



Stock Number Survey

as at 30 June 2018

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Executive Summary

Table 1 Livestock Summary

	30 June 2017 (million)	30 June 2018e (million)	% change
Breeding Ewes	17.76	17.37	-2.1
Hoggets	8.88	9.11	+2.5
Total Sheep	27.53	27.31	-0.8
Estimated Lamb Crop	23.68	22.78	-3.8
Beef Cattle	3.62	3.68	+1.9

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

Breeding Ewes -2.1%

For the year to 30 June 2018, New Zealand's breeding ewe flock decreased 2.1 per cent to 17.37 million. All regions decreased, largely driven by strong prices for cull ewes. In lower North Island regions this was further encouraged by the labour component associated with sheep, which led to farmers favouring cattle and deer.

Hoggets +2.5%

Overall, hogget numbers increased 2.5 per cent to 9.11 million head. This was largely due to increased numbers in Marlborough-Canterbury (218,000 head) due to ewe hogget retentions, which were sourced from drier regions further south.

Total Sheep -0.8%

Total sheep numbers for the year to 30 June 2018 decreased 0.8 per cent to 27.31 million head. This was due to a decrease in breeding ewes for all regions, which was moderated by a lift in total hogget numbers. The most significant increases in total hogget numbers occurred in Marlborough-Canterbury and Northland-Waikato-Bay of Plenty.

Ewe condition

Ewe condition was generally good across the country due to good feed availability during and after mating.

Scanning

Early pregnancy scanning results varied between regions. In some regions there was a mismatch between scanning results and farmer expectations. Farmer expectations for these regions were high due to good feed availability and breeding ewe condition at mating and leading into winter, but scanning fell short of those expectations.

Lamb crop -3.8%

The result of the above factors is a lamb crop decrease of 900,000 head (-3.8%) on spring 2017. This season, ewe condition at mating was good and more ewe hoggets have been run with ram compared with the previous year, but these positive changes are moderated by fewer breeding ewes overall. Climatic conditions leading into spring, and adverse weather events may impact this change further.

Beef cattle +1.9%

The number of beef cattle increased 1.9 per cent, or 68,000 head, to an estimated 3.68 million head at 30 June 2018. This was predominantly driven by the South Island where strong prices encouraged farmers to maintain or lift herd sizes.

Introduction

Livestock numbers as at 30 June 2018

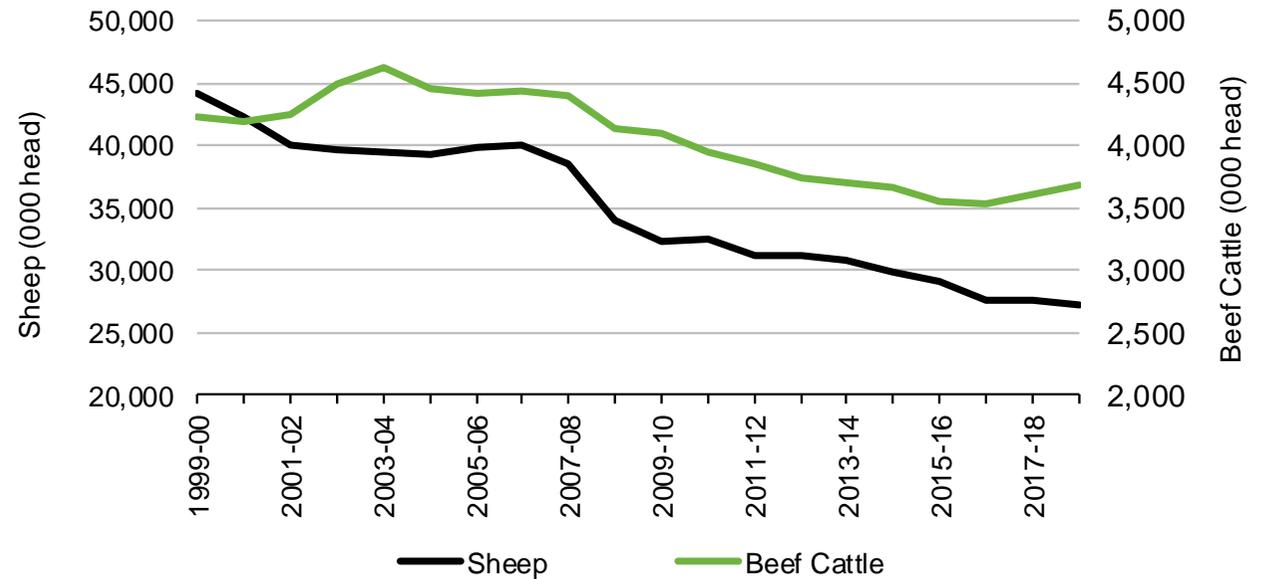
This paper summarises the results from a survey carried out to estimate the number of sheep and beef cattle on hand at 30 June 2018. This survey uses the Sheep and Beef Farm Survey framework, which is a statistically representative sample of over 500 commercial sheep and beef farms. Economic Service Managers based throughout New Zealand collect information from farms at various points during the year.

