-year-old younger brother from Carew in Canterbury. He was managing a local contracting business after returning from travelling overseas after school and was keen to get into dairy farming, having grown up on a dairy/drystock property. With his parents investing with his sister in the Oringi property, Robert put his hand up to go contract milking on the property when the family took ownership in December 2015.

Supported by his parents and father, who was "looking for a project", Robert has coped with the steep learning curve and lifted the property by almost doubling production in the past two years.

"He has managed to shorten up the calving by quite some time and regrassing and good pasture management has seen it making much more milk," Sam says.

Rob says the support he has had from his father and from the staff has helped hugely.

"Mum and Dad were up here once a month in the first year, and now we talk every day, as well as seeing a farm consultant every three months."



Doing the family business: Sam, Charlotte and Robert are in constant contact about their combined family business, Oringi Pastures.

Charlotte does the wages and the business accounts and, as a banker, has set up the business structure for the family partnerships.

Robert says it's been a challenge, one he has enjoyed and it's been a great experience for when he returns to Canterbury and moves into contracting and equity on his parents' farm.

"The experience has given me a great leap forward into the industry."

Production on clay

The heavier clay-based soil on the Oringi farm is definitely a constraint and grass growth is much lower than the Taranaki and Canterbury soils types allow, Robert says.

With a clay base, moisture sticks around and cows need to be wintered off to protect the soils, he says.

"Down here it's so wet and all of a sudden, then it's dry – that's why the land is so much cheaper," Charlotte says.

While the grass still grows a little in winter, annual pasture grown is around 10 tonnes/ha, compared with 14 t/ha average in Taranaki and Canterbury growing around 17-18t/ha under irrigation.

"Farm working expenses are definitely higher – we are budgeting on \$3.40/kg milksolids (MS) excluding wages, for when Sam and I take over and with a similar system in Taranaki we would be looking at \$2.80/kg MS, excluding wages. A lot of that extra is the cost of wintering two-thirds of the cows off – that is a big part of it financially."

The system 2-3 farm relies on imported palm kernel and maize silage, with surplus grass made into silage on the platform and fed out on the feed pad. The second sawdust pad is used for calving cows as well. Turnips are grown as a summer crop.

"We tried fodder beet on the farm and it worked but the soil structure is not right for it – the results have held the paddocks back this season," Robert says.





Charlotte's tips for buying in an unfamiliar area: ask questions and seek lots of information, it may take a while to find a property but sometimes things fall into place.

ENVIRONMENTAL CONSTRAINTS

Because of the concerns around the One Plan regional plans undertaken by the Horizons regional council, the Lawns and Mensens employed the services of environmental consultant Anne-Mary Jolly from Ballance to investigate the compliance and permits before they purchased the Tararua farm.

"We found that what we wanted to do was within the plan – we were lucky the previous owners had prepared a good base file and the numbers were going to work."

"Lots of people get scared of the region, but having the right professionals in the business to advise you means you can go forward with full knowledge," Charlotte says.

"We want to reduce the nitrogen leaching and ultimately get more efficient at producing more for less nitrogen leaching.

"We were lucky that the mitigations are really business as usual, there were no big spends needed to bring this farm up to compliance – that a part of why it was so attractive to us.

"Not all farms are like this – and I think that is going to be reflected in the land prices in the future," she says.

Sam reflected that farms with poor infrastructure are not selling as they used to.

"There are so many unknowns in dairy farming at the moment, it might reflect in the number of farms coming to market and the prices softening, particularly in that B class land and poorer dairy farming areas," he says.

"For young people, it's becoming easier at the moment – the farms are there to buy and you're not having to compete with older neighbours with cash.

"It might be the changing face of dairy farming – allowing younger people to get in. So many older farmers are not interested in the increasing amount of paperwork involved with running a business."

BEEFING UP THE BEEF

Charlotte and Sam Lawn are keen to take over the Oringi farm in June 2019, leaving Robert to take all his hard-won experience and the herd of cows back to Canterbury into his new role on the family farm.

"This farm will be an amazing stepping stone for us," Charlotte says, adding they will use it on their journey to an eventual future growing and trading beef, which they are already enacting plans for.

Sam has been working on a plan to calve the same number of 580

KEY MITIGATIONS

- Effluent area needed to be larger, but the ponds are now emptied and spread across an additional area of 7ha of non-effluent pasture to comply
- Being careful of the urea spread – not on to effluent area
- Using feed pads for feeding supplement
- Wintering 2/3 of the cows off the platform
- Reducing the cropping area to 10-12ha.



Robert Mensen: Deep diving into a contract milking job for Charlotte and their parents has kickstarted his career in the dairy sector and set him up with great production results for his CV.

cows but to mate the majority of their herd to beef sires so that every calf born will be a potentially high-value beef calf.

"We will buy in young empty cows and mate them for replacements," Sam says. "I know it won't help the fertility of the herd, but it gets away from having young cows on OAD that would otherwise melt from milking on the hills under a twice-a-day system."

"They will be older, and handle being milked twice-a-day and we can get 400kg MS from day one rather than 300kg MS on OAD."

"Plus, you don't generally get a valuable calf out of the heifer, but we can get a calf worth \$200-300 from an older cow having a good early beef calf. Basically, our replacement rate for bringing another cow into the herd rather than a heifer is less than half of what you sell a cull cow for so my theory is we can afford to do more if our empty rate blows out – and we should be making more milksolids – I don't know if it's going to work, but we are prepared to give it a go.

"It will simplify the management and lower costs too – with less calves to feed and lower grazing costs."

Sam has already been mating the bottom end of his herd to an easy-calving Charolais AI bull and is thrilled with the "cracking calves".

"Hamish ended up mothering some on to nurse cows on the Uriti farm and we sold 25 in the early Taranaki weaner fair calves for \$1040 a head at 240kg – they were magnificent."

"We are playing around with some Speckle Park genetics too and we have some embryos in some cows as well."

Sam's enthusiasm for the beef industry is obvious – admitting he "doesn't even sound like a dairy farmer".

"This place has lots of potential for diversification and we have lots of ideas – I think if you are not trying new things you are never going to improve your system."

Sam and Charlotte aim to be out of the cowshed by the time they are 40 and closer to their planned lease or purchase of a dry stock farm.

"We will be self-sufficient in our beef stock – this dairy farm will be a feeder property for the dry stock block."

