

Beginning Shepherd - A saga in 10 lessons. Laurie Maus, Hawk Hill Farm, Dunvegan, ON

When I attended this meeting for the first time last year, Murray did a back of the envelope survey as to the number of breeding ewes owned by the attendees. I cannot remember the exact number that was given but it was so many thousand, so many hundred and twenty five ewes. The woman next to me quipped “Who has 25 ewes?” and I said “That would be me!”.

When Ruth asked me to speak today I wondered what I could say to an audience with so many experienced shepherds but the lessons that I have learned as a beginning shepherd apply as much to someone with years of experience as they do to beginners. They actually come not only from my experience as a shepherd but from decades of experience in various aspects of farming.

Once I handed in my title I thought HOW am I going to limit this to 10 lessons but here goes. First I will give the lesson and the reasoning behind it and then I will relate some examples on how we have applied these lessons on our farm and finally I will sneak in an 11th lesson.

1. Make sure that everyone who could be involved is in agreement with getting sheep.

I actually have a questionnaire on our website for families to complete before they get into farming for the first time. I have noticed that raising sheep is often a second career for most people either before or after retirement. Outside jobs, age, other obligations mean that you will have to count on family, friends or neighbors to help out from time to time. Getting sheep was my dream but my husband came on board pretty quickly fortunately by choice because necessity quickly followed. Since we have had sheep I have been laid up three times with health problems for extended periods of time. Right now we have a neighbor taking care of the farm so that Bob could be here. If I didn't have that kind of support I could not have a farm let alone sheep.

But the agreement also has to be on the financial side. Neither Bob nor I want to go back to work off the farm in order to subsidize the flock. We actually sat down with a financial planner and went through the long term implications of farming on our retirement income. We are keeping our operation within the range of that analysis which takes the stress out of our decisions.

As for agreement by my doctor, she just rolls her eyes and sends me off to physiotherapy yet again.

2. Develop a Plan and reassess it yearly

OK so we do not have a formal business plan but we do have things written down and Bob and I regularly discuss our goals, are in agreement with them and how we can meet them. We know each others strengths and weaknesses and take leads accordingly. I am in charge of livestock health, breeding and marketing. Bob is in charge of crops and machinery. What is really important is that we are reexamining our plans and making changes based on experience and analysis of our data. We have set short and long term goals that are realistic for our situation and to be honest are “age appropriate”. The sheep have to pay for themselves and a reasonable part of the farm operating costs and we get our freezer lamb for free. We also raise hay, chickens,

some beef and rent land for an internet tower. Bob does custom snow blowing . The farm is revenue neutral and all our meat is provided. I can see a point when the sheep will provide more than that but that will be a bonus.

3. Research Market demand before you start production.

We used to breed horses. We were good at it and bred some excellent horses. We had a good reputation within our breed. And all that was totally useless because we had not really looked at the market before we got into breeding. We bought in at the peak of the market and it tumbled shortly after. While we couldn't have predicted some of the major economic downfalls, we truthfully didn't do our homework.

This is the data on market price for lamb over the last 30 years from OMAFRA's web site. You notice how the price has cycled a few times over that period. There are probably a number of you in the audience that have ridden that roller coaster. I did a conversion to real dollars based on the consumer price index and actually the price of lamb was better in the 1980s.

Everyone is encouraging shepherds to expand now. My gut and experience says now is the time to stabilize your operation, pay off debts, improve your management, improve your market and then expand when the market prices are low and you can buy in breeding stock for less money. Any investments on your operation should be based on income at the lowest prices not the highest. In the stock market the recommendation is buy low, sell high. The fact that the stock has four legs doesn't make it different.

There is a joke about a farmer going into the bank to get a loan. When the loan officer asked if the farmer had any collateral for the loan, she said she had one million dollars worth of stock. The loan officer asked why she needed a loan if she had one million dollars worth of stock, her reply was "I need to feed the stock".

We took the lesson learned through our horse business to heart when we started with sheep. We live half way between Ottawa and Montreal about 10 minutes from a major highway, near decent sized sale barns and have a few local abattoirs to choose from. Before we started I thought the huge ethnic markets in both these cities would be our market. In fact that is not who our clients have turned out to be. We do direct to consumer, farm gate sales of heavy freezer lambs and sell some breeding stock as they are available (maybe two or three a year). Our clients are higher than average income, higher than average education, computer literate, middle aged or older, environmentally and health conscious city folk are rural folk that originated from the city. It helps that I can understand and relate to that consumer group.

Right now our demand exceeds our production and our lambs are reserved a year in advance. Because we have expanded slowly, I can keep marketing and production in lock step so one keeps up with the other.

While I would love to eventually move into a community supported agriculture arrangement with our clients, our cash inflow and outflow are not totally out of step because we have made sure

that marketing and production worked hand in hand.

That flows into our next lesson.