The livestock on hand at 30 June 2018 described in this report are the productive base for meat and wool production in the 2018-19 farming and meat export years.

In addition to the survey results, other information was used to estimate how changes in the size of the dairy herd impact on sheep and beef cattle numbers.

The results of the survey are reported by region for sheep in Table 3 and for beef cattle in Table 5. Longer-term time-series of livestock numbers are shown at the national level in Table 2 for sheep and in Table 4 for beef cattle.

Figure 1 Livestock Numbers



Source: Beef + Lamb New Zealand Economic Service | Statistics New Zealand

Climatic Conditions

2017-18 Summer Summary

Rainfall

Highly variable from month to month and heavily impacted by two ex-tropical cyclones during February. Summer rainfall in the South Island was above normal (120-149%) or well above normal (>149%) over Canterbury, Marlborough, Nelson, and Tasman, and near normal (80-119%) to below normal (50-79%) around Otago, Southland, and the West Coast. North Island summer rainfall was above or well-above normal around Wellington and much of the upper North Island, and near normal or below normal over remaining North Island locations including Taranaki, Manawatu-Wanganui, Hawke's Bay, and Gisborne..

Temperature

Hottest summer on record. The nation-wide average temperature for summer 2017-18 was 18.8°C (2.1°C above the 1981-2010 from NIWA's seven station temperature series which began in 1909). Summer temperatures were well above average (>1.20°C above the summer average) across all regions.

Soil Moisture

As of 28 February, soils were wetter than normal for the time of year across the upper North Island and the central and upper South Island. Soil moisture was near normal elsewhere, although parts of Hawke's Bay, Gisborne, and Southland had slightly below normal soil moisture.

2018 Autumn Summary

A warm start to autumn, then cooler and unsettled at times.

Rainfall

Autumn rainfall in the North Island was generally near normal (80-119% of normal) or above normal (120-149% of normal), with a handful of locations also recording well above normal (>149% of normal) rainfall. In the South Island, above normal (120-149% of normal) or well above normal (>149% of normal) rainfall was observed in most locations, with a few spots also recording near normal (80-119% of normal) rainfall.

Temperature

Nearly all of the North Island observed above average (0.51 to 1.20°C of average) temperatures during autumn, along with isolated pockets of near average (-0.50 to 0.50°C of average) and well above average (>1.20°C of average) temperatures. In the South Island, most locations recorded near average (-0.50 to 0.50°C of average) temperatures during autumn, with a handful of stations observing above average (0.51 to 1.20°C of average) temperatures.

Soil Moisture

As of 1 June, soil moisture was near normal in most of the North Island, along with the western and southern South Island. However, soils were wetter or even much wetter than normal in small portions of the lower North Island and nearly all of the eastern South Island.

Source: National Institute of Water and Atmospheric Research Ltd (NIWA)

