



LAMB CROP 2019

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P19030 | December 2019



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Compare Your Lambing Percentage Online

Data collection and benchmarking are key drivers of improved farm profitability. You can see how your business compares at the click of a mouse.

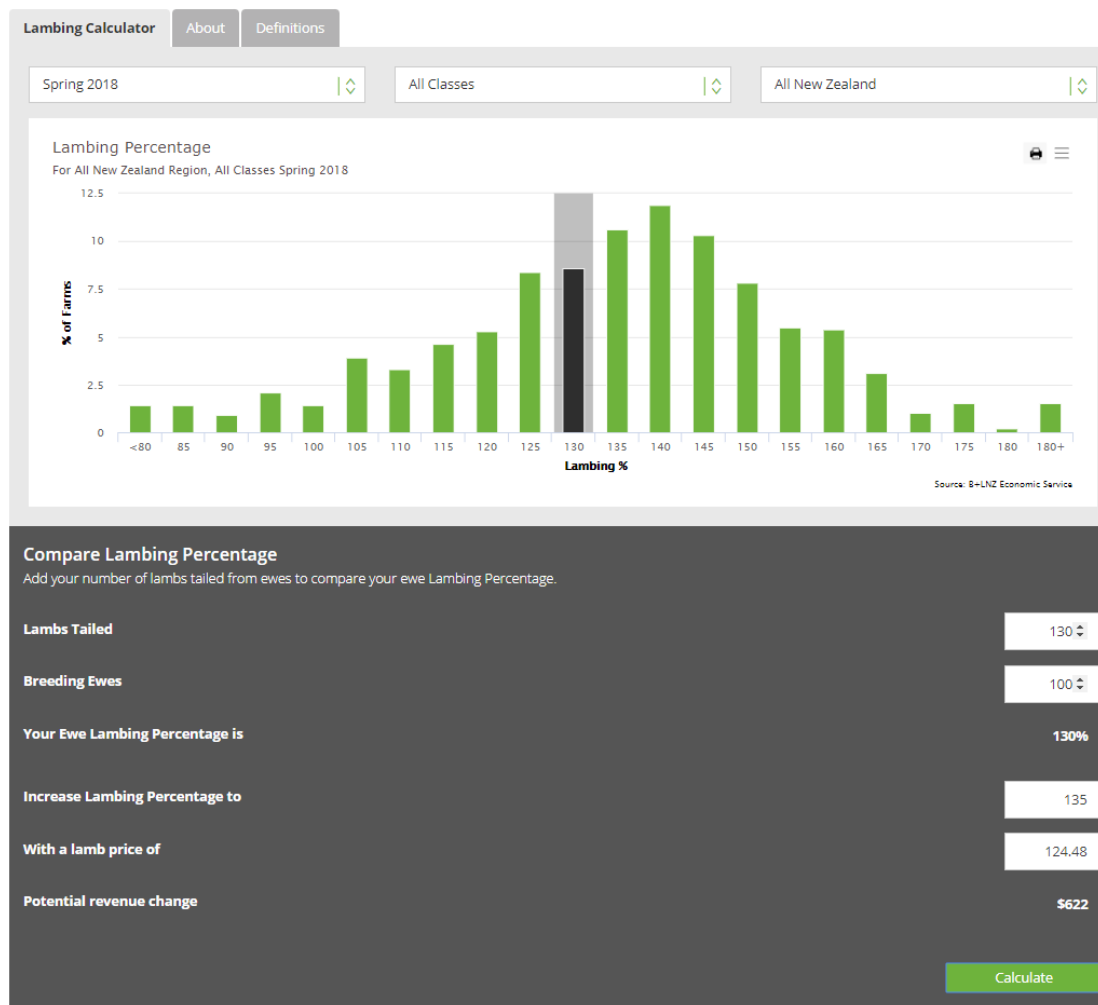
Lambing Calculator

The lambing percentage calculator puts your farm's performance in context.

Use it for a clear understanding of where your farm stands among a broader group, region or farm type.

Once you know where you are, you'll be better placed to know where you're going – so, if you need to, you can take appropriate action to change your course.

Visit <https://beeflambnz.com/data-tools/lambing-calculator> to calculate your lambing percentage compared with the All Classes average and with farms in your region or farm type.



Executive Summary

Lamb Crop -2.4%

The number of lambs tailed in spring 2019 decreased by 2.4 per cent or 552,000 head on the previous spring to 22.7 million head. There were large differences by region, but the overall pattern was a lower lamb crop driven by lower lambing percentages and fewer ewe hoggets mated.

