

WEEKLY ECONOMIC REPORT: Farm Advisors NZ Ltd & AgSafeNZ Ltd

Property & Farm Management Consultants & Safety Consultants

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Website: www.farmconsulting.co.nz <http://agsafe.nz> Follow AgSafe on Facebook.

26 October 2019

| | |
|-------------------------------------|---|
| Daily grass growth rates: | Range 60 to 75 kg DM/ha/day. |
| Average pasture cover: | 2500 kg DM/ha. |
| 10 cm soil temperature: | 17.2°C OK for the maize planting!!. |
| Rainfall (Hamilton)– Month to date: | 58 mm. Oct 10 year Av 97 mm . |
| Stock prices report: | Prime steers \$3.436/kg |
| | Prime bulls \$3.020/kg |
| | Boner Cows \$2.192/kg |
| | Store lambs \$114.40 |
| | Feeder Calves \$176.85 |
| | Weaner bulls to 100 to 120 kg \$4.976/kg av \$536.94/head |

Get those submissions in and make sure the Act is workable, the proposals are draconian. “Blanket” rules don’t fit all. There are several templates from Fed Farmers & DairyNZ. Also ask to be heard at any hearings – adds to the time to implement the Act and hopefully the government will change before then!!!

Week commencing 28 October 2019

| | This Week Nth Is | This Week Sth Is | Last Week Av | 1 Year ago |
|--|------------------|------------------|--------------|------------|
| 18 kg YX Lamb (cents/kg) | \$8.65 | \$8.65 | \$8.30 | \$7.85 |
| 21 kg Mutton (cents/kg) | \$5.60 | \$5.55 | \$5.58 | \$4.90 |
| | | | | |
| P2 Steer (270 to 295 kg) | \$5.95 | \$5.70 | \$5.80 | \$5.52 |
| M Cow (160 to 195 kg) | \$4.55 | \$4.20 | \$4.33 | \$3.95 |
| Bull (270 to 295 kg) | \$5.90 | \$5.50 | \$5.50 | \$4.82 |
| | | | | |
| Venison (60 kg AP Stag) | \$9.70 | \$9.58 | \$9.64 | \$11.35 |
| | | Previous Week | 1 year ago | 2 yrs ago |
| Fine Crossbred Indicator price | \$5.50 | \$4.16 | \$ 4.01 | \$ 4.25 |
| Mid Micron Indicator price | \$10.57 | \$10.60 | \$16.40 | \$14.60 |
| Butter (NZ \$ per tonne) | \$ 6520 | \$ 6450 | \$ 6475 | \$8350 |
| Skim Milk Powder (SMP NZ \$ per tonne) | \$ 4350 | \$ 4250 | \$ 3075 | \$2625 |
| Whole Milk Powder (WMP NZ \$ per tonne) | \$ 5000 | \$ 5000 | \$ 4175 | \$4425 |
| Cheddar Cheese (NZ \$ per tonne) | \$ 5900 | \$6000 | \$ 5400 | \$6025 |
| Casein (lactose casein NZ \$ per tonne) | \$10900 | \$10650 | \$ 8450 | \$8550 |
| US currency | \$0.637 | \$0.639 | \$0.653 | \$0.697 |
| Euro | \$0.574 | \$0.575 | \$0.574 | \$0.597 |
| Australian dollar | \$0.934 | \$0.936 | \$0.925 | \$0.903 |

Finance: The NZ dollar is steady but is tending downwards which again is good for the exporters as the main production season gets underway.

Wool: Coarse wool prices are still weak while there is reasonable demand for the finer wools. NZ prices are still well below Australia’s fine prices.

Sheep & Venison meats: Lamb schedules are firm and are continuing to trend upwards. Venison prices remain lower than the same time last year, but are lifting as the slaughter season gets underway.

Beef Schedules: Beef prices are steady with strong demand for prime animals. The schedules are continuing to firm. Check with your buyers for premium.

Dairy Prices: The dairy commodities are steady and has allowed Fonterra to lift its predicted farm gate price for the season. There is an expectation that the final for 2019/20 will exceed \$7.00 per kg ms.

The Government has backed down on including the farmers in the ETS. There is still a need to make sure the Bill never goes through as it is a nonsense to tax something that fundamental to life!!

Quote: *Strength doesn't come from what you can do. It comes from overcoming the things you once thought you couldn't.*

Jim's Weekly Rant: *I read the opinion piece in the Waikato Times on Thursday by Dr Eric Crampton the chief economist from The NZ Initiative. I wrote to him about his support for an ETS. He replied that he was well read on the matter and I find it hard to believe that he is still wanting to attack CO2. I was concerned by part of his response which is copied below:*

But let's leave all that aside. I'm convinced by that science, but others don't have to be, and I know I'm not expert enough to adjudicate on those scientific claims anyway. And it's almost irrelevant to the policy discussion. The Bill, as it stands, commits NZ to net zero emissions by 2050, and does so in ways that make it unnecessarily expensive to do it. Allowing the use of international projects will substantially reduce the cost of the policy, without compromising the policy's objectives. **It is something that should be supported regardless of one's views on the science.** If you think the science is wrong and the policy is utterly misguided, it is better to spend less on doing something useless than to spend more on doing something useless. If you think the science is right and the policy is a critical part of saving the world, there's a moral imperative to do the most good possible for every dollar spent on it – and that also requires leaving the door open to more cost-effective projects.

My own preferred policy overall, for what it's worth, is that NZ strengthen the ETS to be inclusive across all sectors but with provision for carbon tax abatement for exports into markets facing competition from untaxed competitors; that the ETS have a binding cap; and that the cap be set so that ETS prices in New Zealand track prices in credible European markets.

These are the people that get media space and time!!!!

Contact AgsafeNZ 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.

Quad safe helmets – contact Pacific Helmets NZ. www.pacifichelmets.co.nz/shop

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. The early weaning saves milk and allows more milk to be sold!

[QLabs 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 Utilisation, 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)

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On Climate Change. *The notion that complex climate “catastrophes” are simply a matter of the response ... to a single forcing, CO2 (or solar forcing for that matter), represents a gigantic leap backwards in the science of climate. Many disasters associated with warming are simply normal occurrences whose existence is falsely claimed to be evidence of warming. And all these examples involve phenomena that are dependent on the confluence of many factors.* Dr Richard Lindzen, Nov 30, 2009.

Check out our Facebook site **Citizens Reject Atmospheric Policies – CRAP.** We will keep you up-dated with access to properly researched and peer reviewed scientific papers from eminent astrophysicists and climate scientists. We are not interested in political papers from the hysterical masses!!!