LAMB CROP 2018

beef+lamb new zealand

P18026 | *November 2018*

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Contents

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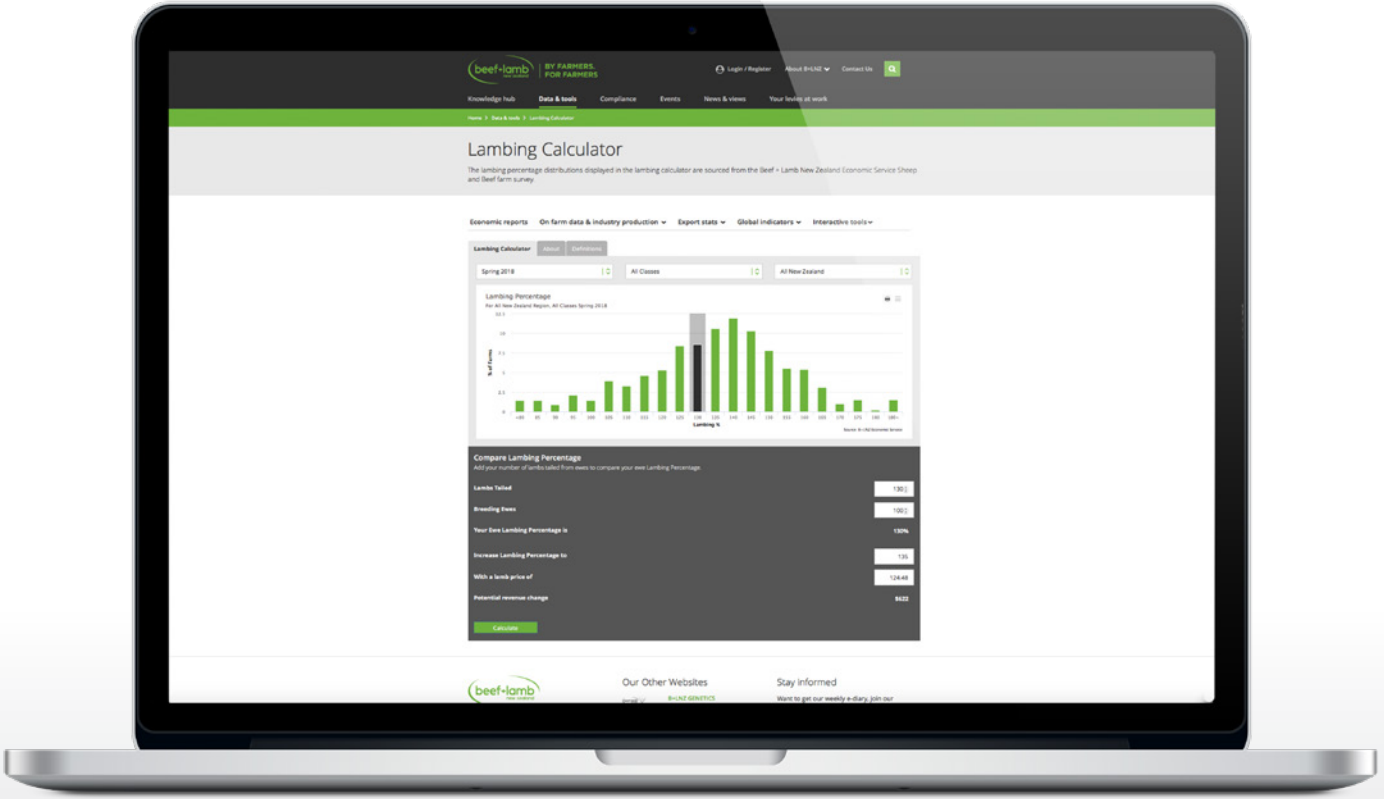


Executive Summary

Lamb Crop -0.7%

The number of lambs tailed in spring 2018 decreased by 0.7 per cent or 163,000 head on the previous spring to 23.5 million head. A record high ewe lambing percentage and more lambs from hoggets were partly offset by a decline in the number of breeding ewes.

North Island -3.2%

The total number of lambs in the North Island decreased 3.2 per cent (371,000 head) to 11.3 million head. This was due to good weather and breeding ewe condition at both mating and lambing, and an increase in the number of lambs from hoggets but a reduction in the number of ewes mated.

South Island +1.7%

The total number of lambs in the South Island increased 1.7 per cent (208,000 head) to 12.2 million head. The increase was underpinned by Marlborough-Canterbury where fewer ewes were mated, but the lambing percentage increased sharply—by 10 percentage points—and more lambs were born to ewe hoggets.

Ewes to Ram -2.1%

The number of breeding ewes at 1 July 2018 decreased 2.1 per cent on 2017 to 17.4 million head. Decreases occurred in all regions, most particularly in the North Island, where the number of breeding ewes declined 3.5 per cent. The decline was more modest in the South Island—0.8 per cent. Strong international mutton prices, which translated into strong sheep prices, encouraged farmers to cull older ewes.

Lambing Percentage 129.0%

The ewe lambing percentage for spring 2018 was 129.0 per cent, up 1.7 percentage points on 2017.

This season was another record high lambing percentage reflecting generally good conditions through mating and winter in all regions, moderated slightly by a dip in some regions.

North Island 128.1%

The North Island ewe lambing percentage at 128.1 per cent was marginally up from spring 2017. There was a sharp increase in Northland-Waikato-BoP, a decrease in East Coast and a similar lambing percentage in Taranaki-Manawatu. This level of lambing percentage is second only to spring 2014 when conditions were ideal in all regions.

