- INEWS

2019 OUTLOOK

FACIAL ECZEMA

LEPTOSPIROSIS



2019 - WILL THE GREAT FORM CONTINUE?

BRENDAN JAMES

2018 was a year of contrasts. Sheep farming suddenly talked about as a cash cow, a new exotic disease reared its head and made a real nuisance of itself, the UK continued to look shaky with Brexit deals and non-deals and the US was like opening a box of chocolates every day with Trump - you have no idea what you will get. The All Blacks' seeming world domination doesn't look so dominant anymore and the Blackcaps have won five series in a row (would have got great odds on that a few months ago). So what's in store for us this year?

The sheep industry (with the exception of wool) is delivering better returns than ever but how sustainable is it? We saw a peak in 2012 followed by a deep trough and none of us want to return to those turbulent times. The current story looks a bit different however with seemingly low inventory in meat companies and new demand from new markets making the supply/demand curve much more appetising. It looks like beef will hold its own and we appear to have left the commodity price volatility of Dairy behind - touch wood. If you own deer you're definitely in the money and based on overseas market demand there is no reason to think it won't continue into the short/medium term future.

The key macro market drivers outside of consumer demand that dictate what farmers are paid at the gate are exchange rates, which are in turn linked to confidence levels and risk appetites in some of the larger European markets, the USA and Asia. A couple of highlights are noted below:

The NZ dollar is picked to continue to fall in value against our major trading partners and will sit at around the USD\$0.62 as an average for the year. So again according to the experts we will see a continued, sustained fall from \$0.70 we saw in 2017 and \$0.67 in 2018 (which incidentally we picked bang-on). The Euro and GBP are also expected to strengthen but the milestone date of March and Brexit will have a massive bearing on just where those trade at during the year. Some commentators are picking GBP £0.44 and Euro €0.49, but I have my doubts given the shenanigans in December with the British parliament and politicians.

Putting aside Brexit, the remainder of Europe looks fairly stable (as long as the French stop rioting) and Asia also seems relatively stable depending on the outcome of the USA-China mini trade war.

The availability of credit and bank's appetite for risk continues to edge upwards from the lows of the early to mid 2010 decade. Interest rates are not expected to increase and we are seeing some aggressive pricing in the market from banks wanting to grab market share - great if you're in the market for borrowing.

Economic growth has definitely slowed but is still very much in the positive. The car is not driving as fast as it once was and is possibly prone to the odd splutter towards the middle/end of the year. Having been to a few holiday spots recently, tourism is certainly doing its bit - there are more tourists than kiwis in some spots!

The Hawke's Bay and wider East Coast region is pumping. Population growth, tourism, horticulture, construction and Sheep and Beef farming is all having an impact on increased disposable income and general confidence. It's great to see the region up towards the top of the stats as opposed to near the bottom and it's hard to see the current trend changing. Is the Bay the new Tauranga??

We love sheep and we don't think there are any better places in NZ to farm them. We also love it when our sheep farming clients are generating excellent profits which as mentioned previously look sustainable.



SHEEP, BEEF AND DEER SECTOR The latest beef and lamb NZ forecasts highlight the following;

- The number of sheep and breeding ewes continue to fall (2% in the North Island in 2018) and it will be interesting to see what effect the increased farm-gate prices have on replacements it must be tempting to sell while prices are so good!
- EBIT performance on farm is expected to increase again on 2017-18, mainly on the back of fantastic lamb returns make sure you are saving some cash for the tax-man.
- The short and medium term outlook for lamb continues to looks strong. Last year we mentioned \$100 per lamb being the new norm, hopefully \$130 is the new norm for 2019.
- Wool prices continue to be about the only bad news story in the sheep, beef and deer sectors. There continues to be lots of talk from industry leaders but it never seems to translate into demand. How about we ban synthetic carpet in NZ - that will help!
- Beef returns continue to look like the steady ship. To a large extent the US manufacturing beef market drives our price and closely linked to that is the lack of rain in some parts of the US. A couple of cents drop in the USD will help the beef boys continue with the solid returns seen in the last few years.