Figure 2 Soil Moisture Deficit - March 2018

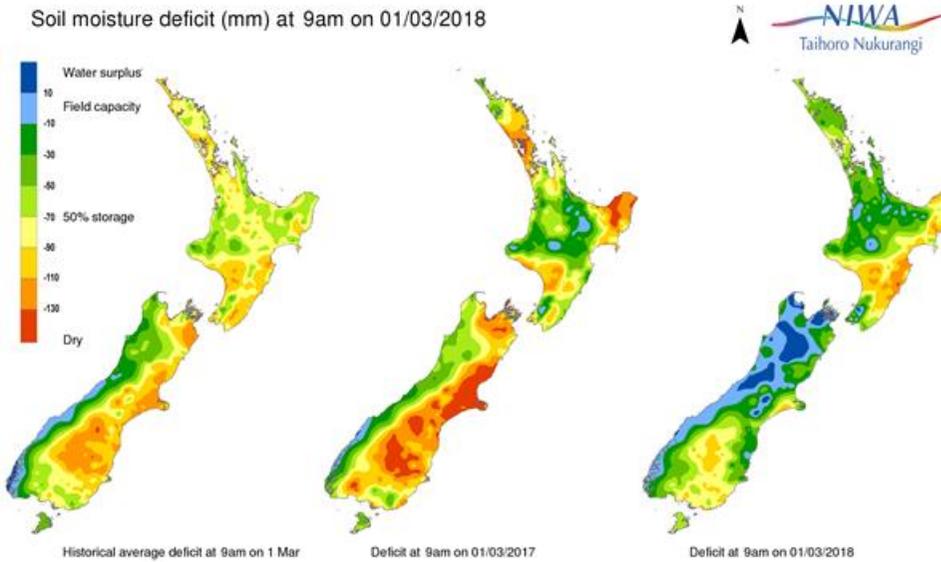
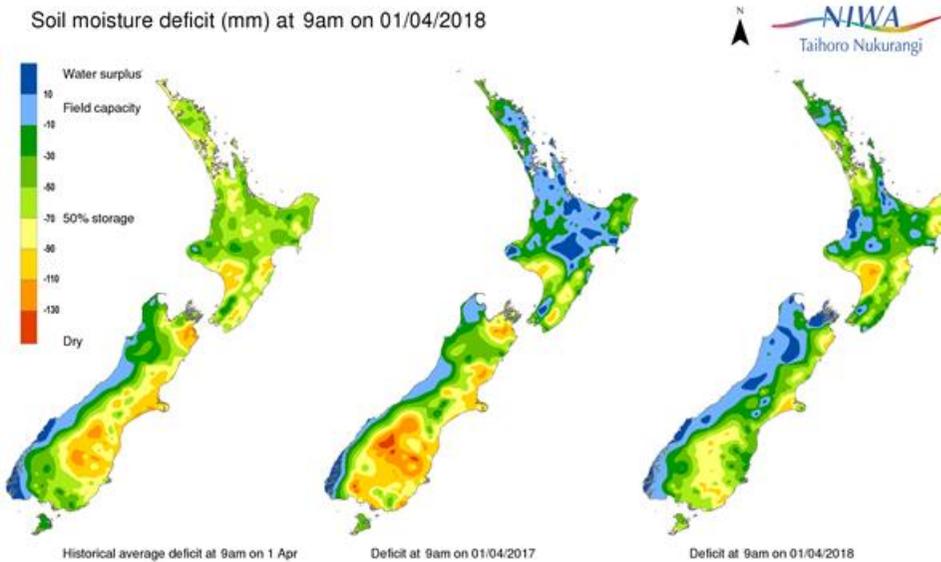


Figure 3 Soil Moisture Deficit - April 2018



Source: National Institute of Water and Atmospheric Research Ltd (NIWA)



Sheep

Total Sheep -0.8%

Overall, total sheep numbers decreased an estimated 0.8 per cent (220,000 head) on the previous year to 27.31 million head at 30 June 2018. This follows a decrease of 0.2 per cent during the previous year.

Breeding Ewes -2.1%

The number of breeding ewes, at 17.38 million, decreased 2.1 per cent compared with the previous June. All regions decreased, the largest decreases occurring in the North Island. This was due to strong mutton prices, which encouraged farmers to cull deeper into their breeding flocks.

Hoggets +2.5%

The total number of hoggets increased 2.5 per cent to 9.11 million head. All regions increased except for Otago, and East Coast of North Island, which decreased slightly. Increased numbers were driven by Marlborough-Canterbury. In this region ewe hoggets were retained to replace culled breeding ewes in response to high mutton prices, and trade lambs increased – sourced from dry regions further south – in anticipation of sustained strong prime prices.

Region Numbers

Total sheep declined for all regions except Marlborough-Canterbury where numbers lifted 2.8 per cent to 5.93 million.

North Island -2.0%

Total sheep numbers decreased 2.0 per cent (270,000 head) to 13.35 million at 30 June 2018. Decreased numbers occurred in all regions in

response to strong mutton prices, which in turn led to fewer breeding ewes. The overall decline in ewe numbers was moderated by a lift in hoggets, encouraged by strong prices to carry trade lambs to heavier weights during good pasture growth.

