LAMB CROP 2021

beef+lamb new zealand

P21023 | *December 2021*

0800 BEEFLAMB (0800 233 352)
WWW.BEEFLAMBNZ.COM
BY FARMERS. FOR FARMERS

Beef + Lamb New Zealand

PO Box 121

Wellington 6140

New Zealand

Phone: 04 473 9150

Fax: 04 474 0800

E-mail: econ@beeflambnz.com

Contact:

Andrew Burtt 027 652 9543

Chief Economist

Rob Davison 04 471 6034

Executive Director

Angie Fisher 027 442 0057

Senior Agricultural Analyst

Compare Your Lambing Percentage Online

Data collection and benchmarking are key drivers of improved farm profitability. You can see how your business compares at the click of a mouse.

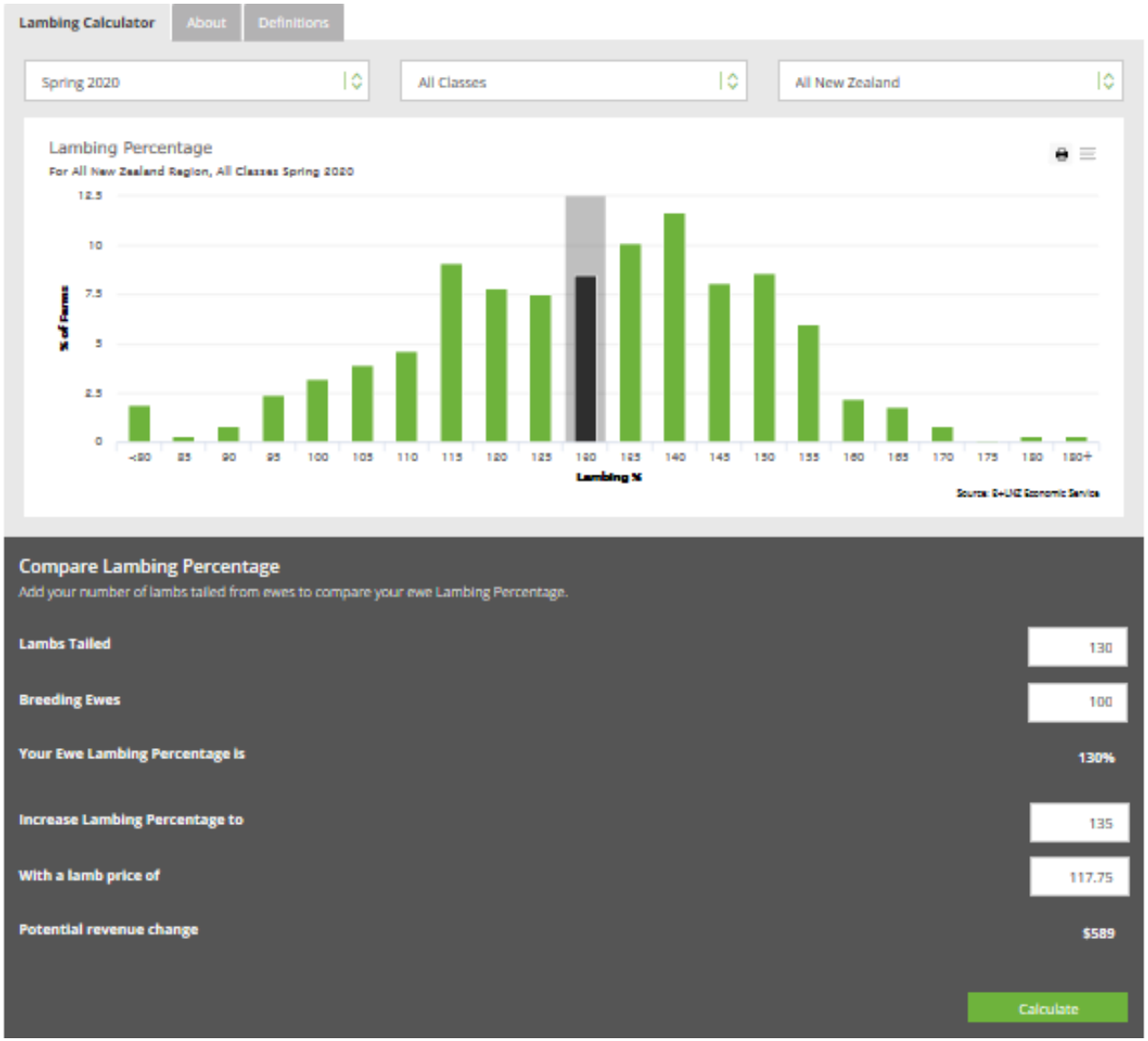
Lambing Calculator

The lambing percentage calculator puts your farm's performance in context.

Use it for a clear understanding of where your farm stands among a broader group, region or farm type.

Once you know where you are, you'll be better placed to know where you're going – so, if you need to, you can take appropriate action to change your course.

Visit https://beeflambnz.com/data-tools/lambing-calculator to calculate your lambing percentage compared with the All Classes average and with farms in your region or farm type.



Executive Summary

Lamb Crop +0.6%

The number of lambs tailed in spring 2021 is estimated to increase slightly, by 0.6 per cent or 129,000 head, on the previous spring to 22.7 million head. There were differences between islands, with a decrease in the South Island lamb crop driven largely by fewer ewes to ram in both Marlborough-Canterbury and Otago.

North Island +1.4%

The total number of lambs in the North Island increased 1.4 per cent (147,000 head) to 10.6 million head. Taranaki-Manawatu enjoyed excellent conditions for ewes from mating through to lambing and saw an overall increase of 4.0 per cent in lambs tailed. Conditions were also favourable for the Northland, Waikato and Bay of Plenty regions where, notwithstanding there being fewer breeding ewes (-48,000 head), a 2.7 per cent increase in lambs is estimated. The East Coast continued to be impacted by dry conditions, with the total lamb crop for the region down 0.5 per cent.

South Island -0.1%

The total number of lambs in the South Island was effectively the same at 12.1 million head. While the number of ewes to ram was down in both Marlborough-Canterbury and Otago-Southland, the average lambing percentage increased from 2020.

Ewes to Ram -0.5%

The number of breeding ewes at 1 July 2021 decreased (-0.5%) on 2020 at 16.5 million head. Numbers in both the North and South Islands decreased, by 0.5 per cent and 0.6 per cent respectively. The largest decrease was in Northland, Waikato, and Bay of Plenty with 2.5 per cent fewer breeding ewes, while Southland bucked the trend with an increase in breeding ewes of 2.6 per cent (+65,000 head).