As we said last year, deer is just flying at the moment, record velvet and venison prices with demand out-stripping supply mean it's a great time to be farming deer. No-one can see any reason for this current situation changing; will it mean more deer and deer famers in HB?



DAIRY SECTOR

The latest forecasts from all of the big banks has the forecast milk pay-out at bang on the \$6.00 mark. The number of farms on the market nationally, increasing environmental regulation and Mycoplasma all point to less than more confidence in this sector. Milk powder continues to drive the pay-out and we are at the mercy of commodity markets in this regard. It would be great to have more value-add products manufactured here in NZ, this is talked about on a very regular basis but not a lot eventuates which adds to the pay-out received by farmers. Maybe with a new Fonterra CEO there will be new ideas. Cont'd pg 4

FACIAL ECZEMA

Facial Eczema is always a cost to animal performance. The trick is how to minimise the consequences and therefore the cost.

With the long term climate change suggesting warmer weather, at some stage most farmers along the East Coast will need to have a facial eczema strategy for the welfare of their stock. Unfortunately these strategies don't develop overnight and some planning and long term views need to be taken.

There are only 3 realistic options currently on the table for breeding ewes:

CROPS – ELIMINATE THE EXPOSURE TO THE SPORES. A GREAT OPTION.

Pros – could be a higher quality feed on offer compared to existing pasture. This means it not only eliminates spore ingestion but it is likely to have flushing effect, although lucerne and red clover are not suitable.

Cons – hard to budget on how long they need to be on this feed because of the vagaries of the length of the facial eczema challenge period. Are crops economically viable for this purpose?

Scenario

With 1000 ewes currently lambing 120%. If you got an extra 10% lambs then at \$3.00/kg LW for a 25kg lamb that is an extra \$7500 in income.

Cost of the crop (rape) to carry 1000 ewes (eating 1.5kgDM/day/ ewe) for 6 weeks is...

13Ha (5 tonne crop) at \$700/Ha to plant it = \$9100 (doesn't work financially!)

The breakeven point for this is an extra 120 lambs or 12%. Another way to look at it is not losing 120 lambs that might have not made it through to sale from a poor scanning result and/or ewes packing up at lambing.

What this crude calculation doesn't take into account is factors including....

- 1. Is the eczema period only six weeks?
- 2. The extra grass grown when they are off pasture for six weeks in autumn. This might actually set you up nicely to hit the magical 2000kgDM/Ha average cover by 1st May heading into winter.
- 3. The crop needs to be managed for a second grazing if that was the plan or you may just want one bulky crop.
- 4. We need to also consider cost (financial and environmental) and outcomes from putting the paddock back into pasture.
- 5. To get 12% extra lambing percentage is roughly around a 20% scanning lift.
- 6. Ewe lifetime performance is improved, dry rate lowered and ewe death rate lowered.



If you are scanning less than 155% and poor feed quality and/ or eczema are risks for you then crops could be a viable option. You could trial it on a smaller scale with the B mob or light ewes first until you get the recipe/management perfected and then expand it to the whole mob if the gains are obvious. We have experience in use of crops at this time of year and can help with the planning.

Zinc capsules - prevent the toxin damaging the liver

Great short term option, although no one likes administering these big capsules and the ewes may remember it.

Pros – works well when administered at the right time (immediately prior to the rise in counts).

Cons – if the eczema season isn't aligned with the mating season (ie is early or late) then you may need a second capsule to get through mating with no upset to ewe fertility.

Conclusion:

Easiest short term management tool when administered at the right time. Long eczema seasons can be problematic meaning a second capsule may be required.

Genetics – let the animals cope successfully with the challenge

Best long term option but you may need to use option 1 or 2 along the journey before adequate tolerance is reached. It is a highly heritable trait (h=0.45).

There are a few strategies to assist in the development of a facial eczema ewe flock to minimise the wastage this disease causes.