North Island +0.3%

The total number of lambs in the North Island increased 0.3 per cent (34,000 head) to 11.4 million head. The main driver of regional patterns in the total number of lambs was the number of hoggets mated. In 2019, fewer hoggets were mated in Northland-Waikato-BoP compared with 2018 and there were fewer total lambs as a result. Slightly more hoggets were mated in East Coast and Taranaki-Manawatu, and the total number of lambs increased as a result.

South Island -4.9%

The total number of lambs in the South Island decreased 4.9 per cent (586,000 head) to 11.3 million head. The lower number of total lambs was driven by poor weather and feed conditions.

Ewes to Ram -1.1%

The number of breeding ewes at 1 July 2019 decreased 1.1 per cent on 2018 to 17.0 million head. Most regions experienced declines, and the key driver was strong processing prices for adult sheep encouraging farmers to cull ewes with any faults.

Lambing Percentage 127.1%

The average ewe lambing percentage for spring 2019 was 127.1 per cent, down 1.5 percentage points on 2018.

Most regions declined.

North Island 129.7%

The North Island ewe lambing percentage at 129.7 per cent, was up 1.9 percentage points from spring 2018. East Coast was the only region in the country where the average ewe lambing percentage increased – by 8.3 percentage points to 131.1 per cent. Taranaki-Manawatu declined very slightly, and Northland-Waikato-BoP declined 8.3 percentage points.

South Island 124.6%

The South Island ewe lambing percentage at 124.6 per cent, was down 4.7 percentage points compared to spring 2018. Otago recorded 116.6 per cent, the lowest average ewe lambing percentage since 2010, and a decline of 5.4 percentage points from 2018, continuing the significant decline since an average of 142.3 per cent was achieved in spring 2017. Marlborough-Canterbury declined 5.9 percentage points and Southland had a smaller decline: 2.1 percentage points.

Lambs from Hoggets -3.9%

The number of lambs from ewe hoggets totalled 1.18 million, down 3.9 per cent on spring 2018 and equivalent to 5.5 per cent of total lambs. The number of lambs from ewe hoggets decreased in both the North and South Islands, with the largest percentage decrease in Northland-Waikato-BoP as fewer ewe hoggets were mated.

Export Lamb Processing -2.7%

The number of lambs processed in 2019-20 is estimated to decrease 2.7 per cent to 18.26 million head.

Export Adult Sheep Processing +9.2%

The number of adult sheep processed is estimated to increase 9.2 per cent – from 3.4 million head in 2018-19 to 3.7 million in 2019-20.

How We Collect the Data

This paper summarises the results from a survey carried out to estimate the lamb crop for spring 2019. The Survey covers over 500 commercial sheep and beef farms, which are a statistically representative sample of the commercial sheep and beef farms in New Zealand. Beef + Lamb New Zealand's Economic Service Managers based throughout New Zealand collect farm information at various points during the year. The Lamb Crop Survey is used to measure breeding ewe performance (lambing percentage), the number of lambs born, lamb survival, early drafting and supply expectations for the season.

Overview

Seasonal Conditions

Lambing Weather

Lambing weather varied by region. A few storms caused small losses in Northland-Waikato-BoP, while a cold front with rain and snow surprised Otago-Southland hill country farms in October.

Lamb Growth Rates

North Island good, South Island lower

Lamb growth rates were above average in the North Island due to good levels of feed, and lower in the South Island due to cold weather and lack of sun.

Early Drafting Pattern

Mixed

In regions with positive lamb conditions, such as Northland-Waikato-BoP and Taranaki-Manawatu, farmers expected to draft more lambs in the first part of the season than in 2018.

In regions with higher price expectations, such as East Coast and Marlborough-Canterbury, more farmers expected to reduce the number of lambs in their first drafts.

Early Schedule Comment

Schedule prices were exceptionally strong, with some regions reaching record highs for lamb. Farmers were under little pressure to send lambs to processing early. African Swine Fever internationally limited global pork supplies and increased the demand for lamb, mutton, and beef.