Lambing Percentage 131.9%

The average ewe lambing percentage for spring 2021 was 131.9 per cent, an increase of 1.2 percentage points on 2020.

North Island 131.8%

The North Island ewe lambing percentage averaged 131.8 per cent, up 1.5 percentage points from spring 2020. East Coast recorded a decline in average lambing percentage for the second season in a row – down 1.8 percentage points from spring 2020. This was driven by two dry seasons adversely impacting ewe condition, in combination with high internal parasite challenges. Outside of the East Coast, northern and western parts of the North Island had favourable conditions for mating, and survivability at lambing with increased lambing percentages.

South Island 132.0%

The South Island ewe lambing percentage averaged 132.0 per cent, up 1.0 percentage points compared to spring 2020. Marlborough-Canterbury and Otago recorded increased lambing percentages – to 132.2 per cent and 130.1 per cent respectively – while the Southland decreased 1.8 percentage points to 134.0 per cent.

Lambs from Hoggets +3.7%

The number of lambs from ewe hoggets is estimated at 957,000, up 3.7 per cent on spring 2020 and equivalent to 4.2 per cent of total lambs. The North Island drove the increase, with the number of lambs born from hoggets up 20 per cent. The number of lambs born from hoggets in the South Island decreased by 8.7 per cent because fewer ewe hoggets were mated in Marlborough-Canterbury and Southland.

Export Lamb Processing +1.0%

The number of lambs processed in 2021-22 is estimated to increase 1.0 per cent to 18.48 million head.

Export Adult Sheep Processing -9.5%

The number of adult sheep processed is estimated to decline 9.5 per cent to 3.46 million in 2021-22.

How We Collect the Data

This paper summarises the results from a survey carried out to estimate the lamb crop for spring 2021. 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 and lamb survival, and provide an outlook for supply expectations for the season.

Overview

Seasonal Conditions

Lambing Weather

Climatic conditions at lambing were varied across the country with favourable and warm temperatures for most parts of the North Island and central South Island. However, Taranaki, Manawatu, Tasman and parts of Marlborough and North Canterbury were wetter and colder than normal. Cloud cover suppressed pasture growth on the west of the North Island while the lack of rain continued in the east. While the weather in Otago-Southland was unsettled it was generally an improvement on 2020's weather and storms, with limited snow falls in 2021.

Lamb Growth Rates

Variable nationally

Lamb growth rates were below average across the east and west coasts in the North Island due to reduced lactation from ewes and feed supply, generally the upper North Island was described as average to good for growth rates. Otago-Southland farmers reported that lambs were growing well, and up on last year. Across the remainder of the South Island reports from farmers were mixed with results driven by feed supply and multiple births.

Early Drafting Pattern

North Island – variable, South Island – normal

The drafting pattern may be slightly earlier than normal in the northern North Island as farmers seek high published processor prices. We expect weight gains in the East Coast and Taranaki-Manawatu regions will be lower than in 2020 and may delay drafting or farmers will draft at lower weights. Pressure on decision-making includes concerns for COVID-19 impacting processors and any potential blockages at the processors over summer.

In the South Island, most farmers expect to draft as per normal. Feed conditions during November and growth rates will influence these drafting decisions. In Otago-Southland, some farmers reported ewes being in poorer condition at lambing and poorer lamb thrift, which will likely reduce the number of lambs that reach target weights in early drafts.

Early Schedule Comment

Schedule prices are well ahead on 2020 at $8.85-9.50/kgCW, which has lifted farmer confidence. Indications are for strong international demand and farmers expect prices to ease gradually as the season progresses.

Table 1 Estimate of 2021-22 Lamb Crop

				Northland-Waikato-BoP	East Coast	Taranaki-Manawatu	North Island	Marlborough-Canterbury	Otago	Southland	South Island	NEW ZEALAND
2019-20	Ewes to Ram	(000)	1	2,088	3,998	1,975	8,061	3,331	3,023	2,430	8,784	16,845
2020-21	Ewes to Ram	(000)	2	1,908	3,931	1,869	7,709	3,331	3,041	2,489	8,861	16,570
2021-22e	**Ewes to Ram**	**(000)**	**3**	**1,860**	**3,925**	**1,886**	**7,672**	**3,278**	**2,980**	**2,554**	**8,812**	**16,483**
2019-20	Lambs from Ewes	(000)	1	2,706	5,414	2,571	10,691	4,303	3,776	3,295	11,375	22,066
2020-21	Lambs from Ewes	(000)	2	2,448	5,119	2,479	10,046	4,310	3,914	3,380	11,604	21,650
2021-22e	**Lambs from Ewes**	**(000)**	**3**	**2,497**	**5,040**	**2,576**	**10,113**	**4,333**	**3,877**	**3,422**	**11,632**	**21,745**
2019-20	Ewe Lambing %	(%)	1	129.6%	135.4%	130.2%	132.6%	129.2%	124.9%	135.6%	129.5%	131.0%
2020-21	Ewe Lambing %	(%)	2	128.3%	130.2%	132.6%	130.3%	129.4%	128.7%	135.8%	131.0%	130.7%
2021-22e	**Ewe Lambing %**	**(%)**	**3**	**134.2%**	**128.4%**	**136.6%**	**131.8%**	**132.2%**	**130.1%**	**134.0%**	**132.0%**	**131.9%**
2019-20	Lambs from Hoggets	(000)	1	216	412	178	806	293	133	165	591	1,397
2020-21	Lambs from Hoggets	(000)	2	135	154	114	403	220	152	148	520	923
2021-22e	**Lambs from Hoggets**	**(000)**	**3**	**155**	**207**	**120**	**482**	**200**	**130**	**145**	**475**	**957**
2019-20	Total Lambs Tailed	(000)	1	2,922	5,826	2,749	11,497	4,596	3,909	3,460	11,966	23,463
2020-21	Total Lambs Tailed	(000)	2	2,583	5,273	2,593	10,449	4,530	4,066	3,528	12,124	22,573
2021-22e	**Total Lambs Tailed**	**(000)**	**3**	**2,652**	**5,247**	**2,696**	**10,595**	**4,533**	**4,007**	**3,567**	**12,107**	**22,702**

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 Number 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 mated decreased 2.5 per cent to 1.86 million. This continues the trend of farmers in the northern North Island cutting their ewe capital flock. A difficult autumn combined with strong ewe schedule prices, motivated farmers to reduce grazing pressure by culling deep into the ewe flock, especially after pregnancy scanning results. Consequently, retained ewes were better fed, thereby future-proofing potential returns from the lamb crop.

