

# WEEKLY ECONOMIC REPORT:

## Farm Advisors NZ Ltd & AgSafe NZ Ltd

Property & Farm Management Consultants & Safety Consultants

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Website: [www.farmconsulting.co.nz](http://www.farmconsulting.co.nz)

**24 October 2020**

Daily grass growth rates: Range 60 to 75 kg DM/ha/day.  
 Average pasture cover: 2550 kg DM/ha.  
 10 cm soil temperature: 16.5°C  
 Rainfall (Hamilton)– Month to date: 45 mm. Oct 10 year Av 97 mm. Below average September rainfall. It is very dry in much of the central North Island.

Stock prices report:

Prime steers	\$2.776/kg
Prime bulls	\$2.373/kg
Boner Cows	\$1.965/kg
Store lambs	\$93.89
Feeder Calves	\$117.00
Weaner bulls to 101 to 120 kg	\$3.776/kg av \$404.65/head

Both sheep milk companies are holding open days on their properties. Maui Milk has had a couple of days this last week promoting the business and seeking more suppliers. Spring sheep has a day coming up. Sheep's milk is very popular worldwide and more akin to human milk than either cow or goat milk. The returns are very good!!

Week commencing 27 October 2020

	This Week Nth Is	This Week Sth Is	Last Week Av	1 Year ago
18 kg YX Lamb (cents/kg)	\$6.90	\$6.70	\$6.90	\$8.65
21 kg Mutton (cents/kg)	\$4.65	\$4.45	\$4.62	\$5.58
P2 Steer (270 to 295 kg)	\$5.40	\$4.80	\$5.12	\$5.77
M Cow (160 to 195 kg)	\$3.90	\$3.72	\$3.85	\$4.37
Bull (270 to 295 kg)	\$5.05	\$4.65	\$4.95	\$5.70
Venison (60 kg AP Stag)	\$6.20	\$6.60	\$6.40	\$9.64
		Previous Week	1 year ago	2 yrs ago
Fine Crossbred Indicator price	\$2.37	\$2.23	\$ 5.50	\$ 4.10
Mid Micron Indicator price	\$6.36	\$5.36	\$10.57	\$16.40
Butter (NZ \$ per tonne)	\$ 5600	\$ 5260	\$ 6520	\$6475
Skim Milk Powder (SMP NZ \$ per tonne)	\$ 4300	\$ 4625	\$ 4350	\$3075
Whole Milk Powder (WMP NZ \$ per tonne)	\$ 4525	\$ 4575	\$ 5000	\$4175
Cheddar Cheese (NZ \$ per tonne)	\$ 5750	\$ 5675	\$ 5900	\$5400
Casein (lactose casein NZ \$ per tonne)	\$11550	\$11700	\$10900	\$8450
US currency	\$0.667	\$0.660	\$0.637	\$0.670
Euro	\$0.565	\$0.564	\$0.574	\$0.587
Australian dollar	\$0.937	\$0.930	\$0.934	\$0.928

**Finance:** The NZ dollar is steady against all major trading currencies. The NZ election results have had no effect on the NZ dollar. Covid-19 still dominates the world financial markets.

**Wool:** The wool prices are a disaster and even after a slight lift they are still unacceptable.

**Beef, Sheep & Venison schedules:** The meat schedules are steady to slightly easier. The demand for high quality meat cuts including venison are still only easy internationally as Covid-19 continues dominate the social activities in many countries.

**Dairy Prices:** Dairy commodity prices are steady. The g/DT lifted 0.4% with WMP back over the \$US3000 mark. Butter also lifted 3.3% and SMP is steady.

**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)

The lift in demand for dairy commodities from China has allowed Fonterra to lift its forecast payout by 40 cents. It has instilled a little more confidence into the dairy industry but the agricultural sector confidence is then dented by the outlook for beef and lamb businesses which have predicted a 26% fall in pre-tax profits.

*Quote: Results happen over time, not overnight. Work hard, stay consistent, and be patient.*

### **Jim's Weekly Rant:**

*There is much to rant about or comment on this week and it is hard to know where to start or stop. The US elections have us all wanting to make comments and express an opinion on Trump and Biden without analysing how each will influence world trade and ultimately affect us, it's the personalities that are intriguing. We have a changing face of Covid-19 management in NZ where a community outbreak is treated with caution and not with a lockdown – perhaps we don't need lockdowns now as we have all been saved by the great Covid-19 saviour – Jacinda, - an easing will be OK and we will quietly move back to normal and the fear factor can be allowed to slowly disappear from our lives. We have the election results and the commentators all try to analyse what actually happened, and why did rural NZ go red. We have a government promising delivery, but with no real stated policy to deliver. We have the Greens wanting to be part of the power and decision making process but not having any real leverage. We have the largest percentage of MP's in any parliament in the world from the LBGT community and how that should have us all excited. We have the highest number of MP's ever who have never actually worked for a living or been in business for themselves, yet they want to manage a country that has been built on small "family" businesses, and that includes farmers. So at the end of the day, we have got what we voted for, a government with no policies, but no Greens creating havoc, but a large number of ideologically driven people who have lived on theory and not reality and lead by one person who has become some sort of Mother Teresa to a large part of the population but who lacks real substance. Please take some time to read Jane Smiths Rant of 22/10/2020. It can be found on "The Country" radio website – it is very good!!.*

**And to ponder:** The thing that bothers me the most about criticism of capitalism coming from socialist and marxist types, is that they don't even seem to understand what capitalism is. All of these government programs, the misallocation of resources, the bailouts, the protections... that's all socialism! Government creates all these problems and then the left points and says "See, we can't trust capitalism." What they don't understand is that if we actually had truly free markets, these problems would be solved. What they really want is prosperity for everybody, but socialism makes everybody poorer. Capitalism provides the solutions that socialists think they have.

**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.**

Quad safe helmets – contact Pacific Helmets NZ. [www.pacifichelmets.co.nz/shop](http://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 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

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!!!