South Island +0.4%

Total sheep numbers decreased slightly - by 0.4 per cent (52,000 head) - to 13.96 million at 30 June 2018. This was due to increased hogget numbers in Marlborough-Canterbury, moderated by a decrease in breeding ewes in all South Island regions.

Ewes Mated

Breeding ewes -2.1%

The total number of breeding ewes at 30 June 2018 was estimated at 17.38 million, down 2.1 per cent. This was largely due to strong mutton prices, which encouraged deeper culling into breeding ewe flocks. This decrease also occurred due to farmers - particularly in the older demographic - shifting towards less labour intensive land-use options.

North Island -3.5%

North Island breeding ewe numbers decreased 3.5 per cent to 8.34 million head, largely due to strong mutton prices.

Northland-Waikato-Bay of Plenty decreased 3.5 per cent to 2.26 million head. This was driven by strong mutton prices, with an overall decline in numbers on hard hill and hill country farms continuing a trend that has been ongoing for a number of years.

East Coast decreased 3.5 per cent to 4.03 million head. This was driven by strong mutton prices, with farmers - particularly in the older demographic - favouring cattle over sheep due to the labour associated with sheep.

Taranaki-Manawatu decreased 3.6 per cent to 2.05 million head. This was driven by strong mutton prices and low wool prices, leading to sheep being substituted for cattle and deer.

South Island -0.8%

South Island decreased 0.8 per cent to 9.04 million head, largely due to strong mutton prices.

Marlborough-Canterbury decreased 0.6 per cent to 3.38 million head. This was encouraged by strong mutton prices, and continues the downward trend that has been occurring since 2003-04. This season, the decline has been driven by hard hill country and hill country farms.

Otago-Southland decreased 1.0 per cent to 5.66 million head. The decline was the greatest on intensive finishing farms in both regions, and strong mutton prices meant that ewes that were marginal to carry through another season, did not get the opportunity to do so.

Hoggets +2.5%

The total number of hoggets at 30 June 2018 was estimated at 9.11 million, up 2.5 per cent. This was largely due to increases in Marlborough-Canterbury and Northland-Waikato-Bay of Plenty.

North Island +1.0%

Northland-Waikato-Bay of Plenty numbers increased 4.7 per cent to 1.05 million head due to a lift in trade hoggets. A wet spring and a lack of thrift led to farmers retaining trade lambs to improve per head prices through weight gains, encouraged by strong schedule prices.

East Coast numbers decreased 0.6 per cent to 2.59 million head. This was due to increased ewe hogget retentions and mating, which was moderated by fewer trade lambs. This suggests that farmers are looking to maintain a younger breeding flock.

Taranaki-Manawatu increased 1.6 per cent to 1.06 million head. The percentage of ewe hoggets mated was similar to the previous year, but with fewer in total. The lift was driven by an increase in the number of trade hoggets.

South Island +4.2%

Marlborough-Canterbury increased 10 per cent to 2.34 million head. This was due to farmers retaining additional ewe hoggets to replenish ewe flocks, which declined due to strong mutton prices. Trade lambs were also sourced during early summer from dry regions further south. These were carried into winter as hoggets in anticipation of strong prices continuing.

Otago-Southland decreased 2.0 per cent to 2.06 million head. The number of ewe hoggets retained for breeding was near static in Otago but declined in Southland. The proportion of ewe hoggets mated increased in both regions, which will help to compensate for fewer breeding ewes.

Outlook for Lambing 2018

Ewe condition

Ewe condition overall during mating was good. The exception was Otago and Southland where breeding ewe condition was variable.

Good ewe condition for most regions was due to good overall feed availability and fewer breeding ewes. However, in Otago and Southland, dry conditions during summer led to breeding ewes being in variable condition at mating.

Scanning

Mixed early pregnancy scanning results.

Good overall ewe condition at mating led to high farmer expectations for pregnancy scanning. However, in Northland-Waikato-Bay of Plenty, East Coast and Marlborough Canterbury farmer feedback indicated a mismatch between high farmer expectations for pregnancy scanning, and early results which were mixed.

Anecdotal reasons for mixed early results range from sub clinical facial eczema, to worm burden and ram failure.

Lamb crop -3.8%

Overall, breeding ewe numbers were down. Breeding ewes generally entered mating in good condition due to good feed supplies, which – for a variety of reasons – did not flow through to early scanning results for most regions.