East Coast

The number of breeding ewes mated was unchanged (-0.2%) at 3.93 million compared to 2020. This occurred predominantly on finishing (Farm Class 5) farms and also for hard hill country farms (Farm Class 3), while, in contrast, hill country farms (Farm Class 4) had a slight increase in ewes run-with-ram.

Taranaki–Manawatu

The number of breeding ewes mated increased slightly from 2020, by 0.9 per cent, to 1.87 million. Strong returns for sheep led to farmers maintaining their breeding numbers. Starting two to three seasons ago, farmers removed older, poorer-performing ewes when ewe prices hit records leaving better-quality breeding ewes in their flock.

Marlborough–Canterbury

The number of breeding ewes mated decreased 1.6 per cent on 2020 to 3.28 million.

Otago–Southland

The number of breeding ewes mated decreased in Otago by 2.0 per cent to 2.98 million. In Southland, the number of breeding ewes mated lifted 2.6 per cent to 2.55 million. Dry autumn conditions encouraged a deeper ewe cull in Otago. In contrast, the increased number of ewe hoggets retained in 2020 entered the breeding flock as two-tooths in 2021 in Southland.

Ewe Lambing Percentage

Northland–Waikato–BoP

The average ewe lambing percentage was 134.2 per cent in 2021, up 5.9 percentage points compared with 2020. Ewes were again in lighter condition at mating due to a dry late-summer/autumn period, however pregnancy scanning results were up 5 per cent on 2020. Scanning results for two-tooth ewes decreased and fewer multiples were lambed as these younger ewes fared worse with tight autumn feed conditions than the older ewes. Some parts of the region, particularly Waikato, saw a facial eczema spike in late autumn, leading to farmers commenting on slightly higher ewe deaths. Bay of Plenty farmers indicated that they experienced slightly higher ewe deaths because sub-clinical facial eczema affected ewes that were under stress. Northland and King Country farmers indicated fewer ewe deaths in winter and spring.

East Coast

The average lambing percentage decreased to 128.4 per cent in 2021 from 130.2 per cent in 2020. The impact of two dry years and a high internal parasite challenge influenced the ewe lambing percentage. Farmers reported that two-tooth ewes had poorer lambing results, due to facing harsher growing conditions as lambs and hoggets.

Taranaki–Manawatu

The average ewe lambing percentage was up 4.0 percentage points on 2020 at 136.6 per cent. Both hill country and hard hill country farms contributed significantly to the increase. Favourable autumn conditions for mating helped lift ewe pregnancy scanning percentages compared to previous years.

Marlborough–Canterbury

The average lambing percentage for 2021 was estimated at 132.2 per cent, up from 129.4 per cent in 2020. Conception was limited by ewe condition following dry summer and autumn conditions throughout the region. These effects were minimised by some farmers who fed ewes grain prior to mating but most reported fewer multiples detected at pregnancy scanning than desired. This was offset by better lamb survival, leading to a higher lambing percentage than 2020.

Otago–Southland

In Otago, the average lambing percentage increased 1.4 percentage points to 130.1 per cent, while in Southland, it decreased 1.8 percentage points to 134.0 per cent.

La Niña brought a dry autumn to southern South Island and affected scanning rates, particularly in Clutha District, with farmers reporting more single-bearing ewes and fewer twins.

Spring weather was typically unsettled but storms were short-lived and had less impact on lamb survival compared to 2020. However, timing was critical, and a few farms were badly affected by storms with ewe condition less than desirable at lambing contributing to increased lamb losses and higher levels of wet-dry ewes (scanned-in-lamb with no lamb produced in the spring).

Hoggets to Ram

Northland–Waikato–BoP

The number of ewe hoggets run-with-ram increased 6.0 per cent on 2020. Around 45 per cent of ewe hoggets were mated compared to around 30 per cent in 2020. Although autumn was tough, it was not as challenging as 2020, which enabled farmers to have more hoggets at acceptable liveweights for them to be put to the ram. The decreasing ewe flock and lower stocking rates increased feed availability for hoggets.

East Coast

The number of ewe hoggets mated increased 2.3 per cent in 2021. Farmers increased hogget mating in response to a reduced stocking rate due to continuing dry conditions.

Taranaki–Manawatu

The number of ewe hoggets run-with-ram increased 7.0 per cent in 2021 to an estimated 230,000 head.

Marlborough–Canterbury

The number of ewe hoggets mated in 2021 declined 7.8 per cent on 2020. Hogget mating was limited by tough autumn conditions curbing weight gains and restricting feed supplies for pregnant young stock going into winter. Many farmers decided against hogget mating to ensure good mating weights as two-tooth ewes in the following autumn. Hogget mating was confined to farms with strong management plans to maintain hogget growth during pregnancy and lactation.

Otago–Southland

There was an increase in the number of ewe hoggets mated in 2021 in Otago (+3.5%), while in Southland ewe hoggets run-with-ram decreased by 1.6 per cent. June stock numbers indicated Otago farmers mated more hoggets to help fill the gap left by decreased breeding ewe numbers.

Lambs from Hoggets

Northland–Waikato–BoP

The number of lambs born to ewe hoggets increased 15 per cent to 155,000 head compared with 2020. This represents 5.8 per cent of total lambs for the region.

East Coast

The number of lambs born to ewe hoggets increased 34 per cent in 2021, with preferential feeding of ewe hoggets from farmers. The number of lambs from hoggets is estimated at 207,000 head in 2021 and represents 3.9 per cent of total lambs for the region.

Taranaki–Manawatu

The number of lambs born to ewe hoggets increased 5.3 per cent in 2021 to an estimated 120,000 head. Lambs from hoggets account for 4.5 per cent of the lambs tailed in the region.

Marlborough–Canterbury

The number of lambs born to ewe hoggets decreased 9.1 per cent to an estimated 200,000 head. Lambs from hoggets account for 4.4 per cent of total lambs tailed in the region. Kind weather over the hogget-lambing period in mid-to-late spring ensured good lamb survival. Unfortunately, some flocks were challenged with abortions despite vaccination against common contagious abortion diseases.

Otago–Southland

The number of lambs born to ewe hoggets decreased 15 per cent in Otago and 2.0 per cent in Southland. The number of lambs from ewe hoggets is an estimated 130,000 in Otago, 3.2 per cent of total lambs, and 145,000 in Southland (4.1%). Tailing was not complete at the time of this survey, therefore around half of the survey farmers provided estimated results. Although more ewe hoggets were mated in Otago, conception rates were lower than expected leading to fewer lambs born to hoggets.