South Island 129.9%

The South Island ewe lambing percentage at 129.9 per cent, was up 3.2 percentage points compared to spring 2017. A record high of 129.4 per cent was set in Marlborough-Canterbury due to significantly better climatic conditions than in recent seasons. In contrast, there was a decline in Otago, while Southland's ewe lambing percentage increased.

Lambs from Hoggets +2.7%

The number of lambs from ewe hoggets totalled 1.10 million, up 2.7 per cent on spring 2017 and equivalent to 4.7 per cent of total lambs. The number of lambs from ewe hoggets increased in both the North and South Islands, with the largest percentage increase in Marlborough-Canterbury as flocks recovered from the pressures of recent seasons.

Export Lamb Slaughter -4.1%

The number of lambs processed in 2018-19 is estimated to decrease 4.1 per cent to 19.05 million head.

Export Adult Sheep Processing -14.4%

The number of adult sheep processed is estimated to decrease 14.4 per cent—from 4.0 million head in 2017-18 to 3.4 million in 2018-19.

How We Collect the Data

This paper summarises the results from a field survey carried out to estimate the lamb crop for spring 2018. The Survey covers over 500 commercial sheep and beef farms, which are a statistically representative sample of the commercial sheep and beef farms in New Zealand. Beef + Lamb New Zealand's Economic Service Managers based throughout New Zealand collect farm information at various points during the year. The Lamb Crop Survey is used to measure breeding ewe performance (lambing percentage), the number of lambs born, lamb survival, early drafting and supply expectations for the season.

Overview

Seasonal Conditions

Lambing Weather
Lambing weather was generally kind. A southerly storm swept up the country in early September causing some significant losses on farms in the east of the North Island, while widespread snow affected some South Island areas late in September—but only for a short period.

Lamb Growth Rates

Mixed
Lamb growth rates were mixed but generally good. They risked being impacted by indifferent seasonal conditions.

Early Drafting Pattern

Similar
Farmers indicated their drafting patterns will be similar to normal, though some had decided to sell earlier, after lamb growth, which had been acceptable, was moderated when pasture conditions deteriorated as the result of a period of dry weather.

Early Schedule Comment

Schedule prices were strong and encouraging at time of writing, and this supported farmer confidence. The situation was influenced by strong prices through winter, strong lamb growth rates, and a positive tone in international lamb markets, which was supported by a weakening NZD relative to other currencies.

Table 1 Estimate of 2018-19 Lamb Crop

		Unit	*Note*	Northland-Waikato-BoP	East Coast	Taranaki-Manawatu	North Island	Marlborough-Canterbury	Otago	Southland	South Island	NEW ZEALAND
2016-17	Ewes to Ram	000	1	2,440	4,394	2,089	8,923	3,465	3,004	2,745	9,215	18,137
2017-18	Ewes to Ram	000	2	2,344	4,174	2,124	8,643	3,396	2,869	2,847	9,113	17,755
2018-19e	**Ewes to Ram**	**000**	**3**	**2,263**	**4,026**	**2,048**	**8,337**	**3,376**	**2,826**	**2,836**	**9,038**	**17,375**
2016-17	Lambs from Ewes	000	1	2,991	5,302	2,704	10,997	4,306	3,680	3,975	11,960	22,958
2017-18	Lambs from Ewes	000	2	3,097	5,276	2,691	11,064	4,059	3,584	3,903	11,546	22,610
2018-19e	**Lambs from Ewes**	**000**	**3**	**3,148**	**4,944**	**2,590**	**10,682**	**4,369**	**3,448**	**3,919**	**11,736**	**22,418**
2016-17	Ewe Lambing %	%	1	122.6%	120.7%	129.4%	123.3%	124.3%	122.5%	144.8%	129.8%	126.6%
2017-18	Ewe Lambing %	%	2	132.1%	126.4%	126.7%	128.0%	119.5%	124.9%	137.1%	126.7%	127.3%
2018-19e	**Ewe Lambing %**	**%**	**3**	**139.1%**	**122.8%**	**126.5%**	**128.1%**	**129.4%**	**122.0%**	**138.2%**	**129.9%**	**129.0%**
2016-17	Lambs from Hoggets	000	1	200	295	153	648	205	127	189	522	1,170
2017-18	Lambs from Hoggets	000	2	177	311	123	611	180	122	155	457	1,068
2018-19e	**Lambs from Hoggets**	**000**	**3**	**202**	**312**	**108**	**622**	**215**	**114**	**146**	**475**	**1,097**
2016-17	Total Lambs Tailed	000	1	3,191	5,597	2,857	11,645	4,511	3,807	4,164	12,482	24,128
2017-18	Total Lambs Tailed	000	2	3,274	5,587	2,814	11,675	4,239	3,706	4,058	12,003	23,678
2018-19e	**Total Lambs Tailed**	**000**	**3**	**3,350**	**5,256**	**2,698**	**11,304**	**4,584**	**3,562**	**4,065**	**12,211**	**23,515**

Notes

1 Statistics New Zealand ewe numbers and lamb numbers

2 Statistics New Zealand ewe numbers, Beef + Lamb New Zealand Economic Service Lamb Crop Survey

3 Beef + Lamb New Zealand Economic Service Livestock Numbers Survey, Beef + Lamb New Zealand Economic Service Lamb Crop Survey

e Beef + Lamb New Zealand Economic Service Estimate

Region Reports

Ewes to Ram

Northland–Waikato–BoP
The number of breeding ewes declined by 3.5 per cent to 2.26 million. This is a continuation of the trend of northern North Island farmers moving away from sheep and looking into other land use options. This year, a number of farmers culled deeper to take advantage of strong adult sheep prices.