Table 1 Estimate of 2019-20 Lamb Crop

				Northland- Waikato-BoP	East Coast	Taranaki- Manawatu	North Island	Marlborough- Canterbury	Otago	Southland	South Island	NEW ZEALAND
2017-18	Ewes to Ram	(000)	1	2,344	4,174	2,124	8,643	3,396	2,869	2,847	9,113	17,755
2018-19	Ewes to Ram	(000)	2	2,124	4,213	2,016	8,353	3,218	3,068	2,524	8,809	17,162
2019-20e	Ewes to Ram	(000)	3	2,054	4,227	2,008	8,289	3,141	3,068	2,471	8,680	16,969
2017-18	Lambs from Ewes	(000)	1	2,859	5,786	2,785	11,430	4,120	4,084	3,754	11,957	23,387
2018-19	Lambs from Ewes	(000)	2	2,954	5,174	2,550	10,678	4,164	3,742	3,488	11,394	22,072
2019-20e	Lambs from Ewes	(000)	3	2,687	5,542	2,520	10,749	3,879	3,577	3,363	10,819	21,568
2016-17	Ewe Lambing %	(%)	1	122.0%	138.6%	131.1%	132.3%	121.3%	142.3%	131.9%	131.2%	131.7%
2017-18	Ewe Lambing %	(%)	2	139.1%	122.8%	126.5%	127.8%	129.4%	122.0%	138.2%	129.3%	128.6%
2018-19e	Ewe Lambing %	(%)	3	130.8%	131.1%	125.5%	129.7%	123.5%	116.6%	136.1%	124.6%	127.1%
2016-17	Lambs from Hoggets	(000)	1	240	357	165	762	249	148	161	558	1,320
2017-18	Lambs from Hoggets	(000)	2	199	359	137	695	217	150	163	530	1,225
2018-19e	Lambs from Hoggets	(000)	3	169	329	160	658	216	140	163	519	1,177
2016-17	Total Lambs Tailed	(000)	1	3,099	6,143	2,950	12,192	4,369	4,232	3,915	12,515	24,707
2017-18	Total Lambs Tailed	(000)	2	3,153	5,533	2,687	11,373	4,381	3,892	3,651	11,924	23,297
2018-19e	Total Lambs Tailed	(000)	3	2,856	5,871	2,680	11,407	4,095	3,717	3,526	11,338	22,745
1	Statistics New Zealand ewe numbers and lamb numbers											
2	Statistics New Zealand ewe numbers, Beef + Lamb New Zealand Economic Service Lamb Crop Survey											
3	Beef + Lamb New Zealand Economic Service Livestock Number Survey, Beef + Lamb New Zealand Economic Service Lamb Crop Survey											
e	Beef + Lamb New Zealand Economic Service Estimate											

Region Reports

Ewes to Ram

Northland–Waikato–BoP

The number of breeding ewes fell 3.7 per cent to 2.18 million. This continues the trend of farmers moving away from sheep and into other land use options. A summer/autumn drought forced culling of flocks. Strong processing prices for adult sheep continued and enabled good returns from selling ewes.

East Coast

The number of breeding ewes mated increased 0.3 per cent to 4.23 million. The increase was mainly on Hard Hill Country farms (Farm Class 3), a slight increase on Hill Country farms (Farm Class 4) and a decline for Finishing farms (Farm Class 5). Farmers increased sheep in response to improved financial returns and the lower environmental compliance cost of ovines.

Taranaki–Manawatu

The number of breeding ewes stabilised with only a minimal decline from 2018. The total number of ewes mated in the region for 2019 was 2.00 million. Strong returns for sheep led to farmers maintaining their breeding flock.

Marlborough–Canterbury

The number of breeding ewes mated fell 2.5 per cent to 3.14 million in response to high adult sheep prices. The decline is expected to slow as more farmers reported an intention to increase sheep than to decrease in 2019-20. Mixed cropping farms increased sheep but were primarily winter lambs for finishing, not breeding stock.

Otago–Southland

The number of breeding ewes remained static in Otago at 3.07 million, while in Southland it decreased 2.1 per cent to 2.47 million. Excellent prices for adult sheep resulted in ewes with any fault being culled.

However, the number of ewe hoggets retained for breeding increased which may indicate a small rebuilding of the ewe flock in future years.

Ewe Lambing Percentage

Northland–Waikato–BoP

The average lambing percentage decreased significantly this year, down 8.3 percentage points to 130.8 per cent. Autumn and spring of 2018 were exceptional for mating and lambing throughout the region, which led to a significantly higher lambing percentage than average for the region. Autumn 2019 was challenging throughout northern North Island with lower scanning results, which was attributed to ewes not mating in as good condition as the previous year, and some parts of the region affected by Facial Eczema. However, the weather over the lambing period was generally kind, and a number of farmers reported survivability of lambs was better, and that lambs born were reasonably forward in condition, compared to 2018.

East Coast

The lambing percentage increased to 131.1 per cent from 122.8 per cent in 2018. Last year's damaging storm was not repeated and weather conditions this year were exceptional.

Taranaki–Manawatu

The average ewe lambing percentage was slightly back on 2018 at 125.5 per cent, with a rise in performance from farms in Manawatu and Taranaki offset by a decline from farms in Horowhenua, Rangitikei and Whanganui. Conditions of ewes at tupping were below average for some areas due to an autumn drought which halted feed levels and lowered scanning percentages. The average lambing percentage is 5.6 percentage points down from the record of 131.1 per cent in spring 2016.