The North Island lamb crop is estimated to decrease 7.0 per cent. This is largely driven by fewer breeding ewes available, and fewer hoggets run with ram overall. South Island lamb crop is estimated to decrease slightly (0.7%) to 11.92 million head, largely due to fewer breeding ewes available. In South Island regions, spring feed will be reliant on climatic conditions from now on, with spring lambing

conditions being a key factor determining the final lamb crop, which will be reviewed in November when Beef + Lamb New Zealand's Lamb Crop Survey is completed.

With 17.38 million ewes, each one percentage point change in breeding ewe lambing percentage is equivalent to around 174,000 lambs.

Table 2 shows the trend in breeding ewes and total sheep over the last 10 years.

Table 2 Sheep Numbers at 30 June

June	Breeding ewes (million)	% change	Total sheep (million)	% change
2009	22.17	-5.6	32.38	-5.0
2010	21.79	-1.7	32.56	+0.6
2011	20.48	-6.0	31.13	-4.4
2012	20.41	-0.4	31.26	+0.4
2013	20.23	-0.9	30.79	-1.5
2014	19.78	-2.2	29.80	-3.2
2015	19.07	-3.6	29.12	-2.3
2016	18.14	-4.9	27.58	-5.3
2017	17.76	-2.1	27.53	-0.2
2018e	17.38	-2.1	27.31	-0.8

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

Table 3 Sheep Numbers at 30 June

	Actual 2016			Actual 2017			Estimate 2018			% changes 2018 on 2017		
	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (%)	Total Hoggets (%)	Total Sheep (%)
Northland-Waikato-BoP	2.440	1.072	3.612	2.344	1.006	3.445	2.263	1.053	3.408	-3.5	4.7	-1.1
East Coast	4.394	2.388	6.944	4.174	2.606	6.918	4.026	2.590	6.745	-3.5	-0.6	-2.5
Taranaki-Manawatu	2.089	0.981	3.138	2.124	1.045	3.257	2.048	1.061	3.195	-3.6	1.6	-1.9
North Island	8.923	4.441	13.694	8.643	4.656	13.619	8.337	4.704	13.347	-3.5	1.0	-2.0
Marlborough-Canterbury	3.465	2.098	5.844	3.396	2.119	5.768	3.376	2.337	5.930	-0.6	10.3	2.8
Otago	3.004	1.144	4.335	2.869	1.108	4.152	2.826	1.101	4.090	-1.5	-0.6	-1.5
Southland	2.745	0.879	3.711	2.847	0.998	3.987	2.836	0.963	3.939	-0.4	-3.5	-1.2
South Island	9.215	4.121	13.890	9.113	4.225	13.907	9.038	4.401	13.959	-0.8	4.2	0.4
NEW ZEALAND	18.137	8.563	27.584	17.755	8.881	27.527	17.375	9.106	27.306	-2.1	2.5	-0.8

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Beef Cattle

Total Beef Cattle

New Zealand +1.9%

The number of beef cattle increased 1.9 per cent, or 68,000 head, to an estimated 3.68 million head at 30 June 2018. This was predominantly driven by an overall increase in trade cattle and weaners, particularly in South Island regions.

North Island -0.4%

North Island decreased 0.4 per cent to 2.57 million head at 30 June 2018. Northland-Waikato-Bay of Plenty decreased 0.2 per cent to 1.22 million. This was due to fewer breeding cows, but moderated by a lift in trade cattle. Trade cattle were seen as a good option with abundant feed supplies, particularly on easier hill country farms.

Taranaki-Manawatu decreased 5.0 per cent to 0.43 million. This was largely due to fewer weaners and trade stock carried over balance date, offsetting breeding cow numbers, which were almost static on the previous season. Farmers have been more cautious in their buying decisions this season due to strong prices and *Mycoplasm* *bovis*.

South Island +7.4

South Island increased 7.4 per cent to 1.12 million head at 30 June 2018. Overall, all cattle classes and regions – with the exception of weaners in Otago and Southland – increased in the South Island.

Marlborough-Canterbury increased 9.8 per cent to 0.71 million head. This was driven by beef breeders retaining weaners and finishers continuing to buy dairy-beef weaners (especially bulls), driven by high feed supply and easing weaner prices. Farmers did not appear to be discouraged by risk to the disease *Mycoplasm* *bovis*.