East Coast
The number of breeding ewes mated decreased 3.5 per cent to 4.03 million. The decline occurred in all farm classes and districts in the region.

Taranaki–Manawatu
The number of breeding ewes decreased 3.6 per cent to 2.05 million. High sheep prices, continuing from the previous season, contributed to farmers sending more ewes for meat processing. The decrease in ewes was also encouraged by sporadic cases of facial eczema during autumn 2018, and dry conditions during summer 2017–18 for coastal areas.

Marlborough–Canterbury
The number of ewes was down slightly (-0.6%) on 2017, at 3.38 million. Some farmers took the opportunity to cull more heavily given record adult sheep prices, replacing ewes with additional hoggets.

Otago-Southland
In Otago, the number of ewes mated decreased 1.5 per cent to 2.83 million, while in Southland, the number of ewes mated decreased 0.4 per cent to 2.84 million.

Excellent prices for adult sheep in 2017-18 resulted in farmers culling to take advantage of the situation, particularly in Southland. The decline in ewes was greatest on Finishing Farms in both regions.

Ewe Lambing Percentage

Northland–Waikato–BoP
There was another significant increase in ewe lambing percentage this year, up 7.0 percentage points to 139.1 per cent compared with 2017. Since 2016, the ewe lambing percentage has increased 16.5 percentage points. Although the number of ewes continues to decline, the higher lambing percentage has meant the total number of lambs tailed from ewes increased by 51,000 between 2017 and 2018. Pregnancy scanning indicated the number of lambs born would be similar to, or slightly better than, the previous mating. This was followed by an excellent lambing season, which contributed to the increase in both percentage and numbers. The increase in triplet births has been noticeable and has been both a blessing, and a hindrance because of the resulting management challenges.

East Coast
A severe storm during September had a large negative impact on the ewe lambing percentage, which is estimated at 122.8 per cent, down from 126.4 percent in 2017.

Taranaki–Manawatu
The ewe lambing percentage was almost unchanged on the previous year at 126.5 per cent, down 0.2 percentage points. This was due to an increase in lambing percentage from farms in Whanganui, Rangitikei and Manawatu, offset by a decrease in lambing percentage from farms in Taranaki and Horowhenua.

Ewe condition at mating was excellent throughout inland areas, while coastal areas were negatively affected by dry conditions experienced in summer 2017-18. There were slightly more non-pregnant ewes, and included vaginal prolapses (“bearings”) at lambing, and facial eczema during mating had a minor impact on lambing percentages.

Marlborough–Canterbury
The ewe lambing percentage increased by 9.9 percentage points to 129.4 per cent. Lamb output lifted across all farm classes, from an estimated increase of almost four percentage points for high country farms to a rise of 12.5 percentage points for breeding-finishing farms. Individual farm results, however, were highly variable with some farms reporting record high lambing percentages and a few abnormally poor results.

While most farms had a reduction in ewes that failed to rear a lamb, a small number noted unexplained high numbers of non-pregnant ewes at pregnancy scanning, even though the remainder of the flock was carrying extra twins and triplets.

Most farms reported ewe deaths as normal to higher than normal, accounting for a higher than usual proportion of lamb losses. Causes included bearings, as expected with more ewes carrying multiple lambs, plus unexplained deaths on winter crops, higher rates of internal parasites due to the mild winter and possible Johne’s disease.

Good ewe condition at mating following exceptional summer-autumn feed growth and kind weather at lambing provided the perfect mix for the survival of extra twins and triplets. Later-lambing high country and hill country properties had less favourable spring weather but still anticipated higher lambing performance than 2017; results will not be confirmed until tailing is completed in November.

Otago–Southland
In Otago, the lambing percentage decreased 2.9 percentage points to 122.0 per cent, while in Southland, the lambing percentage increased 1.1 percentage points to 138.2 per cent.

Dry conditions in summer 2017-18 had a significant effect on ewe pregnancy rates on some farms, particularly in Clutha and Southland districts.

This was most pronounced where ewes lost condition before mating. Many farms in these districts sold store lambs in 2017-18. Good rains fell in February—early enough for ewe condition to recover before the rams went out—but pregnancy scanning rates did not always reflect this. Farmers reported a higher rate of dry ewes in both regions, and also more twin-bearing ewes.

The greatest decrease in lambing percentage was observed on breeding-finishing farms (Farm Class 6) in both Otago and Southland. The impact of the summer drought on these farms last season was perhaps under-reported compared to finishing farms (Farm Class 7) in Southland.

Although tailing had not finished at the time of this survey, farmers on the more extensive farms in the region were optimistic that percentages will be better than in 2017. In the High Country, percentages continue to increase because of the influence of crossbred genetics, development of hill country, increasing irrigation and improved management.

Ewe deaths were reported to be higher than usual in both regions with an increase in bearings, cast ewes and metabolic disorders. Several farmers reported a lower success rate in treating prolapses.

There have been occasional reports of toxoplasma abortions in fully vaccinated flocks of ewes and hoggets.