Marlborough–Canterbury

The average lambing percentage was estimated at 123.5 per cent, down 5.9 percentage points on 2018. Drier autumn conditions in North Canterbury and Marlborough/Tasman, and poor feed quality in South Canterbury, North and East Otago contributed to lower ewe body condition at mating. Fewer lambs were conceived, with scanning percentages typically down by 10 to 15 percentage points despite fewer non-pregnant ewes on many farms. Ewes in these areas continued to lose weight into winter with farmers reporting an unusually high proportion of thin ewes at lambing.

Ewe losses during lambing were relatively low, due to lower numbers of multiple pregnancies (especially triplets) and fewer vaginal prolapses or metabolic issues, which elevated ewe death rates last year.

Otago–Southland

In Otago, the average lambing percentage decreased 5.4 percentage points to 116.6 per cent, while in Southland, it decreased 2.1 percentage points to 136.1 per cent.

Dry conditions in late summer and autumn affected Clutha District in particular and had a significant effect on ewe scanning percentages. This was most pronounced on farms where ewes lost condition before tupping. Rain arrived late in the season with little opportunity for pasture covers to be replenished before winter. Fortunately, winter was relatively mild, but tight feed conditions followed through to spring on some farms. Reduced pasture covers at lambing affected ewe lactation and contributed to lamb losses.

Farmers reported a lower rate of dry ewes than usual in both regions, but twinning rates were also lower in Otago. Ewe death rates were reported to be higher than usual in Otago, even though vaginal prolapse was less of a problem this season.

Hoggets to Ram

Northland–Waikato–BoP

The number of ewe hoggets mated this season declined on 2018. Around 41 per cent of ewe hoggets were mated compared with 55 per cent in 2018. A key factor in this decline was the tough autumn and ewe hoggets not being in suitable condition for mating.

East Coast

Farmers increased the number of ewe hoggets mating by five per cent. Good growing conditions in eastern areas during the autumn encouraged farmers to mate larger numbers of ewe hoggets.

Taranaki–Manawatu

The percentage of ewe hoggets run-with-ram rose five percentage points to 40 per cent, suggesting farmers were looking to maximise lamb production following declines in the ewe flock.

Marlborough–Canterbury

Despite less favourable autumn feed conditions, the number of hoggets mated was static (down 0.5 per cent on 2018) at 385,000 hoggets mated.

Otago–Southland

The proportion of ewe hoggets mated increased compared to the previous season in Southland and declined in Otago. Fewer hoggets reached acceptable mating weights in Clutha District, and not mating hoggets was a strategy used by a higher proportion of farms to conserve winter feed.

Lambs from Hoggets

Northland–Waikato–BoP

The number of lambs born to ewe hoggets decreased 15 per cent to 169,000 head compared with 2018. This represents 5.9 per cent of total lambs for the region. The decline in the number of lambs from hoggets can be attributed to less ewe hoggets being mated.

East Coast

The lambing percentage from hoggets reduced slightly over the previous year. Conceptions rates appeared to have been depressed due to sub-clinical facial eczema, worm burden and tight feed conditions for western areas in the region. This led to a reduction in lambs from hoggets by 8.3%.

Taranaki–Manawatu

Survey estimates of lambs from hoggets were 6.3 per cent of total lambs forecast or 160,000 lambs. This was up 0.9 percentage points on last year as an increase in hoggets mated was evident.

Marlborough–Canterbury

Lambs from hoggets were estimated at 216,000, or 5.6 per cent of total lambs, similar to 2018 and as expected, given the stable number mated.

Otago–Southland

Hogget lambing was affected by adverse weather conditions, especially easterly winds with rain and snow during October. This was particularly noted in Otago results, where an estimated 140,000 lambs were born to hoggets, 6.6 per cent lower than the previous season. 163,000 lambs were born to hoggets in Southland, similar to last season, even though more hoggets were retained for breeding and a higher proportion mated, indicating that losses were higher than last year on these farms.

Total Number of Lambs

Northland–Waikato–BoP

The total number of lambs decreased 4.4 per cent to 3.02 million, a decrease of 134,000 on 2018. The decrease in the number of ewes and hoggets mated along with the lower overall lambing percentage for the season were the contributing factors to the decline in the total number of lambs.

As previously stated, the 2018 mating and lambing periods were exceptional, however the 2019 mating period was tough with dry late summer and autumn conditions.

East Coast

Total lambs born in eastern North Island was estimated to have increased by 338,000 head to 5.871 million, a 6.1 per cent increase over the 2018 season.

The number of hoggets mated increased slightly but the hogget lambing percentage was lower.

Taranaki–Manawatu

An estimated 2.7 million lambs were produced in western North Island, similar to last season's crop. The number of ewes appears to have stabilised due to strong returns and more ewe hoggets mated.

Favourable lambing conditions and better lamb survival helped offset the lower scanning percentages due to the dry autumn in some areas. Fewer ewe deaths were reported across all farm classes, with hard hill country farms having very few deaths compared to normal.

