



Welcome

At Kelso we are determined to make continuous improvement. The ram hoggets to be carried through for 2th selling in November are testament to our strict approach to a disciplined breeding and selection program. Even in difficult times like we have been experiencing, we are confident looking forward and excited about future opportunities.

The move to selling 2th rams has been well received; I would like to take this opportunity to thank all of you for your strong support during the November selling period. We had an 85% clearance of rams - an excellent result.

The recent progeny test results show we are consistently achieving very high CWT to LWT yield of 50% +. We are very excited about these results as it has been a key focus and crucial to achieving simplicity and profitability on commercial farms.

A new product this year is the ram leasing finance available through PGGW. This offers considerable flexibility to cash flows and we think this is an excellent cost effective product. Give me a call if you want to discuss this option further.

Matt Holden.



Three areas we are focusing on at Kelso Tutu Totara are.

1. Only Selling 2th Rams to provide
 - a. Greater selection pressure
 - b. Proven structural soundness and constitution
2. Using Top Progeny test proven sires which are delivering \$8 per lamb advantage due to a combination of.
 - a. Weaning weight advantages of up to 3kgLWT
 - b. Carcass Weight to Liveweight yield advantages of up to 4%
 - c. Schedule advantages of up to 50 cents per kg (based on Progressive Meats Index Value).
3. Ram Leasing



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“ We have used Kelso rams for 10 Years so we can be said to have a pure Kelso flock. During last year which was one of the most difficult in 30 years of farming I have been able to put to rest 3 myths...
1. Kelsos aren't tough - we lambed over 130% after the toughest autumn and cruellest winter
2. Kelsos don't grow - After last winter we got the spring that never was in spite of that we still killed 35 % of our male lambs at weaning averaging 15.2 kg
3. Kelsos don't yield - cull ewe lambs in the last week of May 46% yield.”

James Aitken - Omakere, Hawkes Bay



Weight Advantage of Kelso and Ranger Sires

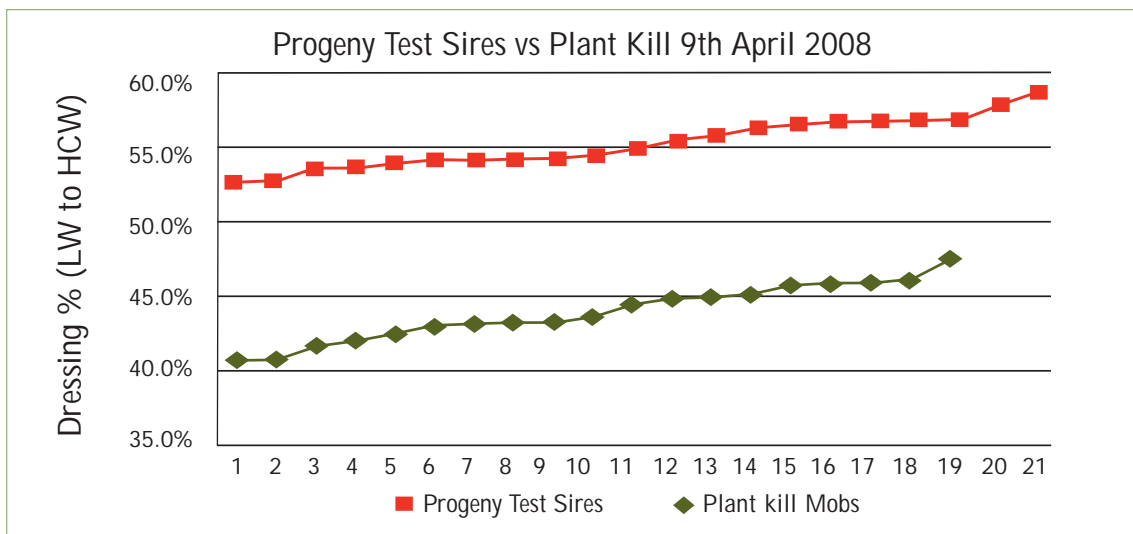
The graph below shows the dressing % of the Kelso and Ranger progeny test sires compared to the plant kill in April this year. The dressing % of the Progeny test sires ranged from 52.5% to 58.2% versus the plant kill for the day which ranged from 40.9% to 48.1%.