Hoggets to Ram

Northland–Waikato–BoP
The proportion of ewe hoggets run with the ram this season declined to 38 per cent compared with 45 per cent in 2017 and the number of ewe hoggets mated declined 16 per cent—to 278,000.

East Coast
Good autumn conditions encouraged farmers to mate slightly more hoggets. Good ewe lamb condition and favourable feed levels in the autumn also resulted in a considerable number of "unintended" matings, with lamb finishers reporting that some hoggets, which they intended to carry over balance date and then sell, had lambed.

Taranaki–Manawatu
The number of ewe hoggets put to the ram was down 0.8 per cent on 2017.

Marlborough–Canterbury
Farmers took advantage of an excellent summer-autumn season with timely rainfall to grow ewe lambs to target mating weights. When combined with anticipated high lamb prices continuing into the 2018-19 season, this encouraged some who traditionally opted for first mating as two-tooth ewes, to run a ram with suitable hoggets, increasing the number of hoggets mated by 6.9 per cent to 382,000.

Otago–Southland
Good grass growth in autumn and satisfactory ewe hogget weights led to a small increase in the number of hoggets mated in both regions.

Lambs from Hoggets

Northland–Waikato–BoP
The number of lambs born to ewe hoggets increased 14.1 per cent compared with 2017 to 202,000 head, which represents 6.0 per cent of total lambs. A good growing season and well-grown hoggets enabled this year's mating to improve on 2017.

East Coast
The lambing percentage from ewe hoggets increased slightly, with good conditions later in the season being conducive to a higher hogget lambing percentage. The number of lambs from hoggets increased 0.3 per cent to 312,000 head, or 5.9 per cent of total lambs.

Taranaki–Manawatu
The number of lambs born to ewe hoggets was down 12.2 per cent on 2017 to 108,000, which is equivalent to 4.0 per cent of total lambs.

Marlborough–Canterbury
The number of lambs from hoggets is estimated at 215,000, or 4.7 per cent of total lambs. Some farmers who regularly mate hoggets reported higher lambing percentages from them due to the hoggets being heavier than usual at mating and good lamb survival.

Otago–Southland
In Otago, an estimated 114,000 lambs were born to ewe hoggets, down 6.6 per cent on 2017, and equivalent to 3.2 per cent of total lambs.

In Southland, an estimated 146,000 lambs were born to ewe hoggets, down 5.8 per cent on 2017, and equivalent to 3.6 per cent of total lambs.

Fewer lambs were tailed from hoggets in both regions despite an increase in the number of ewe hoggets. Counting of lambs was still in progress when this report was compiled so the estimate is based on farmer estimates in some cases.

Total Number of Lambs

Northland–Waikato–BoP
The total number of lambs increased 2.3 per cent to 3.4 million, up 76,000 on 2017. The higher lambing percentage and continued mating of hoggets offset the reduction in the number of breeding ewes mated. The number of multiple births was higher than average for many farmers, with a number noting increased triplet births.

East Coast
The total number of lambs is estimated to have decreased by 331,000 head to 5.3 million, down 5.9 per cent from 2017. Poor weather conditions during lambing resulted in a large number of lamb losses for some.

Taranaki–Manawatu
An estimated 2.7 million lambs were produced—down 4.1 per cent on 2017. This is due to the decline in the number of ewes to ram and fewer lambs from hoggets. Twinning on farms in all farm classes and districts was reported to be slightly better than average along with better lamb survival and fewer ewe deaths. This helped minimise the decline in total numbers.

Marlborough–Canterbury
An estimated 4.6 million lambs were produced, up 8.1 per cent on 2017.

Otago–Southland
In Otago, the total number of lambs decreased 3.9 per cent to 3.6 million.

In Southland, the total number of lambs is all but the same as in 2017—up 0.2 per cent to 4.1 million.

In Otago, a substantial decline in the number of breeding ewes, a reduced average lambing percentage and a decline in the number of lambs from ewe hoggets all combined to contribute to a decrease of 144,000 lambs (-3.9%).

In Southland, even though the number of ewes declined slightly, the increase in average lambing percentage was sufficient to offset this and the total number of lambs is very similar to 2017.

Combined, Otago and Southland represent one-third of the national lamb crop.

Lambing Date and Spread of Lambing

Northland–Waikato–BoP
Lambing dates and the spread of lambing were reported to be normal across the region.

East Coast
Lambing dates remained unchanged, with the spread of lambing largely reported as normal.

Taranaki–Manawatu
The spread of lambing was slightly more compact than in 2017 in all areas, with some farms in Whanganui reporting a very compact lambing despite there being no noticeable policy changes with reference to mating dates. The use of teaser rams or teasing the ewes appears not to be a widely used practice.

Marlborough–Canterbury
Lambing dates were similar to 2017 but some farmers reported a more drawn-out lambing season. Some of this was deliberate because high lamb prices encouraged a proportion of farmers to leave rams out with ewes for longer, especially for hogget mating, on the grounds that a late lamb was better than no lamb.

Otago–Southland
Lambing, which has been edging slightly earlier for at least the last five years, was very slightly earlier on average and lambing was slightly more compact than the previous season in both regions.

Lambing Weather

Northland–Waikato–BoP
Weather for lambing was kind. The region missed any significant spring storms and the wet winter relented as lambing approached, which created ideal conditions. After lambing, sunshine prevailed, meaning no hindrance to tailing and lambs responded well to sun on their backs. Farmers in southern King Country in particular commented on the increase in bearings in their ewes creating the only real downside to this year's lambing. Other parts of the region have not reported any significant increase in the incidence of bearings.