- Rams these supply 80% of the genetic merit to the flock. Buying rams from flocks testing at the highest levels (0.6mg/kg) is the best way to go. However it is not perfect. FE Gold is the brand developed to highlight these breeders dosing at the high level and it's a great achievement taking 20-30 years of commitment to get there. However only 10% of the rams need to be dosed with the sporidesmin toxin, with no or minimal resulting liver damage, to qualify each year. The other 90% are not dosed. Hopefully the breeder is spreading the tolerant genetics through the flock effectively to make sure the sale rams will all offer the same reputation of a dosed ram. This can be backed up by looking at the SIL figure (now nPROVE) for DPX or dual purpose eczema tolerance. This is the figure you need to give close attention. The bigger the number, the more tolerant they are.
- Ewe hoggets during an eczema challenge period, there will be a range in severity of damage occurring to the liver of the ewe hoggets. You can identify which ewe hoggets are affected compared to others with a simple blood test. Note- the skin lesions you see in visibly affected sheep actually only occur in a small portion of the mob unless the challenge is severe.

The test costs \$12/head + \$1/head for our techs to take the sample + travel.

Being in an inconsistent area for FE means the ewe hoggets may not be exposed every year and so this test may not be able to be used every year.

CONCLUSION:

Using genetically tolerant rams and choosing the most tolerant ewe replacements will result in rapid progress for this trait.

All terminal sires should be treated with a zinc capsule if there is any risk around mating. Terminal sires love to die of facial eczema over mating given the chance!

NB: Have not included fungicides as an option but is used with mixed success.

DAVE WARBURTON



MESUROL POISONING IN DOGS – SLUG BAIT USED FOR SOME CROPS

STUART BRUERE

Three dogs presenting with signs of being uncoordinated, muscle tremors, heavy salivation and harsh breathing. The farmer owner had discovered 4 of his dogs had broken into a 25kg of Mesurol (methiocarb 20gm/kg). There was an extra label on the bag that notified that the product should be kept away from dogs. This was an "add on" label – not on the original label. Methiocarb is quite an old toxin and is preferred to

organochlorines as it does not stay in the environment for long periods. The antidotes used reverse the effects and are known as acetylcholinesterase reactivators.

The call came in late on Sunday night– three of the dogs had found their way back to the farmer's house. He noticed they were wobbling and phoned in straight away. The dogs were immediately driven in his ute to the clinic. This took about 30 minutes. By the time they arrived, one dog had died and the remaining two were very wobbly and salivating badly. Antidotes and intravenous solutions were required. It was pretty

WE LIVE IN A SEA OF...

Leptospirosis is a bacterial infection and an important zoonotic disease in New Zealand, especially for people working with livestock, such as farmers, abattoir workers and veterinarians. The bacteria colonises the kidney and genital tract of a maintenance host (cattle, pigs, rats, possums and hedgehogs are all implicated here) and is shed in the urine which is a major source of contamination and infection to accidental hosts (sheep, deer and other animals as well as humans) in which clinical disease can occur. It is a major risk to human health and should be part of your farm health and safety programme. This article specifically refers to leptospirosis causing abortion in cattle: that's dairy and beef cows!

L. hardjo-bovis and L. pomona are the two main causes of cattle abortion.

L. hardjo-bovis infected cattle may not show obvious clinical signs, sometimes they have a fever, or just appear unwell or have loss of appetite. Lactating cows may develop mastitis or a drop in production. Abortion or stillbirths can result even 6 to 12 weeks after infection. It was estimated that about 10% of abortions in beef cattle may be caused by L. hardjo-bovis or L. pomona. Chronic infection of the genital tract may result in infertility, abortion, stillbirths, and birth of weak calves. Most commonly cattle show no clinical signs but can create a carrier

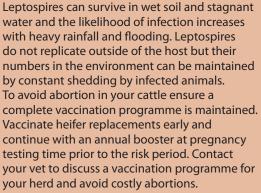


intense, however; they both responded to the treatment and the symptoms subsided quickly. Due to the highly excessive muscle spasms caused by the poison, both dogs also had very high temperatures (over 40C), in one case 41.6C. This can be life threatening. To correct this, both dogs were treated with cold intravenous fluids. This brought the temperatures down to normal within 30 minutes.

