

Diversifying in the Awatere Valley to ensure farm succession

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Greg Harris, Sheep, beef cattle and viticulture farmer, Mt Adde, Dashwood, Blenheim,

The 680 hectare farm is adjacent to the Awatere River which forms the eastern boundary. This land features 120 hectares of river terraces rising to 250 hectares of developed hill country and 310 hectares of hard hill country on the Western boundary.

The property features a wide variety of soil types from Dashwood on the flat land, Jordan on the rolling hills and Haldon on the harder hill country.

The Harris family run 210 in calf commercial Angus and 40/50 yearling heifers and 20 yearling bulls bred by Artificial Insemination and elite sires. They also supply steers to Japanese owned Five Star Beef in Ashburton.

The sheep operation consists of 1000 commercial corriedale breeding ewes and 400 ewe hoggets. They also run an elite nucleus flock from commercial and stud ewes with the view to selling rams.

The flatter land is well developed with 40 hectares of irrigation where Greg runs primarily young stock, as well as developing 25 hectares of grapes.

The Harris Family

Greg's grandfather, Clem Harris (a keen farm labourer in the greater Blenheim area) settled Mt Adde as a returned serviceman following a World War 2 ballot. Originally the land was a Crown Lease which Clem had the right to buy. Back then the property had another 500 acres in undeveloped hill country that was eventually sold off to reduce debt with a view to developing the land further.

While Clem and wife Nita had some good financial years due to the wool boom in the fifties and sixties it was a completely different story for his son Ron Harris (Greg's Dad) and his wife Helen who took ownership of the farm in 1983.

Like many farmers in New Zealand Ron and Helen faced a tough existence when the eighties downturn arrived with lambs selling for as little as \$14 a head for 15-16 kg (c.w). However, it is testament to the resilience of the Harris family that they have remained on the land and today are one of only a few ballot farms in their area to have stayed in the family.

Greg believes if his parents hadn't found ways to tighten their belts further (i.e, cutting back on spraying gorse in the hill country) he wouldn't have had the opportunity to farm here. Growing up as the agricultural industry wilted gave Greg an appreciation of how to farm in difficult

conditions and a fierce determination to survive but still farm livestock (which he is passionate about).

“I don’t want to be in the same position as Mum and Dad,” he says.

Because of the financial downturn of the eighties Ron encouraged Greg to pursue another career to provide security. Once finished schooling at Marlborough Boys College Greg undertook a carpentry apprenticeship for 3 years before working as a foreman for 2 years. During that time Greg bought a house in Blenheim to give him further security as the farm struggled.

He worked hard and sacrificed much of his social life in order to protect his future on the farm.

A keen Young Farmers member, Greg was selected to represent New Zealand on a year long Producer Board UK exchange. Upon seeing small dairy units surviving through-out Britain Greg gained confidence in the opportunities New Zealand and Mt Adde had to offer.

Before he left, Greg, Ron and Helen had hopes to develop the farm with irrigation and proceeded with consent applications.

Greg has also completed a Diploma in Agricultural Business Management through AgITO. On April 30th 2005 in Blenheim, the 29 year old will vie for the right to represent the Tasman region at the Young Farmer Contest in July.

The opportunity of irrigation:

Ron and Helen Harris had longed dreamed of putting an irrigation system on Mt Adde’s flat land but could not justify the capital expense for finishing lambs or fattening cattle.

However irrigation became more than a dream when viticulture became a viable prospect in the Awatere Valley.

It started in the mid eighties when the Vavasour family planted 30 acres of grapes after careful analysis of viticulture developments in the Wairau Valley. Research showed that climate and soils were quite similar to that of the Awatere. By 2000 grapes looked like a way to retain the livestock system Greg had always wanted to farm and provide enough financial return to offset the capital expense of setting up irrigation.

Greg believed applying for a consent to take water from the Awatere River and development of the family farm was the only way to ensure his future, and his parents agreed.

At first Ron was a little reluctant because of the debt loading required and the challenges in carrying out the development. His father (Greg’s grandfather) was one of the first to irrigate in the area by hand shifting pipes on a suction hose from the Awatere River. The process proved labour intensive and left a lot of sediment on the paddocks.

However making the decision to irrigate was a lot less complicated than gaining the resource consents.

Originally the Harris’s could only apply for Class C water from the Awatere River because a community group titled Awatere Irrigation Group (AIG) held all the rights to Class B water.

A Class C water consent entitled the holder to only take water when the river was at a high flow i.e winter so a dam would be essential for storage.

The right to take Class C water was granted in September 2001. However AIG were unable to sell their scheme to farmers due to escalating costs (around \$5000/ha) and relinquished their

consent causing the Harris family to secure a Class B consent of 40 litres per second.

However a dam was still required for security in periods of low river flows. Trevor Matuschka of Engineering Geology Ltd, Auckland designed a 110 000 cumec dam which was built by Morris Contractors.

The gorge in which the dam is built is 25m deep and the cost is estimated at \$3 per cubic metre of water stored. All up Greg believes supplying water to the full 120 hectares of land will cost around \$3000 per hectare. Above ground irrigation capital can approximately \$15 000/hectare.

Currently 40 hectares of K Line irrigation is in operation with hopes to expand the system to its full capacity within the next 5-10 years.

Irrigation is concentrated in Autumn and Spring when pastoral requirements are high.

Evapotranspiration can get extremely high in the summer.

“Quite a few farmers told me I’d never make money putting water on grass.”

Greg believes it is viable if value is added and that is what viticulture has offered.

Viticulture a staple farm diversification in Marlborough

In the same way that dairy farm grazing was considered a diversification in the arable industry, viticulture has become a common Marlborough pastoral farm diversification to strengthen the farm’s core business.

Greg believes many people think growing grapes is a difficult and demanding task, and at times beyond a farmer’s knowledge base. However the information age and support from wine company’s enables growers to get up to speed. He also thinks farmers are able to utilise knowledge from growing other crops in their farming systems.

Mt Adde grows commercially on a ten year contract for Delegats Wines which produces the label Oyster Bay.

Delegats offer viticulture advice and support. Greg says their input has made the venture run smoothly. Commercial companies offer anywhere from \$1750/tonne to \$3000/tonne. Greg hopes to average 11-14 tonnes/hectare for the Sauvignon Blanc grapes. He says costs could be up to 40% when full production is reached with frost protection etc, depending on yields.

Development of a vineyard has cost around \$35 000/ha. However that can be offset by the increase in land value.

Although much has been written about future oversupply in the wine market Greg is confident that the world market for good quality Sauvignon Blanc is a long way off saturation.

Business advisor essential

When considering the irrigation and viticulture development the Harris family turned to their accountant for some outside business advice.

Greg believes this was vital to the development and wants to continue to use his accountant as a sounding board.

“For example, he calculated that the cost of other sources of reliable water, as an alternative to the dam, was going to be just as expensive as servicing a loan for the dam.” Managing a diverse operation into the future.

While Greg manages both the vineyard and livestock operations he has been careful not to

spend too much time tending vines as this is labour intensive and would compromise the livestock operation. Therefore contract workers do most of the vine care in the vineyard.

His priority is and always has been to run a viable and successful livestock operation.

Land developed for grapes is seen more as a capital investment that will enable the Harris family to make the developments to their land that pastoral farming could not.

Over the next 10 to 15 years Greg hopes to fully irrigate the 120 hectares he has resource consent for as well as extend the grape plantings.

Standing still was not an option for Mt Adde if the Harris family wanted to keep farming into this century and Greg thinks there will be more changes to come with the potential for tourism on the picturesque property.

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