Bearings at lambing were not an issue as they were in the past, however facial eczema during mating continued to have a minor impact.

Marlborough–Canterbury

The total lamb crop was estimated at 4.104 million, 286,000 fewer and 6.5 per cent lower than in 2018.

Otago–Southland

In Otago, the total number of lambs decreased 4.5% to 3.71 million. In Southland it decreased 3.4% to 3.53 million.

The Otago result was driven by poor weather and feed conditions having a negative impact on lambing percentages, particularly in ewes but some hoggets were also affected. The number of ewes was similar to the previous season but scanning rates were lower, affected by the previous dry autumn mainly in Clutha District.

In Southland lamb survival was adversely affected by prevailing unsettled weather conditions during the lambing period. In addition, fewer ewes were mated and scanning rates were slightly lower than usual.

Lambing Date and Spread of Lambing

Northland–Waikato–BoP

Lambing dates and the spread of lambing were reported to be the normal across the region. Some farms endeavoured to start mating slightly later due to the conditions of their ewes, and this had a positive impact to help make their lambing more compact.

East Coast

Lambing dates and the spread of lambing remained largely unchanged.

Taranaki–Manawatu

The spread of lambing appeared to be normal across the region for most, however some farmers reported a slight increase in late lambing ewes. This was due to the late flush effect after the dry conditions of early mating. There were no notable changes in mating dates. Teaser rams were commonly used for hogget mating.

Marlborough–Canterbury

Mating dates were typically similar to 2018 but the average lambing date was slightly later on some farms due to a greater spread of lambing, likely linked to ewes losing weight during mating and not conceiving at the first opportunity.

Otago–Southland

Lambing dates were very slightly earlier than the previous season on average extending a long history of similar behaviour.

Lambing was slightly more spread in an effort to spread climatic risk. However, an extended period of unsettled conditions made such changes ineffective this season.

Lambing Weather

Northland–Waikato–BoP

Weather for lambing was kind. There were no significant spring storms in the region. A wet period towards the end of winter relented as lambing approached, which helped create good lambing conditions. Some isolated hail storms were reported in parts of the region in late August, which caused some concern, but losses from these events were not significant. In some southern parts of the region, docking was delayed as inclement weather around the last week of September and first week of October hindered the completion of this job, but sunny warmer weather throughout the month allowed lambs to be in good condition, and pasture growth and quality improved.

East Coast

The weather during lambing was settled with no major storms, and precipitation events were usually of a short duration of no more than 48 hours. Temperatures were cooler during early spring, with limited wind. Southern and western parts of the region were generally drier than typical, while northern and coastal areas had normal levels of rain.

Taranaki–Manawatu

No major storms were reported throughout the lambing months of August, September, and October, resulting in very favourable lambing conditions.

Marlborough–Canterbury

Weather was settled with only short cold snaps and few storms. Higher hill properties, especially in Mackenzie district, were still lambing at reporting date and remained vulnerable to bad weather.

Otago–Southland

Typical unsettled spring conditions occurred during the lambing season. Several cold fronts bringing rain, wind and snow to low levels occurred during September and October.

A “beastly easterly” with rain and snow hit in October affecting hill country farms and hogget lambing. Winds from the easterly quarter are not common and farm shelter belts were less effective against easterly weather because shelter is normally aligned to provide protection in westerly and southerly conditions.

Wet conditions continued into November, delaying sowing of new pastures and winter crops.

Lamb Survival

Northland–Waikato–BoP

Lamb survival was reported by farmers to be normal to better than normal. The good weather throughout the majority of lambing was identified by farmers as a reason for the good lamb survival rate. Ewes milked well because there were good levels of feed around in early lactation, helping lambs with a good head start.

East Coast

With benign weather for a majority of the lambing period, lamb survival was enhanced. Ewe condition was excellent coming out of winter, so ewe lactation was never compromised.

Taranaki–Manawatu

Survivability was better than normal due to the favourable weather during lambing. Minimal losses were reported.

Marlborough–Canterbury

As expected, given fewer severe weather events and fewer multiples, reported lamb survival was average to excellent across the region except when early lambs were born into cold, wet conditions.

Otago–Southland

Farmers reported lamb survival was worse than usual, especially on Otago hill country farms. Along with unfavourable weather, lamb birth weights were likely to be lower than usual, especially in the drought-affected Clutha District, predisposing young animals to exposure.

Feed Situation

Northland–Waikato–BoP

The feed situation throughout the region was described by farmers as normal to better than normal. Pasture growth started to increase in response to warm sunny weather towards the end of October. There is, however, caution that the west coast of Northland and some parts of King Country and Waikato need some rain to maintain growth. Supplementary feed was made across the bulk of the region, however, and the quality of pasture was reported as good and helped to contribute to the forward condition of the region’s lambs.