Within 2 hours both dogs were standing and looking normal. Overnight they passed bright blue faeces – this is the colour of the dye used in the slug bait. They were well enough to go home the following day. Another of the dogs was found the next morning suffering milder effects. He was also treated. The "take home message" from this is obvious – Mesurol is a highly toxic slug bait. It must be stored in a locked cupboard well clear of dogs and children. Often the labels for farm chemicals will state they have an animal repellent in them – this is not a surety that animals won't eat them.

CAMILLE FLACK

state in the kidneys associated with long term urinary shedding. *L. Pomona*, like L. hardjo-bovis, can cause a fever and inappetence which may go unnoticed and can also cause abortion, still births and birth of weak calves. Abortion can occur after the 4th month of gestation during the acute stage or 6-12 weeks after infection. Most commonly, abortion occurs in the sixth or seventh month of gestation. Mastitis and a drop in production also occur. Mastitis due to leptospirosis does not respond to treatment and does not create an inflammatory reaction in the udder but does cause milk to resemble colostrum. Calves can suffer greatly from L. pomona infection; they will have a high fever, depression, haemolytic anaemia, jaundice, pale mucous membranes, red water and may die within 3-5 days.



2019 - continued from page 2

What does all of the mean for us in Hawke's Bay and the East Coast?

In short, the news is pretty much all good. Especially in the HB area.

- Sheep, Beef and Deer farmers look like they are in for another really good year. Lots of grass, great returns and a reasonable outlook should translate into lots of smiley faces in the clinic!
- The Dairy industry looks unspectacular but solid enough. Hopefully a drop in the USD and increased demand will push up the pay-out.
- Your farm working expenses including interest should be pretty stable. Now's the time to do all of that fencing and development work that you have put off to get some tax deductions.

2019 has all of the hallmarks of a great year for you, our clients. We are here to help - making the right decisions at the right times is critical to maximising production, no matter what species or combination thereof that you farm. Animal health is a big part of your business and we have a great team of people to help you be the best you can be. Please talk to our staff in any of our clinics on how you can make 2019 the best it can possibly be. 2019 is also one of those years where two huge world cup tournaments - rugby and cricket take place. I reckon this year more than ever we have a chance of winning both (as long as someone takes Ireland out for us at RWC 2019). Enjoy your year and thanks for your on-going support!

A COUPLE OF THOUGHTS BEFORE AUTUMN: ONE FOR LAMBS, ONE FOR CALVES.

Getting the timing right on some of our articles can be tricky. Too soon and you might forget when the time comes on the farm, too late and you've already done the job or missed the chance. We agonise about timing often so sometimes you get the same story twice. In this case, here are a couple of things to think about around about when the next newsletter is due, so that you don't miss the boat.

Firstly, for sheep farmers - Knock Out drenches. More specifically, Startect and Zolvix Plus. Nothing else. The idea of Knock Out drenching is firmly ensconced in sheep drenching plans on many sheep farms now so this is a reminder to slip one in at about the fifth lamb drench of the season, usually mid-March to mid- April. The idea is sound and what you are aiming to do is kill any tough resistant worms that have been surviving the last few routine drenches, thus stopping them breeding and contributing a disproportionate amount of offspring to what is floating around your farm for the rest of autumn and winter.

To add another job in there too, aim to do a Drench Check seven days after using either one. Drench resistance is fairly permanent so keep a close eye on how (not "if", sorry) it develops on your farm. Both these products rely on a helping hand from abamectin and resistance to this chemical is widespread – you cannot blindly assume that Startect and Zolvix Plus will work on your farm. They have already got the odd issue on some farms. So monitor too, easy as sending in ten samples.

Ideally, do all the lambs on the place as you want to kill off the resistant worms in everything that has been getting regularly drenched. In practice, this means just the ewe lambs for most breeding units. If there are a few trade lambs about and they are a month or so off going, there may be little point in drenching them. But if you have oodles of trade lambs or are doing plenty of winter lambs, they should be done too.