4. Start small and get better before you get bigger.

When we started in sheep everything we read said to start small and learn with a small flock of about 25 sheep. Well we started with 8 sheep and actually will only be breeding 19 ewes this year. It will take us until next year to make it to 25 ewes and we are going to stick at that number for the foreseeable future... remember the “Age Appropriate” thing.

Right now our focus is improving our management techniques, reducing costs and labour and improving the quality of our sheep. We would not consider expansion unless we could show there was no room for improvement.

I took a business planning course through OMAFRA a few years ago and one of the points that struck home was you could have the same net gain by improving your efficiency as by expanding your operation. The amount you would have to expand to net the same as a 10% improvement in efficiency was really surprising. We know that a 10% reduction in our cost of production would net us about the same as a 20% increase in the size of our operation... and that is an increase without expanding infrastructure or incurring debt. If we had to do either, the difference would be a lot greater.

There are limits to where you can improve efficiencies or reduce costs. Right now our pre-lambing mortality is extremely low and always has been. There is not a lot of room for improvement but we can reduce our feed costs significantly and improve our labour efficiency and livestock handling. It is important we focus on areas where we can get the greatest improvements such as feed costs.

Just recently I read John Marple in the Stockman’s Grass Farmer that states what it should be all about very clearly “Perhaps what is more difficult to remember is that production is not the goal. Profit is the goal.”

5 Research the best breed for your operation and market.

We have an extensive pasture-based system for two reasons. First, our barns are old dairy barns that have been renovated into horse stalls. They are difficult to clean with low ceilings. Second, I have always felt it is healthier for animals to be housed outside with shelter access.

We needed a breed that was hardy, with hardy lambs, did well on pasture and was somewhat predator savvy. I would like to say that all my research lead me to selecting North Country Cheviots but actually it was the other way around. I have liked the look of Cheviots as long as I have been interested in sheep. In my mind they represent what I like to see in a meat animal... a

compact block of meat on four good legs. Because they met the needs of our operation, the breed was an obvious choice for our operation and so far I have not regretted the choice. I love the hardiness of the lambs, the milk production of the ewes as well as their feet and udders.

We discovered Tunis just by a chance. A lecturer at a training session in Barrie raised Tunis so I started to research the breed. I really liked what I read and since we also have a commitment to preserving heritage breeds, we decided to try the breed. Sourcing breeding stock is a real challenge. There are very few breeders in Canada and bringing ewes across the border is too onerous. We have bought a few ewes and two rams, one in Canada and one in the States.

What we really like is our Cheviot/Tunis F1 cross ewes. They appear to have inherited the best of both breeds, grow well, are hardy and are easy keepers on a pasture based system.

We still are on the research and testing phase of finding the best terminal sire for our commercial ewes and our operation. Stay tuned.

As I mentioned our clients are well educated, environmental and health conscious foodies. They have a mental picture of how a sheep operation should look...luxurious green pastures with beautiful sheep grazing peacefully. When they visit, that is what they see. I don't underestimate the market benefit of that visual statement.

It also helps to have a heritage breed that happens also to be fat-tailed for fitting into a niche market.

6. Buy the best breeding stock you can afford from reputable breeders.

This was a case of better luck than management. We had seen a small flock of cheviots at a fellow horse breeders's farm. He knew I liked the breed so asked if we wanted to buy his ewe lambs. Those were our first purchases. They were lovely lambs. When he decided to get out of sheep, he offered the balance of the flock and we bought them sight unseen. Fortunately for us the flock had originated from Lloyd Skinner who breeds very good quality North Countries. We started with a good flock and have several top quality breeders within a reasonable distance for new genetics.

Sourcing Tunis has been more of a challenge. Breeding stock in Canada has originated from a single breeder in Ontario. Demand for the breed is great enough that she only had rams available for sale. We sourced three ewes from another producer and are currently increasing our numbers slowly by breeding our own stock.

I come from a background in dairy cattle and horse breeding where AI is a normal way of breeding. I was extremely disappointed when I found that AI in sheep was so difficult by comparison.

7. Collect, analyse and use your data and learn from it

This is probably an area where quite a few producers let things slip. When you get two scientists running a farm, experimentation and data collection are second nature.

We collect and maintain all health, breeding and production data. We are not yet on Genovis but will be in the future. However we do collect most of the equivalent data.

Our records have allowed us to track progress, make breeding and culling decisions and to be proactive in our health care and nutrition. It also shows you that what you thought was obvious visually is not necessarily supported by the data.

8 Continuous Learning including hiring professionals when needed.

This actually wasn't a lesson that I had to learn but one that I have always believed in. I used to run a professional development program within the federal government for a few years.

Bob and I spend a significant amount of time in the fall and winter going to course, reading and researching and talking to other producers. Sometimes we learn what will help our operation and sometimes we learn what we do not want to do. It never is wasted time.

Scientists tend not to publish negative data, in other words experiments that did not prove the hypothesis you were trying to test. The result is quite often some else tries the same thing... and they don't publish it..and on and on.