East Coast

The feed situation was generally slightly better than normal. Farmers in the central and northern parts of the region reported better than normal feed levels, while farmers in the southern part of the region reported feed conditions were normal for the time of the year.

Taranaki–Manawatu

The feed situation was better than normal over the region. Some favourable weather patterns in late October and early November brought a mix of rain and warmer than normal temperatures that helped improve feed levels. Late winter and early spring fertiliser applications were not held up by the weather, resulting in improved pasture covers.

Marlborough-Canterbury

All parts of the region reported a cold, cloudy, slow start to spring, limiting pasture growth through September and October. Recovery from these conditions showed clear north-south and altitude trends, as warmer northern districts responded well ahead of southern and higher altitude farms. As a result, areas north of Rakaia River reported average to above average feed supply, while farms to the south of Rakaia and inland to the Mackenzie district almost universally reported tight feed supplies, especially at higher altitudes. Exceptions included mixed cropping farms and a small number of breeding farms with forages such as annual ryegrass grown for lambing ewes, where feed supplies were good to excellent throughout spring.

Otago-Southland

Feed supplies were reported to be tighter than in 2018, especially in Southland, when conditions were exceptional, with well above average pasture growth rates.

Measured pasture growth at AgResearch Woodlands was two to three weeks behind normal, supporting farmers' observations.

Although quantity of pasture was significantly lower than last year, many farmers noted feed quality was much improved compared to the previous season.

Lamb Growth Rates

Northland-Waikato-BoP

Lamb growth rates, also known as "thrif", were reported as average to good. Lambs were reported to be in good health. With fewer ewes and lambs this season, pastures recuperated over winter and delivered good levels of feed through lambing. Maintaining feed levels in future will rely on some rainfall to support pasture growth and quality.

East Coast

Lamb thrif was best described as slightly better than normal. Farmers reported that a lack of heat and sun were the main constraining factors.

Taranaki-Manawatu

Lamb growth rates were reported to be above average for the time of year due to the quality and abundance of feed across the region.

Marlborough-Canterbury

Many farmers reported disappointing lamb growth and weaning weights were expected to be down. Hopes for good lamb weight gains given fewer twins and triplets were thwarted by lack of feed and poorer ewe condition. This low feed supply and lack of body fat to mobilise for milk production reduced ewe milk output, especially penalising triplets or small twins unable to compete with larger siblings. Although these lambs survived in kind weather, they represent a long tail of small, slow-growing lambs that will take longer to finish.

Southern and higher altitude farms were most affected by continued cold, cloudy weather, although increases in pasture growth in November should be early enough in lactation to boost lamb growth in flocks lambing from mid-October and later.

Otago-Southland

Farmers noted that lambs were not doing as well as usual this season. Spring was wet and cool and lambs were looking very white and "washed out". Improved temperatures and sunshine would be most beneficial to boost pasture and lamb growth rates. Clover was slow to appear in pastures this season, hindered by cool wet conditions.

Some farmers decided to drench lambs earlier than usual and supplement with Vitamin B12 in an effort to boost growth rates.

Early Drafting Pattern

Northland–Waikato–BoP

Lambs were reported to be in desirable forward condition, so farmers will endeavour to draft some lambs earlier than usual.

East Coast

Good feed conditions, high price expectations, fewer liveweight lambs due to high proportions of multiples, and demand from lamb finishers combined to create expectations that the number of lambs in early/first drafts would be reduced, as farmers attempt to increase carcase weights or sell store lambs to finishing farms at premium prices above schedule.

Taranaki–Manawatu

Feed levels and condition of lambs were above average, so farmers expected to draft more lambs than normal in the first part of the season.

Marlborough–Canterbury

Many farmers reported lambs were one to three weeks behind expectations, which will delay first drafts or reduce the numbers drafted.

Drafts of prime hoggets continued through spring as farms unloaded 2018-born animals that they carried into winter.

Record lamb prices encouraged farmers to carry higher winter numbers than usual. This is expected to continue if price indications are similar in autumn 2020.

Otago–Southland

Fewer lambs on farms and wet conditions removed pressure to sell lambs early. Most farmers intend to draft on the usual date, but slower growth rates and reduced numbers will cause fewer lambs to reach target weights in weaning drafts.

Record high prices during spring are not forecast to fall rapidly, lessening incentives to draft early.

Number and Weights in First Quarter – Oct-Dec

Northland–Waikato–BoP

We expect the number of lambs processed in the first quarter of the processing season will be above average. Processors are expecting lamb processing to increase from late November/early December. However, pasture conditions will dictate how weights and numbers will flow through to processors.

