



# Rural Update

## July 2021



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Inland Revenue have recently announced this year's livestock Herd Scheme Values and we think this is a great opportunity to update you on the latest movements. The Herd Scheme Values are the National Average Market Values as determined by a process involving a review of the livestock market as at 30 April.

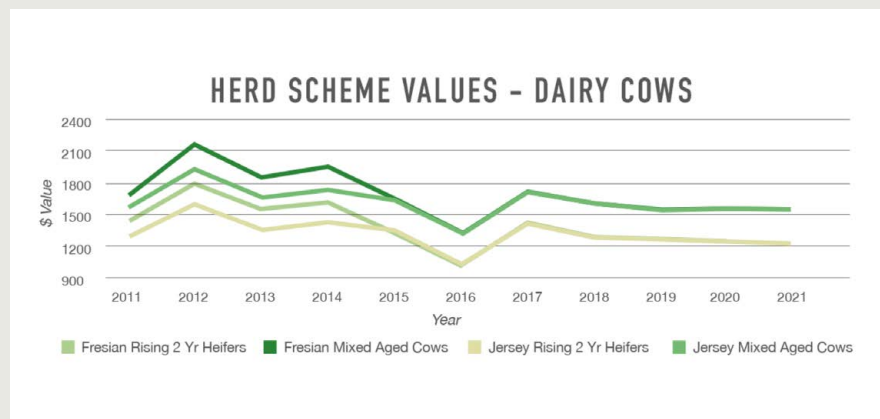
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## Dairy Cattle

The values for Dairy this year are again a mixed bag, with some values increasing against the general trend of decreases. The overall values for dairy have not had the same recovery as sheep and beef values from last year's drops, which perhaps is a consequence of tougher environmental challenges for dairy farming as compared to sheep and beef. The drop in value for R1 heifers is likely due to the prohibition of live animal exports from 2023. Values are likely to fall in future years as the full effect of the ban flows through to values.

A Mixed Age Dairy cow now has a National Average Market Value of \$1,528 compared to \$1,525 last year – a rise of 0.2%. Rising two-year heifers have recovered



from last year's drop in value increasing by 5.6 to \$1,291. Rising one-year heifers have decreased by 4.1% to \$707.

Covid-19 has not resulted in a drop in demand for dairy products with the farm gate milk price remaining very strong for the 2021 season and in the forecasts for the 2022 season. Where uncertainty remains is in relation to environmental changes, many of which have had their commencement date deferred

by a year due to Covid-19. This has provided a counterweight to the increased farm gate milk price. It is likely that there will continue to be a drop in the total number of dairy cattle in New Zealand as environmental changes force a reduction in numbers. Existing production levels will likely be maintained through better genetics. As a result, we are unlikely to see a spike in values as occurred following record farm gate milk prices in the past.

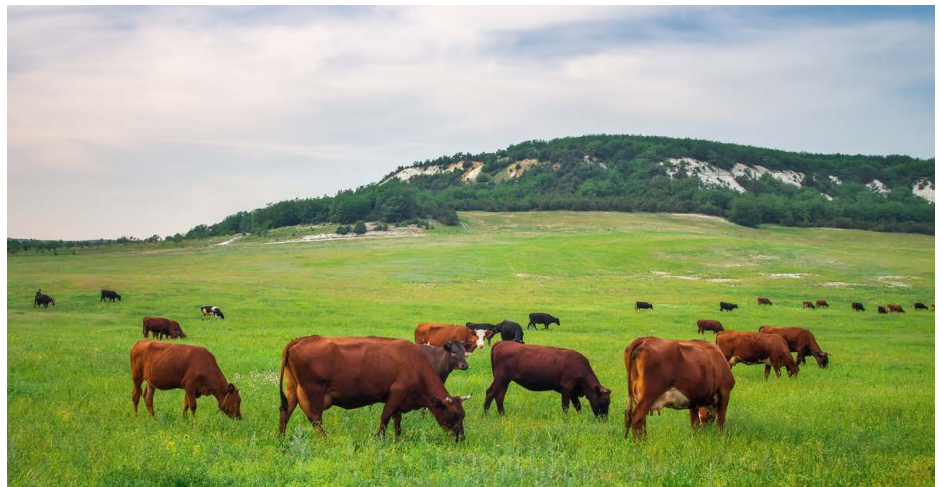
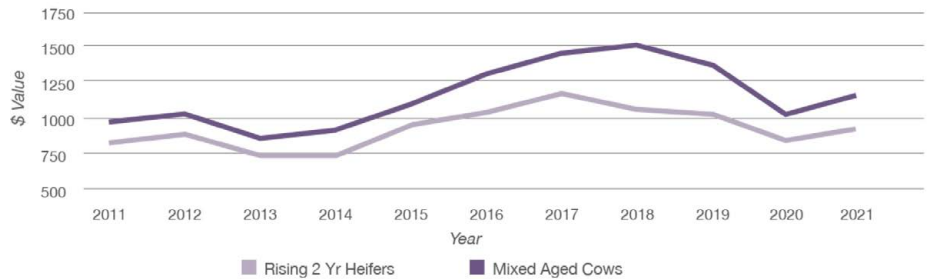
## Beef Cattle