In Otago and Southland, total beef cattle numbers increased 3.5 per cent to 0.40 million head. This was more evident in Otago than Southland (4.1% and 2.7% respectively). These were driven by increases in breeding cows and 'other' cattle, predominantly heavy trading stock. Weaner numbers declined in both regions (2.0% and 4.8% respectively), possibly influenced by the presence of *Mycoplasm* *bovis*, and dry climatic conditions during the summer of 2017-18.

Cows Mated

New Zealand -0.9%

Overall, beef breeding cow numbers decreased slightly (0.9%) to 0.97 million head at 30 June 2018. An overall lift in South Island numbers was offset by a decrease in Northland-Waikato-Bay of Plenty from fewer heifers on easier hill country.

North Island -2.4%

North Island decreased 2.4 per cent to 0.62 million head at 30 June 2018. Northland-Waikato-Bay of Plenty decreased 5.4 per cent to 0.25 million head. This was underpinned by decreases on easier hill country.

East Coast decreased 0.6 per cent to 0.26 million head, while Taranaki-Manawatu lifted slightly (0.4%) to 0.12 million head. In Taranaki-Manawatu, past confidence in beef returns and strong weaner prices encouraged farmers to maintain their numbers.

South Island +2.0%

South Island breeding cows increased 2.0 per cent to 0.35 million head at 30 June 2018.

Marlborough-Canterbury increased 1.7 per cent to 0.20 million head due to herd rebuilding in the northern part of the region, while herd numbers in the southern part of the region were maintained.

Otago-Southland increased 2.3 per cent to 0.15 million head. The increase was driven by Otago (3.5%) but numbers also increased marginally in Southland (0.7%). Positive returns from beef, both store and prime, have encouraged farmers to increase the size of their breeding herds.

Outlook for 2018 Calving

Calving percentages are expected to be the similar to, or slightly up on, the previous year for most regions.

Northland-Waikato-Bay of Plenty cows were in good condition for winter. The biggest issue was managing them in wet, rain-sodden paddocks to avoid excess development of mud. The NIWA climate outlook for the calving period is for above average temperatures and rainfall to be near average or above average.

East Coast calving is estimated to be similar to, or slightly improved on last year. Cows were run with the bull in better condition than the previous year for most of the region. The exception was cows in the Wairarapa and southern Tararua, which suffered from dry conditions close to mating. There was also an increase in the percentage of two-year-old heifers mated, which is a positive sign for the beef breeding herd.

Taranaki-Manawatu early empty rates averaged 10 per cent across all reported farms. Dry conditions from December through to January did not appear to negatively influence results. Hill country areas from Hunterville to Taihape had above average pasture growth from March onwards, favouring cow condition.

Marlborough-Canterbury calf numbers are expected to rise due to a lift in the number of cows and heifers mated, particularly in rising two-year-old heifers. Good body condition and plenty of feed availability leading into winter is expected to help calf numbers further.

Otago and Southland calving outlook is for a slight increase due to a lift in the number of breeding cows. Cows lost body condition in some areas during dry conditions, but rapidly regained this after the rain arrived and were in excellent condition going into winter.

In Marlborough-Canterbury, the rise in breeding cow numbers should result in a slight increase in the total number of calves born. The proportion of rising two-year-old heifers mated remained consistent with last year.

In Otago and Southland, the total number of calves born is expected to increase slightly because of an increase in the number of breeding cows. However, there have been sporadic reports of high empty rates for a variety of reasons. Cows have been in excellent condition because of favourable pasture growth, especially in Central Otago hill country, which has had a particularly good growing season.

Table 4 Beef Cattle at 30 June

June	Breeding cows (million)	% change	Total beef cattle (million)	% change
2009	1.10	-0.7	4.10	-0.9
2010	1.12	2.0	3.95	-3.7
2011	1.05	-5.8	3.85	-2.6
2012	1.06	0.7	3.73	-2.9
2013	1.02	-3.8	3.70	-1.0
2014	1.01	-0.7	3.67	-0.8
2015	0.98	-3.0	3.55	-3.3
2016	0.95	-2.9	3.53	-0.4
2017	0.98	2.4	3.62	2.4
2018e	0.97	-0.9	3.68	1.9