East Coast

Good feed conditions and lighter lambs will delay sale decisions for many eastern North Island farmers. High demand from prime lamb finishers and no upper limits for weight set by processors will cause more lambs at weights suitable for processing to be traded as store stock instead, reducing the number of lambs processed in the December quarter.

Taranaki–Manawatu

An estimated 1.2 million lambs will be presented this quarter, up 100,000 on last year. This is due to the better than average lamb thrift and the positive feed situation at present. New season lambs were processed at or above average carcase weights to date.

Marlborough–Canterbury

Unless pasture growth declines, farmers plan to retain lambs until they reach suitable weights, which is expected to reduce the number of lambs processed in the December quarter. Farmers anticipate extra carcase weight will offset declines in published lamb prices, given the flatter seasonal price profile of recent years.

Carcase weights are forecast to be similar to 2018 unless the weather changes dramatically cutting feed supply, or an unexpected rapid drop in the lamb prices encourages farmers to sell more, lighter lambs. At this point, neither of these appears likely.

Despite slower-growing spring lambs, processing numbers benefited from additional prime hoggets and these are expected to continue coming forward. Mixed cropping farms face pressure to sell finished hoggets by around October to close grass paddocks for seed but some other finishers still have hoggets on-farm due to disappointing winter crops and consequently low liveweight gains. These hoggets will be grown on to higher weights until the risk of cutting teeth and being downgraded becomes too high for farmers to accept. Fine-woolled hoggets were shorn for expected processing by year-end, with a small number carried through to January 2020 if necessary.

The combination of more prime hoggets but slower lamb flows suggests the overall number of lambs processed before year-end will be similar to 2018, with a bias toward heavier weights in the older animals.

Otago–Southland

A significant proportion of first quarter processing is old-season lamb. More of these were held over 30 June than in the previous season, to be available to bolster first quarter statistics.

New-season lambs were not growing as fast as usual and prices were high. Once old-season lambs have been processed there is likely to be a lull before new-season lambs reach target weights.

Forecast strong prices for prime lambs and ample soil moisture usually encourages farmers to maximise returns by balancing lamb growth and reducing prices. As long as prices remain high or decrease only slowly, feed availability becomes the main determinant of processing pattern. With fewer lambs on hand, these are likely to be taken to heavier weights and processed later.

Early Schedule Comment

Northland–Waikato–BoP

The current price for new-season lambs is exceptionally strong at around \$8.90-9.00/kgCW, which is about 80c (10%) higher than the same time last year. Meat companies are indicating that prices will remain relatively stable over the next couple of months. This will give farmers the opportunity to put weight on their lambs if conditions are good and make the most of these excellent prices.

East Coast

Current prices are close to \$9.00/kgCW for new-season lambs, and this level of pricing is expected to only ease slightly as the season progresses.

Taranaki–Manawatu

Prices for early, new-season, prime lambs are historically high at \$8.50-9.00/kgCW. This adds to the positive tone in the industry. Ewes with lambs-at-foot have sold through sale yards at \$110-120/head all counted.

Marlborough–Canterbury

Price indications are very positive with published prices at \$8.60-\$9.00/kgCW at the end of November. Farmers expect continued good prices, even as the lamb supply increases over summer, due to strong market fundamentals, and feel less pressure to process a large proportion of lambs before Christmas.

Otago–Southland

Prime lamb prices reached record highs of \$8.70-8.95/kgCW in November 2019.

Demand appears strong for all red meat with adult sheep also at record high prices of \$6.00-6.25/kgCW. The outbreak of African Swine Fever (ASF) in China, its spread through other parts of Asia and in Europe and the consequent culling of pigs have severely impacted world supplies of pork. This has supported prices of lamb, mutton and beef from New Zealand and other countries.

The market appears to have adjusted to the uncertainty created by delays of the UK's exit from the EU ("Brexit"), compared to when the first deadline was near.

General Comment

Northland–Waikato–BoP

Farmer morale is poor at present. Although prices for livestock are excellent, many farmers have had a good year financially and there are strong possibilities of another good financial year; farmers are starting to feel the negativity from the rest of the community.

The region is coming under pressure for land use change particularly from forestry. In Northland and King Country, a number of farms have been sold from pastoral farming to be planted in plantation pines.

Wool returns continue to disappoint farmers, and this is a continuing point of frustration for sheep farmers.

East Coast

A surplus of feed and good ground conditions allowed an increased area of forage crops to be planted. Vaginal prolapses were rare this lambing, and ewes were generally in good condition. Conception rates in younger animals (two-tooth ewes and hoggets) appear to have been suppressed by sub-clinical facial eczema and increased internal parasite challenges. Western parts of the region also suffered from dry autumn conditions at mating, and pasture competition from Porina and Grass Grub.