The progeny testing program is identifying high yielding sires for use in our breeding programmes. These high yielding sires allow for a higher number of lambs to be drafted at weaning and also deliver a higher return at the same liveweight.

The use of the Progressive Meats Index is also allowing us to identify the sires that are generating the highest yield in the high value cuts of the carcass.

“The boys on the slaughter board commented that they hadn’t seen a line of lambs in ages like the progeny test lambs, they were outstanding considering the season we have just had.”

Tom Goodger - Progressive Meats Ltd.



Figures are Plant Liveweight to Plant Carcass Weight.



“The lamb vigour at birth in our Kelso flock is the main driver behind our good lamb survival, backed up by the good mothering ability. This is common through all of our lambing blocks.”

Andy Bush - Ngatapa, Gisborne

“We are consistently achieving a high survival to sale of a 155%, with all lambs being killed out at our target weight of 17kg. Kelso sheep are performing at a top level for us in all aspects of sheep production.”

Ali Read - Waituhi Kuratau, Turangi



Annual Sire Progeny Testing Leads to Increased Farmer Profits

Each year 500 Kelso stud ewes are mated to 20 elite Kelso and Ranger rams.

This generates 250 lambs per sire which are then killed through Progressive Meats field grading plant in Hastings.

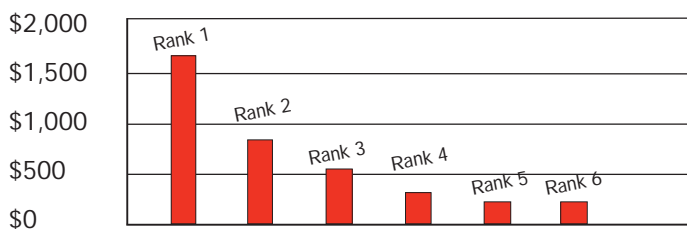
Each lamb is individually measured for growth rate, carcass weight, liveweight, yield and meat value by each carcass cut.

The progeny test is highlighting sires which are generating up to 8% per lamb advantage.

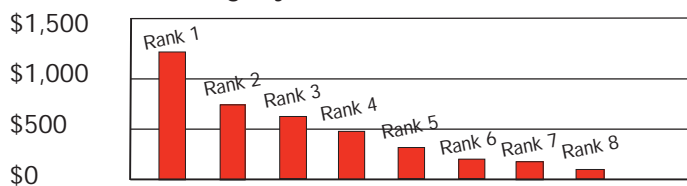


The carcass on the right is by a MyoMA old Kelso sire.

Ranger Progeny Test Sire Values 2008



Kelso Progeny Test Sire Values 2008



The graphs illustrate the extra value generated by the top sires within the Progeny test group from birth to weaning. The graph is based on the lifetime value of the sire assuming 405 lambs are born per sire (matings x 100 ewes x 1.5% lambing). The value is a derivative of lamb growth rate x CWT to LWT yield x kg schedule.





Ram Leasing A aila le

Kelso has a ram leasing plan available in conjunction with P Wrightson. The operating lease is designed to spread the cost of purchasing rams and match payments with your cashflow cycle.

Key Advantages

- The second payment isn't due until 14 months after purchase
- Access to new rams where capital limitations exist
- Frees up capital for on farm investment
- Make payments after lamb income has been received
- Simple cost effective method of financing rams

How does the operating lease work

The payment system consists of 40% of the purchase price on sale day 40% at the end of February 2010 and 2011 the rams remain on farm until the end of May 2011 allowing for matings with the ram team.

The payments for a ram purchased in November 08 would be as follows

Ram purchase Price		800
Payments	Nov 2008	20
	Feb 2010	20
	Feb 2011	20
Rams Returned	May 2011	



The lease is an operating lease for which the payments are generally tax deductible independent tax advice from your accountant is recommended. This compares favourably with funding ram purchases through overdraft facilities where only the interest component is tax deductible.

If you would like to use the ram leasing plan to purchase your ram team for the coming mating season please contact Matt.

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“The Ranger cross lambs looked brilliant, at weaning in November we drafted down to 28kg L. It hit the line averaging 32kg L. The kill sheet told the story yielding 48.8 netting \$70.00 head.”
 Duncan Holden Onga Onga, akesay

kelso. PROGRESSIVE BREEDING FOR PROGRESSIVE FARMERS *Order your rams now*
 CONTACT YOUR NEAREST KELSO REPRESENTATIVE

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