East Coast
A southerly storm during the first half of September dropped over 300mm of rain in some areas. Coastal areas of Wairarapa and Hawke's Bay were particularly hard hit, as were properties at altitude. Inland properties remained sheltered from the storm and had reasonably benign weather conditions. For the remainder of September and most of October the weather was quite settled. Indeed, a lack of precipitation during October followed by dry conditions in November caused many farmers to consider their marketing options.

Taranaki–Manawatu
Overall, the region experienced a mild winter followed by a favourable spring. The exception was a cold front that hit eastern parts of the region at the start of lambing. A number of farms reported losses occurred during this period. A mix of sunshine and low wind in October resulted in better than average lamb growth.

Marlborough–Canterbury
Most farms benefited from kind weather during lambing, with the exception of later-lambing high country and hill country farms that suffered sporadic cold wet weather. Snow to low levels in early November was short-lived with a swift return to warm temperatures, so effects were limited to animals born during the bad weather with little harm to lambs a few days old.

Otago–Southland
Typical unsettled spring conditions occurred during lambing. Widespread snowfalls occurred around 24 September with snow lying for a short period over much of northern and western Southland, Clutha district and other higher altitude areas. However, adverse weather events were short-lived and there were periods of respite between cold fronts. Further snow affected the high country during early November.

Lamb Survival

Northland–Waikato–BoP
Lamb survival was reported as better than normal, which was assisted considerably by good weather at lambing.

East Coast
The persistent and severe storm that occurred in the first half of September coincided with peak lambing on many properties. This resulted in some farms having very low levels of survival. Overall lamb survival was considerably worse than for the previous season.

Taranaki–Manawatu
Survival was average with Manawatu slightly worse off than other parts of the region due to the storm that swept through the area early in lambing.

Marlborough–Canterbury
Despite high ewe deaths on some farms, overall lamb survival was widely reported as better than usual due to combined effects of better-than-normal ewe body condition in autumn, good winter feed supplies, plentiful colostrum and mild weather for most regions.

Some later-born lambs succumbed to bad weather in the high country and steeper hill country. Small fine-woolled lambs were especially vulnerable to cold wet conditions but these events were short-lived and overall losses were not out of the ordinary for the class of country.

Otago–Southland
Compared with 2017, farmers reported lamb survival to be about the same in Otago, but better in Southland.

Heavy rain through parts of Otago may have contributed to the lower lambing percentage observed in that region.

Feed Situation

Northland–Waikato–BoP
Farmers expressed concern about the feed situation because the region has gone from a wet winter to a dry spring and has not seen a typical spring flush. Although pasture quality was described as very good, those who applied timely fertiliser were in a more robust position. Any rain from now through to Christmas will be appreciated. The number of lambs on the ground was generating some pressure on feed supplies as weaning began and as farmers aimed to grow lambs quickly to be able to take advantage of good prices.

East Coast
At time of writing, the feed situation was described as tight by most farmers. Low precipitation levels from mid-September to mid-November constrained pasture growth and many farmers struggled to have pasture levels suitable for productive cattle grazing. A continuation of these conditions would force earlier sale decisions by farmers.

Taranaki–Manawatu
In mid-November, the feed situation was very good with most farms and all regions reporting better than average quantity of pasture. The favourable October, and rainfall in early November, lifted grass growth and improved the abundance of clover. Sowing of new grass and summer feed is ahead of 2017, which will assist the feed situation from December onwards.

Marlborough–Canterbury
Generally, mild winter conditions across most of the region led to unusually high feed supplies at the beginning of spring, with many farms struggling to clean up leftover winter feed crops. Spring began with good pasture covers for lambing in most areas but subsequent cold cloudy days delayed the spring growth flush. Northern inland areas also became relatively dry, further reducing growth and increasing fears of dry El Niño conditions.

Irrigation began throughout Canterbury in early October. And, rains in late October restored growth over most of the region but parts of North Canterbury and Marlborough could quickly turn dry in hot north-westerly conditions.

Otago–Southland
Almost without exception, farmers reported feed supply to be well ahead of usual. This is supported by measured pasture growth rates at AgResearch Woodlands, which shows spring pasture growth has been ahead of average since early September.

However, some farmers mentioned that quality could be lost if pastures are not carefully managed, and this could compromise lamb growth rates.

Timely rains ensured a continuation of good pasture growth rates towards the New Year. Soil moisture levels are above average for the whole region, which is a major contrast to the drying conditions that were already being observed at the same time in 2017.

Lamb Growth Rates

Northland–Waikato–BoP
Growth rates were reported as average to good, and lambs were reported to be in good health. Future growth rates will rely on some rainfall to support pasture growth and quality.

East Coast
Lamb growth rates were reasonable, although farmers reported a range depending on location and how much sun and warmth they had received throughout the spring. Generally, lambs were thriving with the benign weather and higher-quality pasture sward.

Taranaki–Manawatu
Lamb growth was reported to be better than normal with lambs responding well to the improved feed situation and warmer weather in early spring.

Marlborough–Canterbury
While most farms noted normal or better-than-normal lamb growth overall, lamb performance was limited by cooler or drier conditions in some pockets of the region.