Total Number of Lambs

Northland–Waikato–BoP

The total number of lambs increased moderately (+2.7%) to 2.65 million, an increase of 70,000 lambs on 2020. A higher ewe lambing percentage, an increase in the number of hoggets mated and better-than-average lamb survival combined to offset decreased breeding ewe numbers. Northland and King Country farmers reported an increase in the number of multiple lambs, and better survival of these lambs. Waikato and Bay of Plenty farmers reported a similar number of multiples on hill country and finishing farms to 2020, while hard hill country farms reported fewer multiple lambs.

East Coast

The total number of lambs born is estimated to have decreased slightly by 27,000 head to 5.25 million; down 0.5 per cent on 2020. The number of hoggets mated and the hogget lambing percentage increased, however this was not enough to offset the decline in ewes mated or the reduction in the ewe lambing percentage.

Taranaki–Manawatu

The total number of lambs born in 2021 is estimated at 2.70 million head, up 4.0 per cent or 103,000 lambs. The number of breeding ewes increased slightly from 2020 (+0.9%) alongside an increase in the average ewe lambing percentage.

A favourable autumn at mating and subsequent high pregnancy scanning results across the region indicated the lamb crop could be exceptional. However, a wet and cold start to spring appeared to impact the overall tally. All farm classes reported more twins with ewe deaths and wet-dry ewes similar to last year. Overall, the lambing percentage was one of the best for the region over the past 10 years.

Marlborough–Canterbury

The total number of lambs born in 2021 is estimated at 4.53 million head, very similar to 2020. A higher average ewe lambing percentage offset a drop in breeding ewes.

Otago–Southland

The total number of lambs born in Otago in 2021 is estimated to decline 1.4 per cent to 4.01 million lambs. A small lift in the ewe lambing percentage was insufficient to counterbalance a decrease in breeding ewe numbers and fewer lambs from hoggets.

The total number of lambs born in Southland in 2021 is estimated to increase 1.1 per cent to 3.57 million head.

Lambing Date and Spread of Lambing

Northland–Waikato–BoP

Across the northern North Island, the spread and date of lambing was normal according to farmers. Hill country and finishing farmers stated that lambing was normal to slightly more compact. However hard hill country farmers in Waikato, King Country and Bay of Plenty advised that their lambing was more spread than normal due to a slower recovery of pasture from the dry conditions in late summer and autumn. Consequently, ewes cycled later, which led to lambing being more spread and hoggets on these farms were put to the ram later.

East Coast

Lambing dates remain largely unchanged across the eastern North Island. Lambing spread is largely reported as being close to normal.

Taranaki–Manawatu

A compact lambing spread across the region was reported. Farmers continued the pattern of mating early ewes from late-February through to early March with the majority of the western North Island ewe flock mated mid-March to mid-April. Hogget mating occurs from late-April to early-May.

Marlborough–Canterbury

A small number of farmers reported putting rams out slightly earlier than normal for fear of ewes losing condition during mating, however on most farms the lambing date was similar to 2020. Farmers reported a fairly normal spread of lambing although those with lighter ewes reported more lambs born in the second cycle or third cycles than usual.

Otago–Southland

Lambing date was similar to the previous season and the spread of lambing was also similar, both being typical for the region. Hoggets were typically mated about a month later than ewes.

Lambing Weather

Northland–Waikato–BoP

Farmers in the region were happy with the weather during lambing. Spring was warm with only short bursts of cold weather. This helped to offset a difficult autumn and enabled pasture covers to lift. October was wet throughout the region leading to delays in tailing and cloudy weather meant feed quality was compromised. Farmers stated that their lambs needed some sunshine to improve thrift.

East Coast

Early lambing conditions were dry with warm, settled weather and no major storms. Whilst good for lambing, the continued dry conditions constrained pasture growth and pasture covers, and therefore the ability for ewes to achieve good levels of lactation. Temperatures were milder during early spring, with limited wind. Southern and western parts of the region were generally drier than typical, while northern and coastal areas had more normal levels of rain.

Taranaki–Manawatu

August in general was wetter compared to last year, and rain fell intermittently throughout the month. Some cold thunderstorms swept across the region in mid-August, which impacted early lambing. Sluggish pasture growth was reported as soil temperatures remained low at around 8-9°C at month-end.

Regular rain continued to fall through September. A cold front in mid-September, which brought a southerly blast, swept through the entire region. Some areas experienced up to 100mm of rain over a three-day period. Low-lying parts of Manawatu, Horowhenua and Rangitikei were flooded.

Overall, the region was generally colder in September than in 2020 with reports suggesting pasture levels were low and stock demand exceeded supply. Spring pasture growth was delayed.

Marlborough–Canterbury

Lambing weather was favourable in central South Island with only one relatively short-lived storm event. Tasman and parts of Marlborough and North Canterbury experienced varied weather patterns during lambing, with some very cold and wet conditions. Snow and wind claimed lambs across the region from the earliest lambing high country farms and some hill country properties further into lambing. Subsequent frosts were not an issue for farms on the lower downs and plains. Good weather continued in central areas and improved from mid-November in the northern South Island; most farmers reported mild conditions in the thick of lambing.

Otago–Southland

Typical unsettled weather occurred during the lambing season in southern South Island. Fast-moving weather systems crossed the region at regular intervals. Soils were at field capacity[1] and beyond through most of the lambing season and did not start to firm up until the second half of October, but the region was spared the heavy snowstorms and flooding that occurred in spring 2020. Some snow fell during lambing, but it melted rapidly in most areas.

Lamb Survival

Northland–Waikato–BoP

Lamb survival was better throughout the northern North Island with King Country farmers indicating that their lamb survival was excellent. This can be attributed to kind weather conditions over lambing, and ewes generally milking well due to good pasture covers.

East Coast

Lamb survival, in general, was below normal, with survival being impacted for a number of reasons. A common reason given for lower lamb survival was high internal parasite burdens in ewes after a mild winter. Farmers reported faecal egg counts in mixed-age ewes at pregnancy scanning in excess of 1,800 eggs per gram (counts over 500 are considered high). Ewes affected had poorer lactation and reduced mothering ability (with many ewe deaths reported in some cases). While animal health treatments aided some farmers, others experienced an increase in drench resistance in their ewe flock. Other comments from farmers included increased losses to feral pigs, as feral pig populations have been expanding with forestry plantations.

