

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.

14 September 2019

| | | | | | | | | | | | | | |
|-------------------------------------|--|--------------|------------|-------------|------------|------------|------------|-------------|----------|---------------|----------|------------------------|--------------------------|
| Daily grass growth rates: | Range 50 to 62 kg DM/ha/day. | | | | | | | | | | | | |
| Average pasture cover: | 2350 kg DM/ha. | | | | | | | | | | | | |
| 10 cm soil temperature: | 13.5°C - cooled down after the frosts, but some warm rain during the week. | | | | | | | | | | | | |
| Rainfall (Hamilton)– Month to date: | 50 mm. Sept 10 year Av 110 mm . | | | | | | | | | | | | |
| Stock prices report: | <table border="0"> <tr> <td>Prime steers</td> <td>\$3.423/kg</td> </tr> <tr> <td>Prime bulls</td> <td>\$2.646/kg</td> </tr> <tr> <td>Boner Cows</td> <td>\$2.099/kg</td> </tr> <tr> <td>Store lambs</td> <td>\$106.78</td> </tr> <tr> <td>Feeder Calves</td> <td>\$106.78</td> </tr> <tr> <td>Weaner bulls to 100 kg</td> <td>\$3.125/kg av \$250/head</td> </tr> </table> | Prime steers | \$3.423/kg | Prime bulls | \$2.646/kg | Boner Cows | \$2.099/kg | Store lambs | \$106.78 | Feeder Calves | \$106.78 | Weaner bulls to 100 kg | \$3.125/kg av \$250/head |
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I have attached the Dairy NZ memo about the Fresh Water Accord. It is important that you attend as the impact on agriculture is massive and the proposed regulations are more draconian than the Waikato Regional Councils Plan Change 1.

Week commencing 16 September 2019

| | This Week Nth Is | This Week Sth Is | Last Week Av | 1 Year ago |
|--|------------------|------------------|--------------|------------|
| 18 kg YX Lamb (cents/kg) | \$8.32 | \$8.00 | \$8.00 | \$8.00 |
| 21 kg Mutton (cents/kg) | \$5.45 | \$5.30 | \$5.35 | \$5.22 |
| | | | | |
| P2 Steer (270 to 295 kg) | \$5.90 | \$5.60 | \$5.75 | \$5.70 |
| M Cow (160 to 195 kg) | \$4.30 | \$3.95 | \$4.17 | \$4.07 |
| Bull (270 to 295 kg) | \$5.45 | \$5.15 | \$5.28 | \$5.04 |
| | | | | |
| Venison (60 kg AP Stag) | \$9.40 | \$9.27 | \$9.24 | \$11.31 |
| | | Previous Week | 1 year ago | 2 yrs ago |
| Fine Crossbred Indicator price | \$4.50 | \$4.24 | \$ 4.33 | \$ 4.60 |
| Mid Micron Indicator price | \$10.24 | \$10.24 | \$16.40 | \$14.60 |
| Butter (NZ \$ per tonne) | \$ 6350 | \$ 6325 | \$ 6525 | \$8525 |
| Skim Milk Powder (SMP NZ \$ per tonne) | \$ 4050 | \$ 4075 | \$ 3175 | \$2750 |
| Whole Milk Powder (WMP NZ \$ per tonne) | \$ 4850 | \$ 5000 | \$ 4300 | \$4250 |
| Cheddar Cheese (NZ \$ per tonne) | \$ 6050 | \$6150 | \$ 5550 | \$6425 |
| Casein (lactose casein NZ \$ per tonne) | \$10450 | \$10350 | \$ 8200 | \$8800 |
| US currency | \$0.644 | \$0.641 | \$0.662 | \$0.733 |
| Euro | \$0.581 | \$0.581 | \$0.566 | \$0.613 |
| Australian dollar | \$0.935 | \$0.939 | \$0.919 | \$0.922 |

Finance: The NZ dollar remains weak against the major trading currencies, but did firm slightly against the US dollar. The world trading markets are strained with the US trade wars and Brexit.

Wool: Coarse wool prices are still weak while there is reasonable demand for the finer wools.

Sheep & Venison meats: Lamb schedules are continuing to trend upwards. Most lamb prices exceed \$8.00/kg. Venison prices remain low with some further upward movement recorded for the coming week.

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

Dairy Prices: Dairy prices are steady and the NZ dollar returns are only down because the NZ dollar has firmed slightly from 2 weeks ago. Most pundits are expecting a \$7.00 payout for the season.

Grass growth rates are exceeding demand on most properties now. Make sure the pasture quality is good and watch your production. The SCC, MU's and the P:F ratios are important indicators of feeding. You can start to speed the rotations up and look forward to finding areas to crop and silage to harvest.