Farms that had strong clover growth or high-milk-output ewes or both reported strong lamb growth with expectations for continued good performance. Cool cloudy days and slow early spring pasture production reduced lamb growth at times, depending on the duration of the cool weather. Developing dry conditions added concern in parts of Nelson, Marlborough and North Canterbury but welcome rain in early November allowed farmers to relax a little. Soil moisture levels remained lower than usual in northern Marlborough and Nelson districts in mid-November, which may influence weaning and early lamb draft decisions.

Some farmers began drenching lambs prior to weaning in response to disappointing live weight gain and faecal contamination, aiming to increase lamb growth and prevent flystrike.

Otago–Southland
Farmers across both regions reported good growth rates and considered lambs to be ahead of the same time in 2017. But, as noted earlier, growth rates could be compromised if pasture quality is not maintained up to weaning. Some farmers noted that heavy rain in early November appeared to check lamb growth. No animal health issues were reported although wet conditions underfoot could encourage foot problems in fine wool breeds.

Early Drafting Pattern

Northland–Waikato–BoP
More lambs were processed from early drafts than in 2017, however, farmers indicated they will be adhering to their normal drafting pattern.

East Coast
As feed conditions continued to deteriorate, farmers made decisions around offloading livestock earlier than they would typically like to, which may result in an earlier first draft of prime lambs at lighter carcase weights.

Taranaki–Manawatu
The favourable spring and historically high lamb prices are expected to encourage farmers to sell good numbers of lambs prime soon after weaning over November-December. With the prospect of an El Niño weather system in the summer, farmers may consider offloading stock before the dry conditions hit albeit at potentially lower carcase weights.

Marlborough–Canterbury
Increased numbers of smaller multiple-born or hoggets' lambs mean greater daily liveweight gains are required to reach target weights before Christmas. Early drafts are expected to be limited to lambs from older or cull ewes mated earlier than the main flock plus the usual proportion of single and large twin lambs from ewe flocks.

Otago–Southland
Unlike in 2017, lack of moisture is not a limiting factor this year so there will be less pressure to quit lambs promptly. Most farmers anticipate drafting at about the same date as usual.

Number and Weights in First Quarter—Oct–Dec

Northland–Waikato–BoP
Farmers expect throughput of lambs in the December quarter to follow the historical average. Processors reported carcase weights of lambs processed so far this season were ahead of last season. Pasture conditions will dictate how weights and numbers continue to flow through to processors, with any rainfall from now of benefit.

East Coast
Tight feed conditions can be expected to bring forward selling, and result in lower weights despite the reduced stocking intensity on most farms, both of which are a result of poor spring growth. Feed condition in other regions will dictate whether farmers will sell lambs in store condition or in prime condition at lighter weights, and earlier.

Taranaki–Manawatu
An estimated 1.1 million lambs will be presented this quarter—approximately the same number as in 2017. This is due to the better-than-average lamb growth and feed situations. The number of lambs may be influenced by dry conditions in East Coast resulting in lambs being sent to the region to be processed.

Marlborough–Canterbury
Most farmers expected to draft near-normal numbers of spring lambs at usual weights before Christmas but some admitted these targets may be hampered by higher numbers of multiples, born smaller and having to compete for milk supply.

As normal, most of the early processing was of hoggets carried from 2017 lambing. Carcase weights tended to be higher than normal due to farmers holding animals longer on plentiful winter feed, aiming for average weights of at least 18-22kgCW.

Otago–Southland
In Otago-Southland, a significant proportion of the lambs processed in the first quarter is lambs born in the previous spring. Good growing conditions have resulted in these animals reaching target weights in good time and sent to be processed earlier than usual, which could mean fewer will be available for processing in the first quarter of the 2018-19 season.

New-season lambs have grown well and soil moisture levels are high, lessening the need to process lambs early, which is in contrast to last season. Farmers will draft as lambs reach target weights to take advantage of early-season premiums.

Taking all of these factors into consideration, it is likely fewer lambs will be processed in the first quarter.

Early Schedule Comment

Northland–Waikato–BoP
Prices for the very first new-season lambs were around $8.20/kgCW, but they settled around the $8.00/kgCW, which is 50c/kgCW (6-7%) higher than the same time in 2017. Prices are expected to decline as deadlines for shipments for the northern hemisphere Christmas get closer and more lambs start to flow to processors, so farmers will need to decide whether to accept prices or opt to put weight on those lambs.

East Coast
In mid-November, prices averaged close to $8.00/kgCW for new-season lambs, although this was expected to drop back by 50c/kgCW.

Taranaki–Manawatu
Early new-season lambs were selling at over $8.00/kgCW, and by mid-November prime lamb prices were $7.50-7.90/kgCW, which is historically high for the time of year and added to the positive sentiment in the industry. Ewes with lambs at foot were sold through sale yards at $110-120/head all counted.

Marlborough–Canterbury
Published schedule prices for new season lambs in November offered $7.00-$7.60/kgCW, up to 60c/kgCW (8-9%) ahead of the previous year, but actual farmer returns in early November were regularly higher, at $7.65-$7.85/kgCW. Contracted minimum prices of around $7.00-$7.30/kgCW for lambs delivered in November or early December were expected to be exceeded by ruling prices.

Mutton schedule prices remained near historic highs with a high proportion of cull ewes fetching in excess of $150/head. Exceptionally heavy ewes regularly exceeded $200/head.

Otago–Southland
Lamb schedules peaked at over $8.00/kgCW in September, up to $1/kg more than in 2017-18. Prices decreased gradually from September but remained above those achieved at the same time last season. Premiums for new-season lambs were available up to the end of November.