As a farmer I really like learning what hasn't worked on other farms as much or more than what has worked. It saves me the time and money repeating what was done.

I don't have a problem bringing in professionals especially early on in an operation. When we call in vets, I take it as a training session. I am sure that I drive my vets absolutely mad asking them questions. However, I rarely have to bring in a vet twice for the same problem.

9. Successful marketing is key to a sustainable operation

The only way farming is sustainable is if it is profitable. I know the buzz about sustainable agriculture is all about protection of the environment and that is true. You cannot separate economics from sustainable farming. Marketing and sound management practices go hand in hand. However they are not sufficient. You can have a good product and do all the right marketing but if it is not what the market wants, it will not be successful. Fortunately we have not had this problem with sheep but it was a hard lesson with horses and we do not want to repeat it. If what we are producing is not what the market wants, we are going to change what we are producing not expect your client to change.

10. Don't be afraid to take a giant step backwards

I don't know if any of you have heard of the Concorde Fallacy. It is an example of a sunk cost fallacy. In this case it was when the British and French governments continued on with the development of the Concorde supersonic jet despite massive cost overruns and all the analysis that showed there was no economic reason to continue. Most of us do this when we drop \$15 for a movie, find out within a half hour that we hate it and we continue to sit there because...well we have spent \$15 to see it and we can't waste that money.

This is a lesson we learned hard with our horse breeding operation and have sworn we would not repeat with the sheep. We had 8 broodmares, a stallion, managed 2 other stallions and managed a stallion collection station. We had an excellent reputation and had bred some superb horses. We sunk a huge amount into set up and continued to bleed financially. I often said that taking up cocaine would have cost me less money but the health effects were worse.

Other breeders recommended we put more money into training, showing, and advertising. I guess it was a misery loves company sort of thing. After waffling back and forth for two years we gelded our stallion, dropped our management contracts, sold the equipment for collection and held an auction. In effect, we walked out of the theatre part way through the movie. It was tough but business decisions can be and this was business.

Admitting the decisions we made were wrong was a hard lesson. Even harder was stopping doing what was wrong.

Now, we try to look at the long term implications of every investment and whether we will get a financial return. Yes there are a few decisions we have made with the sheep that I might not repeat but they are fewer and farther between.

I am going to briefly give some example of how we have applied these lessons to our operation.

As I mentioned, when we bought the second lot of our Cheviots we did so sight unseen. One of the ewes was very thin and had a very pendulous udder. I did not know the history on this ewe as why her udder was in this shape. A candidate for culling right? She had two lovely lambs at heel and we already owned her previous year's daughter who was the best quality of the 4 we had bought. Because we were small we decided to keep her.

I have learned more about udder health from dealing with this ewe. I designed the Wonderbaa. She wears it for about one month before lambing and about 5 days after. Since she has arrived on our farm she has produced more than \$1500 worth of market lambs and two flock replacements. Both of her daughters have gone through 3 lactations with great udders. Our data has shown that the growth rates of her lambs and those of her daughters are the best in our flock. She had twins this year and her ram lamb was 70 lbs at 50 days and 108 lbs at 100 days. The Wonderbaa has given us the right kind of support.

Staying small while we learned, getting better before we got bigger, continuous learning, collecting data and using that information resulted in a great deal more both financially and in knowledge than if we had done the accepted practice of culling that ewe right away.

Being small and collecting data has helped with parasite management. I do my own fecal testing on site. This year I tested every ewe at lambing and yes 20% of your flock does in fact cause 80% of your problem. Most ewes had less than 200 eggs per gram but twin sisters had the highest fecal counts. These two ewes also are great producers which corresponds to what I was told by a researcher from New Zealand. By selecting for resistant genetics sometimes you select against production.

Because we are small we can experiment with pasture plants with elevated condensed tannins such as willow and bird's foot trefoil, rotating pastures, and selectively deworming as required.

This picture was taken about 20 seconds after the flock was moved into this pasture. They immediately started to browse the willow and stripped them off before they started to graze. This willow was planted last year and has been grazed probably 3-4 times. It bounces right back. We are going to start doing fecal testing before and after grazing a willow paddock.

For predator control, we are using dogs but we are also testing bells and flashing lights.

Finally we have been improving our pasture management to the point where this year we have been able to leave the lambs on pasture after weaning instead of bringing them into the barn saving feed costs. We still have maintained our growth rates on pasture rather than inside on hay and grains..

Despite having high carrying costs of integrating a large percentage of our ewe lambs in our flock while we expand, next year we will attain the goal we have set for ourselves. Now we have to set other goals.

In summary, the lessons are:

- Plan with everyone involved
- Develop your market before production,
- improve before expansion
- learn, collect data and use that information
- don't be afraid to go backwards.

And finally I am going to sneak in an 11th lesson that I learned that first year:

Never will I ever attempt to shear my own sheep again.

Thank you.