

WEEKLY ECONOMIC REPORT: Farm Advisors NZ Ltd & AgSafe NZ Ltd

Property & Farm Management Consultants & Safety Consultants

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21 May 2022

Daily grass growth rates:	Range 30 to 50 kg DM/ha/day.
Average pasture cover:	1700 kg DM/ha.
10 cm soil temperature:	11.2°C
Rainfall (Hamilton)– Month to date:	92 mm. May 10 year Av 117 mm. some rain at last!!!.
Stock prices report:	Steers \$2.840/kg
	Bulls \$2.800/kg
	Boner Cows \$1.480/kg
	Store lambs \$105.35/head
	Feeder Calves \$ 82.30 - big yarding

There has been some rain across the dryer parts of the country over the week with more predicted. Feed is in very short supply and prices are high for silage, hay, PKE and various meals. Urea is still a good option but usage is capped on farms. Pasture covers are below ideal and stock condition is only fair. This will impact on the spring 2022 production.

Week commencing 23 May 2022

	This Week Nth Is	This Week Sth Is	Last Week Av	1 Year ago
18 kg YX Lamb (cents/kg)	\$8.30	\$8.35	\$8.32	\$7.35
21 kg Mutton (cents/kg)	\$5.75	\$5.45	\$5.60	\$5.60
P2 Steer (270 to 295 kg)	\$5.87	\$5.78	\$5.71	\$5.00
M Cow (160 to 195 kg)	\$3.70	\$3.70	\$3.70	\$3.26
Bull (270 to 295 kg)	\$5.85	\$5.60	\$5.72	\$4.78
Venison (60 kg AP Stag)	\$7.95	\$8.05	\$8.00	\$5.27
		Previous Week	1 year ago	2 yrs ago
Fine Crossbred Indicator price	\$3.42	\$3.00	\$ 2.65	\$ 2.87
Mid Micron Indicator price	\$6.40	\$6.40	\$9.58	\$8.05
Butter (NZ \$ per tonne)	\$ 9920	\$ 9920	\$ 7100	\$6310
Skim Milk Powder (SMP NZ \$ per tonne)	\$ 6880	\$ 6880	\$ 4850	\$4150
Whole Milk Powder (WMP NZ \$ per tonne)	\$ 6125	\$ 6125	\$ 5775	\$4385
Cheddar Cheese (NZ \$ per tonne)	\$ 9600	\$9600	\$ 6125	\$6450
Casein (lactose casein NZ \$ per tonne)	\$19500	\$19500	\$ 11675	\$14450
Global Dairy Trade Index	1287	1379	1287	902
US currency	\$0.638	\$0.625	\$0.719	\$0.620
Euro	\$0.604	\$0.602	\$0.587	\$0.559
Australian dollar	\$0.909	\$0.908	\$0.927	\$0.930

Finance: The NZ dollar rebounded slightly but the economy continues to falter with high inflation. The budget comments are below. The inflation rates in many Western countries are between 7% & 9% with control measures struggling to control it.

Wool: Wool prices remain in the doldrums with minor market fluctuations that seem to come to nothing.

Beef, Sheep & Venison schedules: The meat schedules are steady with some minor intercompany changes. Killing space is at a premium with dairy farmers finding it difficult to get culls away. There is also difficulties in shipping product.

Dairy Prices: The g/DT eased again by 2.9% with the big drop being in the WMP. WMP down 4.9% to \$US3934, SMP down 0.6% to \$US4116. The auction offered moderate volumes with sales into the fickle China market pushing the index down.

It is time to check in with any incoming staff and ensure the shifting arrangement all fit together. If the farm is sold or the sharemilker is moving on, discuss any feed deficits and under-conditioned cows before the change-over. It is easier to sort out problems before everyone parts company than a week or 2 later!!!.

Quote: "Without freedom of thought there can be no such thing as wisdom; and no such thing as public liberty, without freedom of speech." - Benjamin Franklin.

Need Help. If at any time you just want to talk about being isolated on your farm and to have a chat, just call me – no charges!!
027-2872886. Rural Support Trust 0800-787-245. Lifeline 0800-543354. Crisis TXT – HELP (4357)

You can hear us live on the radio on Monday morning at 7.35 am with Brian Kelly on Country Sport Breakfast – Radio NZ Gold AM. 792 AM in the Waikato & 1332 AM in Auckland. Back on the 17th January 2022.