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

Table 5 Beef Cattle Numbers at 30 June

	Actual 2016			Actual 2017			Estimate 2018			% changes 2018 on 2017		
	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (%)	Total Weaners (%)	Total Beef (%)
Northland-Waikato-BoP	0.256	0.382	1.198	0.259	0.396	1.218	0.245	0.396	1.216	-5.4	0.1	-0.2
East Coast	0.251	0.259	0.896	0.261	0.270	0.905	0.259	0.265	0.921	-0.6	-1.7	1.7
Taranaki-Manawatu	0.109	0.109	0.415	0.116	0.140	0.454	0.116	0.132	0.431	0.4	-5.8	-5.0
North Island	0.615	0.750	2.509	0.635	0.805	2.577	0.620	0.793	2.568	-2.4	-1.5	-0.4
Marlborough-Canterbury	0.199	0.214	0.645	0.200	0.218	0.649	0.203	0.254	0.713	1.7	16.4	9.8
Otago	0.082	0.068	0.210	0.082	0.073	0.215	0.085	0.072	0.224	3.5	-2.0	4.1
Southland	0.058	0.064	0.169	0.060	0.069	0.175	0.060	0.066	0.180	0.7	-4.8	2.7
South Island	0.339	0.346	1.024	0.341	0.361	1.039	0.348	0.392	1.117	2.0	8.6	7.4
NEW ZEALAND	0.954	1.096	3.533	0.976	1.166	3.616	0.968	1.185	3.684	-0.9	1.6	1.9

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

General Comment

Climatic conditions were mixed between regions

In Northland-Waikato-Bay of Plenty spring was wet with little sunshine. Significantly dry conditions through Christmas put Northland on the verge of drought before exceptional grass growth occurred in autumn leading to pasture quality management issues.

East Coast spring was benign for most parts, followed by wet winter conditions with good growth, then a dry spell in late spring. There were some isolated weather events, leading to sediment loss, erosion and forestry slash, with growing farmer concern over the regularity of these events.

Taranaki-Manawatu had kind spring conditions, improving farmer confidence for the coming season. Although December rain was 50% of average, January experienced heavy rain – albeit only for three days – with limited ongoing benefits. By April, regular rainfall and warm northerlies for most of the region encouraged good pasture growth.

Marlborough-Canterbury summer and autumn pasture growth was outstanding, and stock were in good condition despite there being higher numbers on-farm than the previous year. During summer, high volumes of feed were conserved as security for adverse conditions.

Otago and Southland had dry summer conditions, which caused water supply issues and pressured farmers to sell stock earlier than intended due to feed shortages. However, good prices and a ready market in northern South Island regions made this an easy decision.

Economic conditions were strong overall

Strong prices for sheep and beef prevailed throughout the season, while low wool prices and anecdotal comments of a potential lift in the price of shearing remains a concern for farmers.

Strong mutton prices have encouraged deeper culling of older ewes, while strong lamb prices have encouraged farmers overall to retain more trade lambs for weight gains, with more ewe lambs being retained to compensate for culled breeding ewes. Good returns for beef have also encouraged farmers in some regions to replace sheep with cattle.

Mycoplasma bovis and its impact on sheep and beef farms has been mixed

Northland-Waikato-Bay of Plenty farmers who routinely enter grazing contracts are becoming more selective in who and where they source their livestock from. Subject to how the disease is managed by the industry, there is risk of risk-averse farmers steering away from grazing activities altogether.

East Coast farmers who raise calves for their own properties are continuing business as usual, however, those that rear calves to sell at 100kgLW are reluctant to commit to selling calves due to the associated risk of being identified as an infected property.

Taranaki-Manawatu dairy grazing activity has slowed due to a number of large grazers opting to graze their own stock this year due to *Mycoplasma bovis*.

Marlborough-Canterbury farmer reactions are mixed. *Mycoplasma bovis* is not having any impact on long-term grazing relationships, while more risk-averse farmers are choosing to source from single farms. In Otago and Southland, revenue from dairy grazing is still important, with many contracts continuing as normal.

Land use changes varied between regions

In Taranaki-Manawatu, strong venison prices led to a lift in breeding hinds on Sheep and Beef Farms, while in Otago-Southland, conversion of pastoral land into dairy farms has slowed down considerably compared with previous years. In Marlborough-Canterbury expansion of irrigation availability may lead to land use pressure on pastoral land towards dairy and mixed cropping uses.





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