Taranaki–Manawatu

The wet weather across the region during August and September appeared to have minimal impact on lamb survival. Farms in the Manawatu-Rangitikei had slightly better-than-normal survivability and Whanganui and Taranaki reported average lamb survival.

Marlborough–Canterbury

Wet conditions in the Tasman District persisted throughout spring, with subsequent reductions in survival. The remainder of the northern South Island

[1] The point where the soil water holding capacity has reached its maximum for the entire field.

reported average lamb survival, similar to last year. Higher-than-normal ewe deaths accounted for extra lamb losses on some farms in the higher hills but losses were more normal on the lower country. Once lambing began, reported lamb survival in central South Island was generally higher-than-usual due to kind weather and fewer small and vulnerable multiples. This increased the final lambing percentages on some farms despite pregnancy scanning results that were lower than those achieved in 2020.

Otago–Southland

Finishing farms in Southland reported that poor weather conditions had the greatest impact on lamb survival. But survival was generally considered to be better than the previous season in other farm classes.

There were isolated instances of significant mortality of both lambs and ewes from Salmonella Brandenburg.

Feed Situation

Northland–Waikato–BoP

At the time of writing, feed supply was improving throughout the region with mixed reports on the feed quality. King Country farmers commented that feed was tight until early to mid-November when temperatures increased enabling feed supply to improve. Farmers across the region noted that it has been difficult to maintain feed quality. Those that achieved decent feed quality report abundant clover with some cattle bloating. Silage contractors were busy mowing paddocks in October. Slightly lower stocking rates reduced feed demand pressure from ewes.

East Coast

Late-winter and early-spring feed conditions were challenging for most farmers. Dry conditions persisted for central and southern areas constraining pasture growth. This forced early-lambing ewes to graze less desirable pastures, increasing parasite intake and suppressing lactation. Lambs with lower milk intakes typically graze pasture earlier, and, like their mothers, had early exposure and uptake of parasites.

For farmers from northern Wairarapa to inland Hawke's Bay, porina caterpillar infestations were some of the worst ever recorded. Dimilin (Diflubenzuron), a product used to control the caterpillar, was unable to be sourced. Extra nitrogen fertiliser was applied to try and counter the pasture lost to caterpillar damage. Farmers reported caterpillar counts in excess of 800 per square metre, leading to a total loss of vegetation. Grass grub was equally problematic for some farmers on lighter soils, although the damage was not as widespread as that from the porina caterpillar.

Farmers reported increasing competition for feed from feral deer. The feral deer grazed crops and saved pasture ahead of mobs of sheep and cattle. As with the increasing feral pig population, the increase in deer numbers has been aided by increasing forestry plantations, which provide an ideal habitat.

The current feed situation for most of the East Coast is excellent, however southern parts of the region are still under pressure from dry conditions with a tight feed situation. Higher wind runs in early-November slowed pasture growth, and while pasture covers are currently elevated, many pasture species will seed, which will restrict further vegetative growth.

Taranaki-Manawatu

The feed situation at present is slightly below average. A mix of cold, wet weather during the start of spring held back pasture growth rates. Farmers indicated feed levels were tight throughout early spring. Warm rains swept across the region in early November and stimulated pasture growth. Unfortunately, constant wind in November was of concern because it will reduce soil moisture levels.

Porina caterpillar damage was widespread across the region. This caused a feed pinch for affected farmers from August onwards.

Marlborough-Canterbury

Spring made an erratic start in the southern half of the region with unusual early pasture growth followed by frosts and cool cloudy periods. The inland Mackenzie District remained especially cool into October and farmers in coastal parts of central South Island reported cold conditions limited pasture growth despite good soil moisture levels.

Banks Peninsula appeared to have a milder spring, aside from some colder snaps, and slightly warmer conditions encouraged steady grass growth. In the Hurunui, Marlborough and Tasman Districts, spring made a slower start; with lingering frosts, cold fronts and cooler average temperatures limiting growth. Farms worst affected across the region were those with low pasture covers through winter as plants had minimal leaf area for photosynthesis when the weather improved.

Pasture growth finally rose from mid-October in most districts, with farms on the lower downs and plains

beginning to close feed for conservation. Most farms exhausted their supplementary feed stocks in autumn and winter, so spring growth was essential for replenishing these.

Feed supplies were reported as good-to-excellent by mid-November. The few exceptions were farms that struggled throughout winter with pastures in poor condition when feed demand was high. This was likely exacerbated by low fertiliser inputs in the 2020-21 season for either cost-saving or inability to apply fertiliser during drought or very dry conditions. In the Tasman district, significant rainfall throughout spring caused pasture damage and limited the opportunity to cultivate ground.

Otago-Southland

Pasture covers were reported to be tight earlier in the season for most of the region except Central Otago.

Measured pasture growth rates at AgResearch Woodlands were well behind usual during August, which put pasture covers under pressure when ewes were spread out pre-lambing. Pasture growth rates increased to near-normal in October, but it was November before pasture covers were at a comfortable level under set-stocking.

Hill country breeding-finishing farms reported feed supply to be under the most pressure in mid-November, and by region, Clutha District reported the tightest feed supply. Both groups reported tighter feed supply than the same time last season.

Widespread effective rain fell across southern South Island in mid-November. It was welcomed by most farmers, especially in Central Otago and Clutha Districts.

La Niña conditions are forecast for this summer, increasing the likelihood of a drier than usual outlook for southern regions.

Lamb Growth Rates

Northland–Waikato–BoP

Lamb growth rates, also known as “thrift”, were described by farmers as average to good. Thrift has been described as excellent in mobs that were given feed priority. Lambs presented in more ‘even’ condition this season. Thrift and growth rates were initially slow across the region during the wet October period, and some farmers noted that scours and early worm burdens were present. Once the sun came out in November, lamb growth rates picked up.

East Coast

Lamb thrift is below what farmers would consider normal. Reduced lactation in some ewes led to a corresponding reduction in lamb performance. Due to restricted milk availability lambs have begun grazing earlier, on lower pasture covers. This has increased their exposure to internal parasites earlier than usual, with a higher level of ingestion and infestation suppressing growth rates.

Taranaki–Manawatu

The condition of lambs at present is below average across the region. With an increase in lambs born per farm and slow spring pasture growth due to wet, cold weather, farmers noted that lambs would benefit from some more sun. Low clover content in pasture swards and low covers resulted in reduced lamb growth rates with worm-burden being mentioned as a challenge.