Prospects for the season still appear strong although peak-season schedules will depend on the international situation and the potential impact of international issues including trading relations between the US and China, and Brexit will be watched closely. The UK's exit from the EU coincides with shipments of chilled New Zealand lamb arriving for Easter.

General Comment

Northland–Waikato–BoP
Contractors had a dream run when cultivating crops this spring. Ground conditions were ideal and there were no weather delays for the cutting of silage and cultivation of crops. The dry spring however meant that pre-emergence sprays of maize crops were less effective than normal, which could lead to more post-emergent sprays being required to control weeds in some crops.

Beef cattle farmers are cautious. Bull beef farmers in particular are anxious because prices softened as the main processing season started. As a result, they are assessing whether to process or continue to grow these animals. Prices for prime cattle remained relatively stable early in the season but there is a certain amount of caution amongst farmers.

The Government's focus on the environment and trees is creating uncertainty for farmers in the region, with Northland, in particular, focused on the "One Billion Trees" programme. Concerns in Waikato and King Country centre around waterways with the Healthy Rivers—Wai Ora plan change hearings, presently expected to start in February 2019.

East Coast
Generally, a similar level of fodder crops was planted this spring, although they are slightly later because tight feed conditions have meant that farmers are not able to free up paddocks for planting as early as they would typically. Conservation of supplementary feed was reduced by the lack of good spring growing conditions. Some farmers reported early flystrike on lambs coming in for their first drench. Bearings continued to be an issue for some farmers, but overall bearings were much lower this spring, resulting in lower ewe losses during the late winter/spring period.

Some farmers took advantage of the good livestock prices and sold a portion of their ewes with lambs at foot.

Calving appears to going well for most.

Farmers in Gisborne, inland Wairarapa and inland Tararua had a more favourable spring than Hawke's Bay, costal Wairarapa, and costal Tararua farmers who bore the brunt of the early storm and subsequently faced a lack of rain.

Taranaki–Manawatu
Farmers are in a comfortable and positive position with the strong sheep returns that were received over 2017-18 expected to continue. A mild winter and favourable spring improved farming conditions. Bearings and facial eczema continue to be an ongoing challenge for a number of farmers in the region. Rising shearing costs and poor returns for wool are expected to result in more lambs than normal being sent to processing woolly. Calving was also positive with the warmer weather in October and November helping with calf survival and early growth.

Marlborough–Canterbury
Sheep farmers were generally upbeat at the start of the 2018-19 season thanks to strong lambing results, recent rain, excellent market prices and the expectation of continued good returns for lamb.

Low prices dampened the enthusiasm of growers of crossbred wool but those with fine wool or half-bred flocks continued to enjoy very good wool returns despite increased shearing costs.

Forecasts of an El Niño weather pattern caused concern but suitable weather for crop establishment and good supplies of conserved feed were expected to aid farmers' ability to cope if the weather turns dry. Additional irrigation including stage two of the North Otago Irrigation Company's system (commissioned in 2017) and stage two of Central Plains Water in Canterbury offered promising outlets for store lambs if necessary.

Otago–Southland
The Government's "One Billion Trees" programme has resulted in a sheep and beef farm in Clutha district being sold for planting in blanket forestry, perhaps the first of a new wave of tree planting in that area. Pressure on land use is now more likely to come from forestry rather than dairy in this region, although real estate agents have noted an increase in interest for smaller blocks to purchase or lease as run-offs for dairy businesses wanting to become more self-contained in response to *Mycoplasma bovis.*

Calving has progressed well with plentiful feed supplies. Unsettled weather delayed sowing new pastures and completing tailing in some cases but most farming operations are being attended to in a timely manner.

Farmers remain optimistic about the prospects for 2018-19 despite low crossbred wool prices.

Lamb Processing 2018-19

First Quarter—Oct–Dec

Table 2 Export Lamb Processing

	Export Lambs Processed October - December					
	000 head			% of Total		
	2016-17	2017-18	2018-19e	2016-17	2017-18	2018-19e
Northland-Waikato-BoP	441	424	427	24.9%	24.6%	25.2%
East Coast	917	1,035	946	25.9%	25.4%	26.3%
Taranaki-Manawatu	897	1,101	1,100	22.6%	27.4%	28.8%
North Island	**2,254**	**2,561**	**2,473**	**24.3%**	**26.1%**	**27.1%**
Marlborough-Canterbury	1,347	1,540	1,500	24.7%	27.3%	27.8%
Otago-Southland	735	816	705	16.3%	18.6%	15.5%
South Island	**2,082**	**2,356**	**2,205**	**20.9%**	**23.5%**	**22.2%**
New Zealand	**4,337**	**4,917**	**4,678**	**22.5%**	**24.7%**	**24.6%**

e = estimate | Source: Beef + Lamb New Zealand Economic Service

Overall, the number of lambs processed during the first quarter of the 2018-19 season—from October to December—is expected to total 4.68 million head, down 4.9 per cent on 2017-18.

It is estimated that 24.6 per cent of 2018-19's total export lamb processing will occur in the first quarter, the same as in 2017-18.

North Island processing in the first quarter is estimated to be down 3.4 per cent on last season to 2.47 million head.

South Island processing in the first quarter is estimated to be down 6.4 per cent on last year to 2.21 million head.

The key driver of the decrease in processing in the first quarter is the smaller lamb crop, which results from a decrease in the number of ewes mated partly offset by another record high lambing percentage.