Beef values have recovered some of the loss in value last year but still sit below 2015 values with only modest increases across all categories except breeding bulls.

Covid-19 continues to have a significant impact on values, but increased vaccination rates will see many countries start to re-open which should result in increased demand for quality cuts as restaurants re-open and people have money to spend with travel likely to continue to be constrained for at least the next 12 months.

Uncertainty continues to play a part in the domestic market as the regulatory requirements around water quality, fencing and carbon continue to come into force in the coming years and alternative proteins continue to increase in popularity and use.

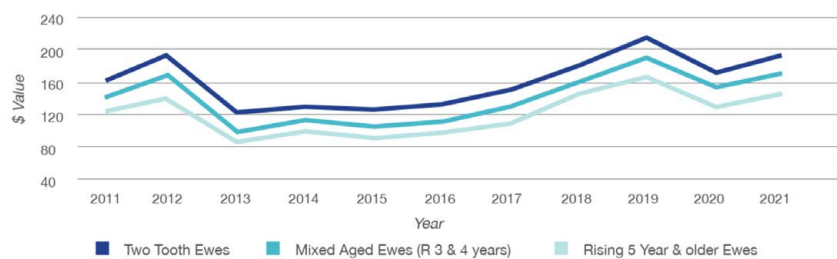
### HERD SCHEME VALUES - BEEF COWS



## Sheep

Like beef, sheep values have bounced back from the large drop in 2020 to return to largely what they were in the 2018 year. All categories of sheep have seen double digit increases in value except two tooth ewes and breeding rams which were the only category to decline in value. Two tooth ewes increased from \$177 to \$191, which equals the second highest value on record. This is consistent across almost all categories of sheep and indicates that markets have recovered well from the uncertainty posed by Covid-19 last year.

### HERD SCHEME VALUES - EWES



Drought has continued to be an issue in many traditional sheep farming areas with much of the upper South Island and the North Island experiencing drought conditions during the 2021 season.

Sheep numbers continue to fall, as they have done consistently since the peak of a little over 70 million

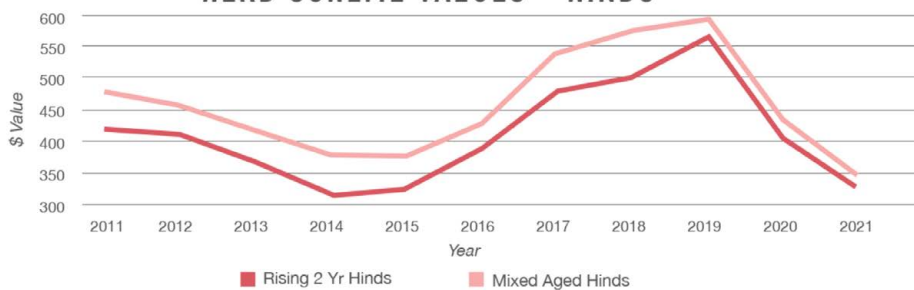
in 1982, to less than 27 million now. Whilst sheep meat values have improved wool values remain depressed, including premium wool where European manufacturing has struggled to recommence following repeated Covid-19 lockdowns. As countries reopen it is likely that a new wave of demand will follow.

## Deer

Deer values have been the hardest hit by Covid-19 with values of Red Deer down from between 40 and 55% since the highs of 2019. Breeding Stags are the only category where values have not suffered large losses, with values down 20% from 2019.