Marlborough–Canterbury

Lamb growth varied with ewe condition. Where ewes lambed in good condition, lambs thrived and were well ahead of last year, especially on farms with fewer multiples than normal. Farms with lighter ewes and/or tight early spring feed supply reported slower lamb growth. In the Tasman District, lamb growth was reported to be two to three weeks behind normal due to persistently wet conditions. Internal parasites caused problems in some flocks where poor condition ewes with low milk output resulted in lambs grazing at a young age (and on short pastures). These lambs were especially vulnerable to high burdens of parasite larvae deposited by stressed ewes with low natural immunity around lambing time.

Following very tight spring feed conditions last season, a few farmers adopted a strategy of selling old ewes with lambs-at-foot to reduce feed demand.

Otago–Southland

Farmers considered lambs were growing well with growth rates reported to be better than the previous year for all except hill country breeding-finishing farms in Otago. For this group, tight feed supply and reduced ewe milking ability was impacting lamb growth rates.

Early pressure on pasture covers often results in high pasture quality later in the spring and lamb growth rates should respond provided internal parasite challenges are managed well.

Early Drafting Pattern

Northland–Waikato–BoP

Farmers will be wanting to take advantage of the excellent published processor prices for prime lambs, which indicates that the drafting pattern will be slightly earlier than normal. However, for this to happen, lambs will need to continue to improve condition throughout November making up for a slower period in October.

East Coast

With lambs being slower to gain weight this spring, it would be expected that early drafts will have a lower volume than normal, and likely lower weights. Farmers may attempt to hold stock longer to increase weights to compensate for a reduced lambing percentage and a lower stocking rate as they recover from the previous drought.

A counter to this will be the concern of another dry summer, and the possibility of reduced processor throughput if COVID-19 impacts processor operations. This could encourage farmers to slaughter earlier.

Taranaki–Manawatu

It is expected that the number of lambs finished early will decrease due to the poorer lamb thrift reported. Lambs may also be drafted to slightly lower weights to take advantage of high prime prices and to reduce numbers before the summer.

Marlborough–Canterbury

Feed conditions and the outlook for pasture growth through November would allow farmers to base drafting decisions on lamb growth and processor prices, rather than being driven by poor feed supply. Most farmers expected to wean around their traditional date, rather than early as occurred in 2020. However, some farmers reported considering drafting to lighter weights pre-Christmas to capture good prices, noting that even a 15kgCW lamb at $8/kgCW would earn $120/hd.

Otago–Southland

Most farmers stick with their normal plans when deciding on timing of drafts for processing. However, several factors have affected lamb growth rates this spring. Poorer condition of ewes at lambing, tight feed supply and poorer lamb thrift on some farms will likely reduce the number of lambs that reach target weights in early drafts.

Future rain events can have a major effect on decision-making around lamb drafts. For the second season in a row, farmers are keeping a close watch on developing La Niña weather conditions. In addition, meat processors are warning farmers not to delay processing as they attempt to manage potential backlogs. Shipping logistics, availability of containers, insufficient labour and managing the impact of COVID-19 on the workforce and possible trade implications are all factors requiring attention.

Number and Weights in First Quarter – Oct-Dec

Northland–Waikato–BoP

Farmers expect more lambs will be processed prior to Christmas. Currently, prices offered by processors are well ahead of the same time in 2020 and demand for lamb is strong. Making sure lambs meet weight and condition specifications will be the key consideration for farmers. Destocking and selling lambs early will help insulate farmers and free up feed supply for the remaining stock.

East Coast

Good feed conditions and lighter lambs may delay sale decisions for some eastern North Island farmers. Without penalties from processors for heavy-weight lambs, it may be expected that lamb finishers will be able to add value to lambs that would otherwise have been processed directly from their farm of origin. This could see more lambs move out of the region to areas such as the Manawatu and Waikato, reducing the number of lambs processed in the December quarter.

Taranaki–Manawatu

It is estimated numbers presented in the first quarter will be similar to 2020 at lower drafting weights. Farmers reported lower lamb growth rates and below-average lamb thrift. Carcass weights are expected to be down on last year. There is a high degree of uncertainty for farmers with concerns for the potential impact of COVID-19 on processor throughput this season and current labour shortages for meat companies.

Marlborough–Canterbury

Lamb numbers and feed supply suggest normal drafting patterns for the quarter, but price considerations may encourage increased numbers of smaller lambs (i.e. approaching 14.5kgCW). Low rainfall or drying winds in November and December would increase this tendency.

Otago–Southland

A significant proportion of first-quarter processing in southern South Island is old season lamb (i.e. born in spring 2020). There could be a more noticeable lull between these and new season lambs because of slower lamb growth rates this spring. However, this could be moderated by weather and the feed situation. Prices for prime lambs are high and will likely encourage more to be processed if they are maintained at this level, even though carcass weights could be lighter.

Comment on Early Processing Prices

Northland–Waikato–BoP

The current published prices for new season lambs was around $9.50/kgCW, well ahead of last year's starting point of $7.30/kgCW. COVID-19 continues to concern processors, particularly the potential impact on throughput if an outbreak was to occur. Farmers will be conscious of these potential restrictions and the effect this could have on their farming businesses if a dry summer eventuates. All things being equal, a consistent

reduction in published prices is expected through to the Christmas-New Year period before plateauing near the end of January.

East Coast

Current published prices exceed $9/kgCW for new season lambs. This level of pricing is expected to ease slightly as the season progresses.

Taranaki–Manawatu

Prime lamb prices were $9/kgCW or slightly more, which is historically the highest prices paid for this time of year. Expectations are for schedules to remain high over the next month.

Marlborough–Canterbury

Lamb prices were notably high for the time of year. Published lamb prices were around $8.85-8.95/kgCW in mid-November, with actual on-farm prices often up to 50c higher. These prices were $2/kgCW above 2020, which was affected by COVID-19, but comparable to 2019 levels for equivalent animals.

Farmers with minimum price contracts for delivery prior to Christmas expected to take advantage of these returns for as many lambs as possible, especially if the New Zealand Dollar rises or market demand falls.

Market indications were very positive as international prices rose with increasing retail and restaurant activity. October prices for lamb exports were 25 per cent higher than the five-year average and the highest on record for all months, despite a stronger New Zealand Dollar.

Otago–Southland

Published lamb prices were $8.95-9.00/kgCW in mid-November 2021, around 28 per cent ahead of the same time in 2020 and similar to 2019.

International demand for meat appears to be strong and prices have recovered from the dip last season caused by COVID-19-related trade disruptions.

General Comment

New Zealand Overview

There are several key themes from farmers across all regions in New Zealand.