Secondly, for beef breeders – a sensible change of plan for copper to weaners. Recent NZ work with Multimin showed benefits for young calves and recently weaned calves. We have been keen to see relevant NZ work for some time but we also see a good fit for Multimin in beef breeding systems. Many farmers aim to supplement their calves with copper at weaning or soon thereafter, usually with Copperguard. At that time of year, copper levels can be adequate, although they are always expected to dwindle into winter. Giving copper is fraught with danger for a number of reasons, including if calves are stressed or have excellent copper already. Multimin has a good fit here in that the copper is supplied at safer levels, and Multimin also provides some additional benefit to the calves over the immediate postwean settling period.

The longer acting copper preparations are also unlikely to provide copper right across the period in which copper will go lowest – through until September in our experience, maybe even later. That single copper shot at weaning is likely to have long gone by then so if you want serious copper, you need two shots anyway.

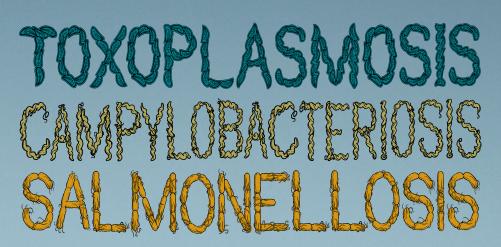
So we suggest that you consider using Multimin at or just before weaning those big and beautiful beef calves, then aim to give a longer acting copper top up with Copperguard nearer the start of winter. We are keen to see this practical and sensible change as it adds a degree of safety as well as good on-farm options with great timing and little change required. And we are happy to talk through the best timings and even some monitoring with you.



CONGRATULATIONS



Congratulations to Second Year Cadet at Smedley Station Fergus Smith who received the Vet Services Prize. Fergus' family farm at Toko in Taranaki. Fergus is the nephew of Rob and Ann Smith who now live in UK. Ann worked in our Waipukurau clinic as a receptionist and typist in 1991-92. A small world indeed. Fergus Smith (third left) with the 2018 graduating cadets and Smedley Station manager, Rob Evans.



It's a lot easier protecting against them than spelling them.



CONTROL THE RISK OF TOXOPLASMA CONTROL THE RISK OF CAMPYLOBACTER CONTROL THE RISK OF SALMONELLA CONTROL HOW YOU INCREASE LAMB NUMBERS

They're invisible, and they're the scourge of sheep farmers. They cause sheep to abort - that's the bad news. The good news - it's easy to protect against them.

MSD Animal Health have a complete range of sheep vaccines that improve flock performance – including vaccines that help protect against losses from Toxoplasma, Campylobacter, Salmonella, and that are proven to increase the number of lambs born to ewes.

Our sheep vaccines are developed here, in New Zealand, for New Zealand - as they have been for nearly 80 years. Just ask your vet.

We said it was easy.

MADE FOR NEW ZEALAND.

OUR VET TEAM

Napier &	Clare Ryan, Dave Kruger, Dave Warburton, Georgina Campbell, Greg Tattersfield, Helen Crawford, Ian Leadbetter,
Hastings:	Joao Dib, Neil Stuttle, Rachel Griffiths, Rachel Muir, Richard McKenzie, Roger McKinley, Sharné Boys, Stuart Badger, Veronika Pipe and Vicki Gilchrist.
Waipukurau:	Annelise Enslin, Anyika Scotland, Anne Gelling, Camille Flack, Caroline Robertson, Geert Gelling, Harry Whiteside, Kathryn Sigvertsen, Lucy Dowsett, Mike Fitzgerald, Nicolette Adamson and Richard Hilson.
Dannevirke:	Corinna Minko, Johnny Atkins, Kate Matthews, Naomi Barrett, Simon Marshall, Sophie-Leigh Anderson and Tim Hogan.
Masterton:	Anne Ridler, Jacques Van Zyl, Louisa Broughton, Naya Brangenburg, Nicola Haglund, Sandy Redden, Sanncke Neal, Sara Sutherland, Sarah Wolland and Stuart Bruere.
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