Full Season Outlook

Export lamb processing -4.1%
The number of lambs processed is estimated to decrease 4.1 per cent from 19.87 million head in 2017-18 to 19.05 million for 2018-19. A record high lambing percentage partly offsets fewer breeding ewes, which leads to an overall decrease in the number of lambs tailed.

North Island -7.2%
In the North Island, the number of lambs processed is estimated to decrease 7.2 per cent (710,000 head) to 9.12 million head.

South Island -1.1%
In the South Island, the number of lambs processed is estimated to decrease 1.1 per cent (107,000 head) to 9.93 million head.

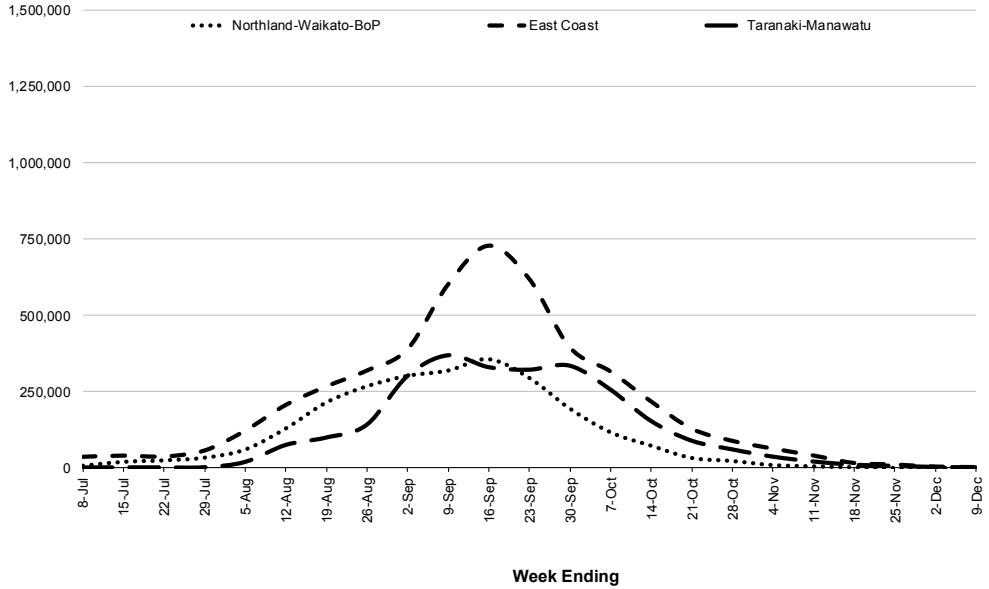
Carcase weights -0.3%
The average carcase weight of lambs processed is expected to decrease slightly—from 18.6kg per head in 2017-18 to 18.5kg in 2018-19.

Export adult sheep processing -14.4%
The number of adult sheep processed is estimated to decrease 14.4 per cent—from 4.0 million head in 2017-18 to 3.4 million in 2018-19.

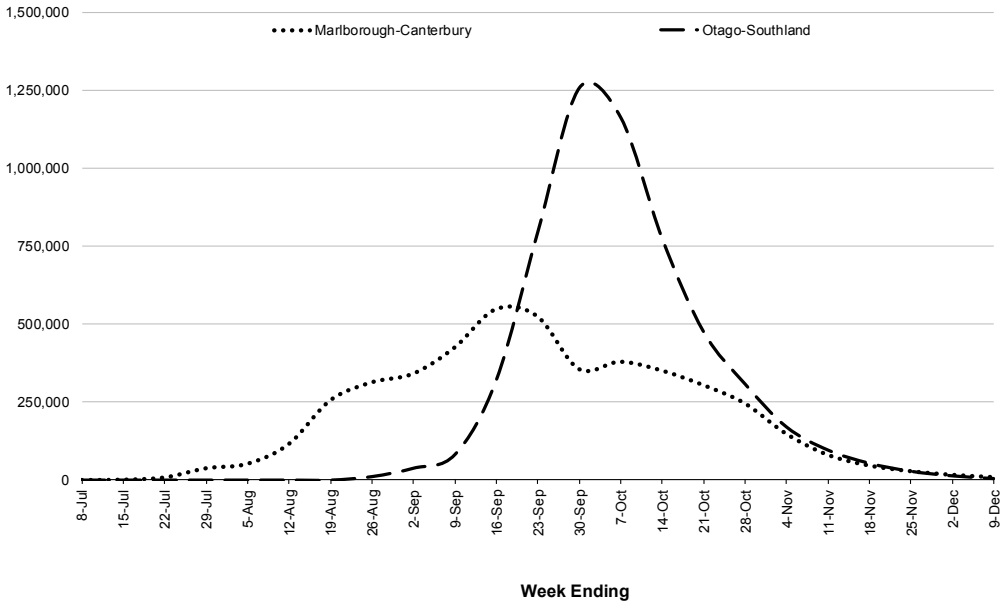
Sensitivity
These estimates are sensitive to feed availability and prices offered by meat companies. If feed supplies tighten or schedule incentives are offered, the number of lambs processed early will tend to increase.

Ewe Lambing Dates by Region 2018

North Island



South Island



Variation in ewe lambing dates between regions is largely due to differences in pasture availability in response to geographically different climates. This is a management response by farmers to ensure that ewes are lambing when feed availability and weather conditions are typically good to provide lambs with the best possible start.

Region Contacts

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