- Competition for sheep and beef farms from forestry. While some farmers consider planting some forest on their farms, many are concerned about the potential negative effects from wholesale planting of farms into pine trees for carbon and the impact on their communities. Pests and possible fire hazards are a concern for farmers adjacent to forestry blocks.

- Porina caterpillar damage was high across parts of the lower North Island and control of the invasive pest was constrained by an inability to purchase targeted insecticide. This has added pressure to feed levels for affected farmers.

- Concerns on the pace, practicalities and cost of numerous planned government regulations is widespread. Trying to make sense of proposed legislation or new regulations and the impact on farm operations and finances is a stressor for farmers. Many farmers have spent thousands of dollars on environmental costs such as native plantings – generally and in riparian zones – and pest control as they continue to improve their farms. The concern from farmers comes from the uncertainty and high demands from central and local Government.

- A positive outlook for markets and good prices for lamb and mutton have boosted confidence amongst farmers. If lamb growth rates improve where they are lagging currently, then a favourable and profitable season is anticipated. Profitability is tempered by increasing input costs especially for fertiliser.

- The East Coast remains dry with farmers stretched by high workloads due to climatic and pasture challenges. Morale is low across the region.

Northland–Waikato–BoP

Farmers were very happy with feed levels and were focussed on maintaining pasture quality. A wet spring in Northland was beneficial in restoring water tables to levels not seen for a couple of years due to the extended dry periods. The rest of the region also experienced a good spring and managed to replenish water table levels moving into summer. According to the NIWA climate outlook for the November 2021-January 2022 period, temperatures are very likely to be above average, rainfall totals are most likely to be near normal. However, the potential for sub-tropical low-pressure systems is elevated, particularly for the northern part of the region. These systems can bring heavy rainfall and cause flooding. The risk is described as lower for southern and western parts of the region.

Environmental pressure and uncertainty continue to preoccupy farmers. Certainty and leadership from central and local governments along with industry bodies is required to help carve this path forward for farmers. Fortunately, the market for prime lambs is buoyant, which goes a long way to lifting sprits.

Land use change continues to occur throughout the region with competition from blanket forestry for quality sheep and beef farm country. Other parts of the region have seen several horticulture conversions increasing land prices.

Maize crops in the region are running about two weeks behind schedule due to cold, wet soils in early spring. The total maize area will be similar to 2020, although less will be planted on dairy platforms as some farmers have chosen to keep young stock at home.
Later-planted small seed crops were on schedule.

East Coast

Farmer morale is low after two drier-than-normal seasons across most of the region. Increased internal parasite burden and lower pasture covers due to climatic and pasture pests, have increased workloads and reduced animal performance (although lambing problems were rare this lambing). Farmers were also concerned about the additional workload and farming constraints due to governmental compliance and regulation.

Cropping was well underway, with farmers planting less fodder crops specifically for summer feed, and more kale crops that can be lightly grazed over summer and autumn before being shut up for winter feed. Also, as horticultural operations expand, cash cropping operators were being forced to rent short-term cropping paddocks from farmers at a greater distance, predominantly for peas, maize, and squash.

Taranaki–Manawatu

Porina damage was a major challenge for hill country farmers across the region this season. Farms across Manawatu, Rangitikei, Whanganui and into Taranaki were the worst affected. Supply issues for chemicals to control Porina added stress and reduced options.

Land use change from pasture to trees due to a speculative carbon market continues to put pressure on the hill country. The impact of large-scale forestry conversion will have a detrimental impact on rural communities.

The strong wool industry is continuing to struggle with limited investment, marketing and direction apparent in the short-term. The poor returns for strong wool coupled with a contract shearing price of over $4.50 per head, have convinced some farmers to change breeds to self-shedding varieties, namely Wiltshire.

Many businesses within the sector are juggling internal policies and health and safety guidelines as COVID-19 continues to infiltrate the nation. Disruption due to supply of goods internationally continues to be an issue.

Ongoing government regulation and a focus on climate change has farmers' positivity for the future lower than anticipated considering the strong returns for sheep and beef at present.

Marlborough–Canterbury

Central South Island farmers reported very positive prospects for the season, in contrast to the difficult spring in 2020. Most farmers across the region expected to finish a greater proportion of lambs than last year and early indications pointed to a profitable season.

The outlook for later-weaned lambs from the hill and high country was bright following another strong season for winter and early spring prime hogget prices. Winter lamb finishers reported margins of $70-95/head (before costs) on store lambs purchased in autumn 2021, and planned similar policies for 2022.

The number of dairy-origin calves reared appeared to drop sharply following poor returns for several years. Finishers were prepared to pay more for traditional beef breeds that earned premium prices in meat quality reward schemes of meat processors.

Market and feed supply positives were offset by continuing concerns about legislative change and increasing farm input costs. Fuel and fertiliser price increases pushed forage and crop production costs up markedly and rises showed no signs of abating.

Farmers were alarmed by the lack of consultation and subsequent decision by Government to go ahead with the Three Waters Reform Programme. The possible ramifications for local councils and rural water schemes serving households and large numbers of livestock are unknown. Farmers noted that they had little confidence in a central controlling entity for the South Island appreciating the special nature of rural water supplies, especially the absolute need for continuous supply to ensure animal welfare.

Labour shortages affected meat processing and on-farm work, including feed conservation and veterinary expertise. COVID-19 remained a risk as the Delta strain continued to spread, and farmers expected it to establish in the South Island over the Christmas period if not before.

Otago–Southland

In Otago, retention of ewe hoggets for breeding increased, which has potential to stabilise or possibly increase breeding ewe numbers in the region next season. The opposite is true in Southland where lower ewe hogget retention could result in a decline in ewe numbers next season.

Greenhouse gases and carbon-sequestering forest planting are the main talking points this season. Several farms in the region have recently been sold for broadacre plantation forestry, most with the intention to harvest timber as well as benefit from carbon credits. However, some carbon forests (no harvesting planned or likely) are also planned, often in joint venture arrangements with large-scale landowners.

Last year, Essential Freshwater rules and regulations were the hot topic. The most impractical aspects of the legislation were amended, including dropping contentious specific sowing dates and pugging rules and amending stock exclusion requirements in hill country. These changes required concerted effort from farmers and further iterations are expected.

Farmers are feeling burdened by the seemingly inexhaustible procession of new rules and regulations and bureaucratic processes they are required to work under. Many are considering their options as the value of New Zealand carbon units has significantly raised land values for conversion of sheep and beef farmland to forest.