Other deer breeds have suffered even larger losses as the main markets for venison remained closed for much of the 2021 season. Values have just started to lift as key European and American markets slowly start to reopen as the rollout of Covid-19 vaccines gains pace.

### HERD SCHEME VALUES - HINDS



## Avoid Harm on The Farm - Cash Back on Quad Bikes.

Been thinking about crush protection devices for your quad bikes but the cost is putting you off? ACC and WorkSafe can help ease the financial strain. If you're self-employed or own a small-to-medium-sized farming business, you could be eligible for a cash back offer.

Each year, quad bikes are a major cause of death and serious injury in New Zealand - but installing crush protection devices could help lessen the impact.

Log in to [MyACC for Business](#) online to find out if you're eligible for the \$180 (+GST) crush protection device cash back. It applies to up to two Quadbar, Quadbar Flexi, and ATV Lifeguard crush protection devices, which start from \$595 (+GST). They can be bought

at [Farm Source](#), [Quadbar NZ](#), [LifeGuard](#), and [Trax Equipment](#).

West Coast farmer Colin van der Geest can vouch for the importance of roll bars following an incident where one of his workers was driving a quad bike and herding a cow out of a paddock and into a lane.

"It's a flat site and at the end of the land there is a narrow 1.5m gap between a strainer post and a drain," says Colin. "The crafty cow decided to go through there and our guy tried to cut her off with the bike. The cow made it through, but my man rolled the bike into the drain. He escaped with bumps and bruises, but if it had not been for the roll bar, the bike would have fallen on top of him in the drain."

## Upskill Your Staff With T

If you're keen to teach your staff new tricks on the farm but struggling to find the time to do it, take a look at [Farm 4 Life HUB](#). Founded by local personality Tangaroa Walker (known as T), the HUB has close to 1,000 videos with dairy farming education available 24/7.

Your staff can learn all about feeding, calf rearing, machinery, cow shed repairs, maintenance, and more, from the comfort of their own home. Delivered by the hilarious T and industry leaders, it's the easiest way to give your team the experience they need before they need it. You can create a custom plan for each person or team to match their roles and responsibilities on the farm. There's even a free seven-day trial so you can see if it's for you before committing.

Founder T is a true community and industry leader running a successful 500-cow dairy farm, reaching millions as the much-loved face of Farm4Life, and authoring a book about how farming turned his life around.



## Leptospirosis - It Only Takes A Splash!

While coming into contact with animal waste is all in a day's work for farmers, it's not something to be taken lightly, especially during winter. A small amount of contaminated urine can cause leptospirosis, an infectious disease with a potentially high risk to people and animals.

Who's at risk? Anyone working close enough to farm animals to be splashed or sprayed with urine or urine-contaminated water. Cuts, sores, and skin grazes increase the risk of infection, as does licking your lips and eating or smoking before washing and drying your hands.

What's the best way to manage it? Leptospirosis is hard to get rid of so minimisation is best. Make sure you're on top of antibiotic treatment, vaccination programmes, making staff aware, supplying protective gear, and promoting hygiene practices. For more advice, visit Work Safe.

What are the symptoms? If you're affected by leptospirosis, you might

not feel any different or it could feel like a bad case of the flu. Severe cases can result in permanent complications with some people unable to return to farming.

### Think you've been splashed?

- dry off urine splash immediately then wash the area
- wash your hands and face well with soap and water, taking special care with facial hair, then dry well
- flush out your mouth and eyes, and any exposed skin with lots of running water
- wash out fresh or old cuts and grazes with water and disinfectant, and dry well
- tell a supervisor, and if you think you've been exposed, call your doctor. Tell them leptospirosis may be the cause of your illness because some doctors might not be familiar with the symptoms.

## Be KYND & Stay Healthy

After spending more than 30 years working in the emergency department, Dr. Tom Mulholland (a former forestry worker) decided he wanted to help people manage their health to avoid ending up in ED with preventable illnesses. So, he launched KYND, an app that measures physical, mental, and social health to help ensure staff are performing as efficiently and safely as they can.

Thousands of people use the app to monitor and manage their health, plus Tom and his team are using corporate reports and workplace testing to support employee health at companies such as Fonterra Dairy for Life, PGG Wrightson, 2degrees, and BNZ.



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