Jim's Weekly Rant:

Six billion of expenditure and a country going backwards doesn't sound like fun. The next 10 years will be difficult as the country grapples with the massive debt, the unproductive spending and while trying to control inflation with increasing interest rates. It sounds a little like the 1980's & 1990's all over again with high inflation and high interest rates. The massive investment into "Green" initiatives will cost over \$4 billion to produce nothing other than signal to our trading partners that we are slaves to the IPCC and are preprepared to sacrifice our productive sectors for an ideology – listen to the last 15 min's of Leighton Smiths Podcast 156. The investment into the health system is always interesting as it happens every year and the health sector stills says it is underfunded. The extra funds for Pharmac will be very welcome as we all know someone who is in need of drugs that are not funded by Pharmac. Our health system does need a shake-up and some sound management, but a centralised system will not work as again the bureaucracy will come before the needs of the patients. Education needs a shake up as well and the children need to be taught how to think and not what to think and how to deal with life and learning is a lifetime activity, but what will the \$2 billion fund do to "fix the decile system" when we need a change in what they teach. But some of the other areas of expenditure include:

- \$100m for a new "Business Growth Fund" to invest in small-medium businesses that banks aren't willing to lend to – looks like a taxpayer funding for the failed Dragon's Den contestants.
- \$118m in "advisory services" for farmers and Maori land owners – I will be in for this!!
- \$40m on "Transformation Plans" for forestry, wood processing, food and fisheries businesses????
- \$350m "Affordable Housing Fund" for housing developers,
- \$15.5m for "Pacific economic development" that's funding for Pasifika-run businesses in NZ.
- An extra \$26m (now \$155m in total) for "Progressive Procurement" that favours Maori-owned businesses as government contractors and then there is \$349m bailout for a Kiwirail.
- An extra \$3.1 billion (one-off) for the new co-governed health system (\$1.8 billion of this disappears immediately: it wipes off existing DHB debt) plus \$580m for "Maori Health and wellbeing" including \$188m for the new Maori Health Authority and \$20m establishing new "Iwi-Maori Partnership Boards" (that is to develop co-governance to the new health system) and then there is \$70m for Pasifika health providers. Where is the increase in productivity??
- \$185m in arts and culture grants "to help build a resilient cultural sector as it continues to adapt to the challenges coming out of COVID-19" – what is a resilient culture sector is anyone's guess and I had thought that the Covid fund was a made-up fund out printed money, it certainly isn't a productive spend!!
- \$327m in funding for the new RNZ/TVNZ merged media entity that few are in favour of or is it more for the Labour Parties political propaganda machine. Again where is the increase in productivity!!
- A \$1 billion "Maori Budget" including: \$91m on Maori trades, training, and cadetships, \$3m for "marae connectivity", \$5m for iwi/Maori teachers plus \$200m for Maori education and another \$28m for Maori "language, culture and identity" plus \$162m for Maori organisations to reduce emissions, including \$36m for "matauranga [traditional knowledge]-based approaches to reducing biological emissions" and \$30m for "Maori Climate Action".
- \$38m for Pasifika training, education, and bilingual schooling and \$14m for an "historical account of the Dawn Raids"
- \$178m for councils dealing with RMA reform, plus a new "National Maori Entity" to co-govern resource management, I assume this is the 3-waters nonsense.

Some of this spending is needed but a lot of it is mad and reckless. The Ministers seem to be oblivious to the communities needs that they are supposed to serve, and the Ministers treat the tens of millions of dollar-bits like pocket-money. It should have been an austerity budget without any new initiatives!!! There is little investment or incentive to kickstart an ailing economy or promote any lifts in productivity and nothing major for infrastructural needs.

Get yourself a copy of a great book - "Green Murder – a life sentence of net zero with no parole". Author - Dr Ian Plimer and perhaps the best known Australian geologist.

Contact AgSafe NZ Ltd - Phone 027-2872886. We can prepare your Work Safe manual and hazard management plan at a very competitive price. We can arrange drug tests and farm maps for your property.

Calf rearing is important for your future production – Check out the Bell-Booth "**Queen of Calves**" rearing plan. There is research data from Massey University measuring the benefits. They are clearly documented and the long-term benefits are more production per cow and longevity of the animals!! Research has shown calves can be weaned approximately 22 days earlier when Queen of Calves is used.

Q-Labs for your comprehensive farm soil & nutrient test. Qlabs are based in Waipawa.

Soils: Full Soil Analysis, Soil Respiration Test, Home Garden Soil Testing

Feeds: Full Feed Analysis, Ruminant Nitrogen Utilization Efficiency (RNUE), ME (Metabolizable Energy), Feed Single Element, DM (Dry Matter), Nitrate (Feeds)

Waters & Effluents: In Depth Water Test, Water - Bacterial, Water - Extras, Dairy Effluent (TKN), Dairy Effluent (Totals). Check out their services at [www.qlabs.co.nz](http://www qlabs.co.nz) Phone 0800-857733

AgDrive offers courses to upskill yourselves and your staff. It is important to ensure staff are upskilled and offered skill training courses. AgDrive is an independent training establishment. For course details and training information contact Sue 027-2354408.

Drone Spraying a cost-effective way to spray weeds, sow grass seed etc. www.dronespraying.co.nz Check it out and call Pete Campbell on 021-835375 or email pete@dronespraying.co.nz

The seasonal spore counts have concluded.