Lamb Processing 2021-22

First Quarter-Oct-Dec

Table 2 Export Lamb Processing for Oct-Dec

Export Lambs Processed October - December						
	(000) Head			% of Total		
	2019-20	2020-21	2021-22e	2019-20	2020-21	2021-22e
Northland-Waikato-BoP	407	396	404	22.1%	22.6%	23.5%
East Coast	1,063	1,027	992	27.0%	27.1%	26.1%
Taranaki-Manawatu	982	894	973	25.9%	25.1%	25.9%
North Island	**2,451**	**2,316**	**2,369**	**25.6%**	**25.4%**	**25.5%**
Marlborough Canterbury	1,339	1,309	1,300	25.9%	26.6%	26.1%
Otago-Southland	760	865	762	17.3%	20.2%	18.0%
South Island	**2,099**	**2,175**	**2,062**	**22.0%**	**23.6%**	**22.4%**
New Zealand	**4,549**	**4,491**	**4,431**	**23.8%**	**24.5%**	**24.0%**

e = estimate

Source: Beef + Lamb New Zealand Economic Service

Overall, the number of lambs processed during the first quarter of the 2021-22 season – from October to December – is expected to total 4.43 million head, down 1.3 per cent on 2020-21.

It is estimated that 24.0 per cent of the season's total export lamb processing will occur in the first quarter, down slightly from the previous season's 24.5 per cent.

North Island processing in the first quarter is estimated to increase 2.3 per cent, or 53,000 lambs, on 2020-21 to 2.37 million head.

South Island processing in the first quarter is estimated to decrease 1.3 per cent, or 60,000 lambs, to 2.06 million head.

Processing trends in the first quarter reflect the trends in the 2021 lamb crop combined with feed conditions across the country.

Full Season Outlook

Export lamb processing +1.0%

The number of lambs processed is estimated to increase 1.0 per cent from 18.3 million head in 2020-21 to 18.5 million for 2021-22.

North Island +1.9%

In the North Island, the number of lambs processed is estimated to increase 1.9 per cent (175,000 head) to 9.3 million head.

South Island 0.0%

In the South Island, the number of lambs processed is estimated to be steady, with an estimated increase of 4,000 head to 9.2 million head.

Carcase weights -0.9%

The average carcase weight of lambs processed is expected to decrease slightly (-0.9%), from 19.1 kg per head in 2020-21 to 18.9 kg in 2021-22.

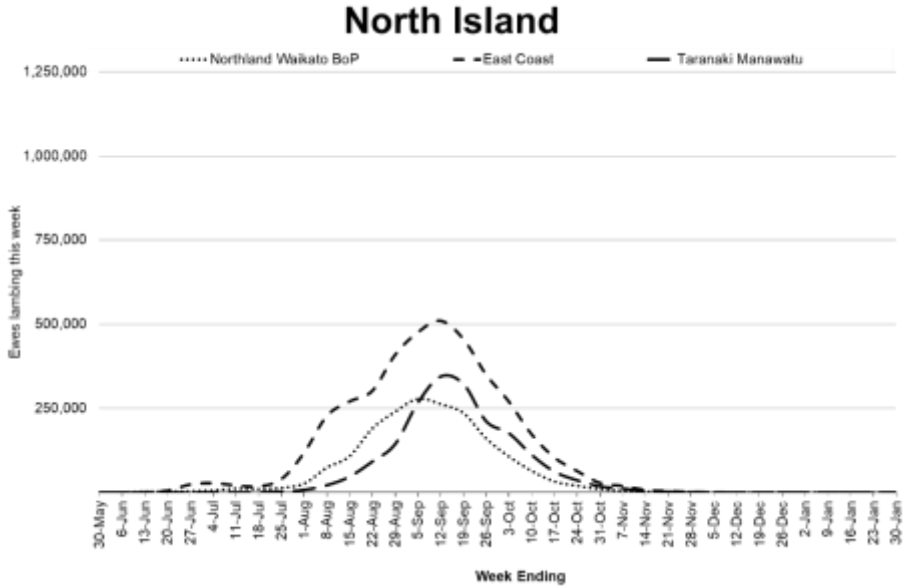
Export adult sheep processing -9.5%

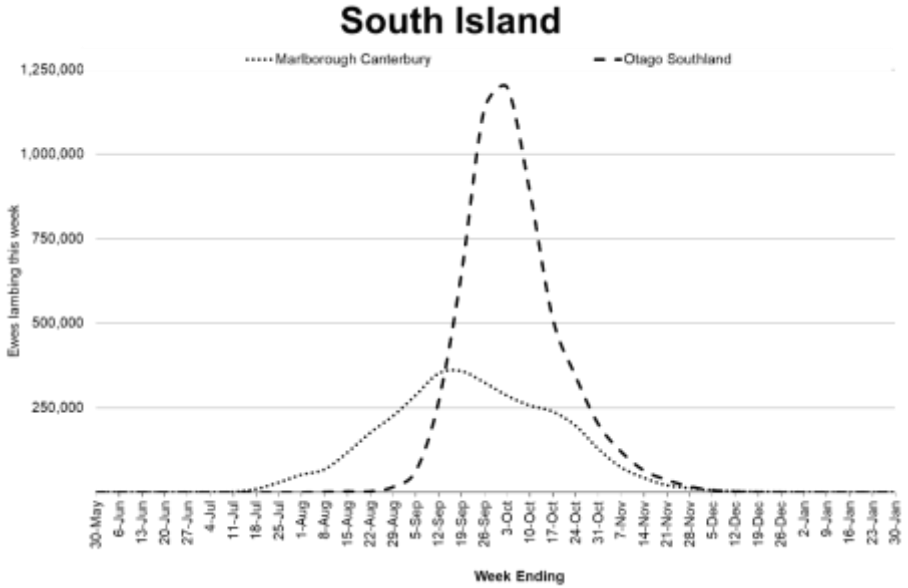
The number of adult sheep processed in New Zealand is estimated to decline 9.5 per cent – to 3.46 million from 3.82 million in 2020-21. This result is driven by farmers seeking to maintain/recover ewe numbers.

Sensitivity

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

Ewe Lambing Dates by Region 2021





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:

Economic Service Managers

Northland–Waikato–BoP

Sam Stewart 027 454 8878

Wendy Dewar 027 555 9127

East Coast

Stephen Lys 027 248 3521

Taranaki–Manawatu

Michael Flett 027 839 6365

Marlborough–Canterbury

Sarah Adkin 027 555 0123

Sharyn Price 027 431 2583

Otago–Southland

Jenny McGimpsey 027 458 8067