***Quote:** Keep on going, and the chances are that you will stumble on something, perhaps when you are least expecting it. I never heard of anyone ever stumbling on something sitting down.*

Jim's Weekly Rant: *I listened to the Podcast from Leighton Smith interviewing Dr Tim Ball about the politics behind the CO2 deception and fraud. It is podcast 31 and takes about 1 hour. It is must listen too for everyone and the one of the interesting facts is that on 15% to 20% of a population can understand maths and it is the lack of mathematical understanding that has allowed the majority of the population to be hoodwinked – they struggle to understand that Green Houses Gases are 7% of the atmosphere and that CO2 is only 4% of the GHG. 80%+ of the population struggle to understand what that actually means. Just go to iHeart Radio and the Podcast link and the to Leighton Smith, easy to find.*

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 (Metabolisable 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

WorkSafe NZ have changed their stance on Quad Bike Roll-Over protection. They are now encouraging the use of Crush Protection Devices (CPDs) and are looking at a subsidy program to have them installed on Quad Bikes. We can email you the policy clarification document if you require further information. Contact james@agsafe.nz

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!!!

Essential Freshwater Package Update

Good afternoon,

Last week the Government released its Essential Freshwater Package, which proposes changes to the way freshwater is managed in New Zealand.

Ministry for the Environment have begun their consultation process, with several meetings held across the South Island in the last few days. Two more primary sector meetings are coming up and DairyNZ will be there speaking with farmers toward the end of the session. For all meeting dates [click here](#).

While we do understand that many farmers are walking away from these meetings frustrated - it is a complex proposal with short timeframes, at an already busy time of year - it is important we engage with this consultation, learn more about it and ensure our voice is heard.

We want to see the Essential Freshwater Package build on the great voluntary work farmers have been doing to protect water quality and it's important we do get involved.

Understanding the proposal

As we all know, the Essential Freshwater Package proposal document is large and complex. We have been analysing the proposals, understanding the impacts and modelling what this means for all our farmers. This will allow us to present DairyNZ's submission on behalf of farmers and provide advice to assist you in preparing your own.

Government has not undertaken a detailed review of the economic impacts and we will also be addressing this.

We are also working closely with dairy companies, Federated Farmers and Beef + Lamb NZ to ensure we take a sector-wide approach in our response, where we can.

Have your say

We encourage you to make a submission. Submissions must be received by 5pm on **Thursday 17 October**. To make a submission or for more information on the proposal visit dairynz.co.nz/freshwater.

Key issues in the proposal that could affect dairy farming

There is a significant amount of information contained in the Action for Healthy Waterways consultation documents. The following are issues that are most relevant for dairy farming. More detail can be found [here](#). Below is a brief summary.

New bottom line for instream nitrogen and phosphorus. Government modelling suggests reductions in nitrogen losses of 25-80% would be required to meet the targets across many catchments.

Changes to the stock exclusion and set-back rules. New standards are proposed for the exclusion of cattle from wetlands, lakes and rivers more than one-metre wide have been proposed in the National Environmental Standard.

New “at-risk” standards for wintering and stand-off pads. The consultation is asking for feedback on proposed standards and rules for options to manage intensive wintering grazing on forage crops, as well as proposals on how to manage the use of feedlots, sacrificial paddocks and the use of land on stock holding areas (e.g. stand-off pads).

Requirement for a Farm Environment Plan (FEP). The Government is proposing that all farms need to have an active FEP module in their farm plan by 2025, or by 2021 if located within a catchment identified as Schedule 1. Two options are presented; mandatory or voluntary.

A nitrogen cap in Schedule 1 catchments. The proposed National Environmental Standard proposes to take immediate action to reduce nitrogen loss from Schedule 1 catchments.

Schedule 1 catchments:

Taharua River - Hawke's Bay
Waipao Stream - Northland
Mataura River - Southland
Oreti River - Southland
Waimatuku Stream - Southland
Aparima River - Southland
Waihopai River - Southland
Waingongoro River - Taranaki
Motupipi River - Tasman Region
Piako River - Waikato Region
Waihou River - Waikato Region
Parkvale Stream - Wellington
Upper Rangitaiki and Otangimoana Rivers (upstream of their confluence only) - Bay of Plenty

For more detail on the key issues in the proposal [click here](#).

DairyNZ will continue to keep you updated and will keep you briefed with a weekly email. Please be assured we will be sharing our technical views on the above proposals with you and the Government. Keep talking to us - we know this

is tough and we'll do our best to keep you informed.

Kind regards

Tim Mackle
Chief Executive