Taranaki–Manawatu

Poor performance of two-tooth ewes continues to be a regional issue, with some farmers identifying weight and body condition at tupping as the contributing factor.

Marlborough–Canterbury

Despite the strong lamb market outlook and good profit results for 2018-19, farmer morale is heavily dampened by uncertainty around proposed legislation, especially regarding options for future land uses and farm development such as irrigation. *Mycoplasma bovis* also remains a significant concern for sheep and beef farmers. Many farmers are simply tired, having struggled to contribute to consultation on the Zero Carbon Bill, Essential Freshwater proposals and Environment Canterbury's Plan Change 7 while simultaneously trying to manage lambing, calving and crop establishment for the coming season. While few are actively trying to sell their farms, many have begun to suggest that it may be unkind to encourage the next generation to take on the farm operation.

Strong-wool prices continue to languish, although returns for fine and mid-micron wool remain good. A small number of farmers used finer-woolled rams in 2019 with the first crop of lambs under evaluation this spring.

Some mixed cropping farms plan to increase lamb/hogget finishing, including spending on better sheep fencing and facilities. This demand plus a lower lambing percentage may increase competition for store lambs in late summer and autumn. This may be slightly offset if hill country farms have limited ability to finish their own lambs, given a slow start to spring and lower weaning weights.

Otago–Southland

Farmer morale is low, with a large load of government policies affecting the farming sector being announced in the second year of the Ardern government's first three-year term. Implications for farming practices and effects on profitability are unclear but are likely to be far-reaching. Policies covering freshwater and greenhouse gas emissions are currently prominent, but biosecurity (*M. bovis*), National Animal Identification & Tracing (NAIT) reform, tightening of bank lending arrangements, the One Billion Trees programme, winter grazing practices, biodiversity, urban perception of farming, and how to manage succession are also having notable impacts. The sheer weight of these issues is taking a serious toll on farmers' mental health and wellbeing. Tragically it has overwhelmed some farmers who have taken their own lives.

The wider implications on community wellbeing, regional employment and services, and businesses in rural areas and towns are of concern, but there is widespread feeling these concerns are not being heard by policymakers.

Thankfully product prices (except for crossbred wool) are strong and interest rates are low, which allows for capital spending to begin addressing future requirements such as riparian fencing and stock water schemes.

Lamb Processing 2019-20

First Quarter-Oct-Dec

Table 2 Export Lamb Processing for Oct-Dec

Export Lambs Processed October - December						
	(000) Head			% of Total		
	2017-18	2018-19	2019-20e	2017-18	2018-19	2019-20e
Northland-Waikato-BoP	424	392	316	24.6%	23.8%	25.9%
East Coast	1,035	1,019	998	25.4%	25.9%	24.2%
Taranaki-Manawatu	1,101	1,041	1,200	27.4%	27.1%	31.1%
North Island	2,561	2,452	2,514	26.1%	26.0%	27.3%
Marlborough Canterbury	1,540	1,338	1,320	27.3%	26.3%	25.0%
Otago-Southland	816	757	710	18.6%	17.8%	18.7%
South Island	2,356	2,096	2,030	23.5%	22.4%	22.4%
New Zealand	4,917	4,548	4,544	24.7%	24.2%	24.9%

e = estimate
Source: Beef + Lamb New Zealand Economic Service

Overall, the number of lambs processed during the first quarter of the 2019-20 season – from October to December – is expected to total 4.54 million head, down 0.1 per cent on 2018-19.

It is estimated that one quarter of 2019-20's total export lamb processing will occur in the first quarter, similar to 2018-19.

North Island processing in the first quarter is estimated to be up 2.5 per cent on 2018-19 to 2.51 million head.

South Island processing in the first quarter is estimated to be down 3.1 per cent on 2018-19 to 2.03 million head.

Strong prices and good lamb growth rates will encourage North Island farmers to send lambs for processing, while slower lamb growth will suppress the rate at which South Island lambs are sent to processing.

Full Season Outlook

Export lamb processing -2.7%

The number of lambs processed is estimated to decrease 2.7 per cent from 18.77 million head in 2018-19 to 18.26 million for 2019-20. A record high average lambing percentage partly offsets fewer breeding ewes, which leads to an overall decrease in the number of lambs tailed.

North Island -2.4%

In the North Island, the number of lambs processed is estimated to decrease 2.4 per cent (226,000 head) to 9.19 million head.

South Island -3.0%

In the South Island, the number of lambs processed is estimated to decrease 3.0 per cent (276,000 head) to 9.07 million head.

Carcase weights -2.6%

The average carcase weight of lambs processed is expected to decrease 2.6 per cent – from 19.1kg per head in 2018-19 to 18.6kg in 2019-20.

Export adult sheep processing +9.2%

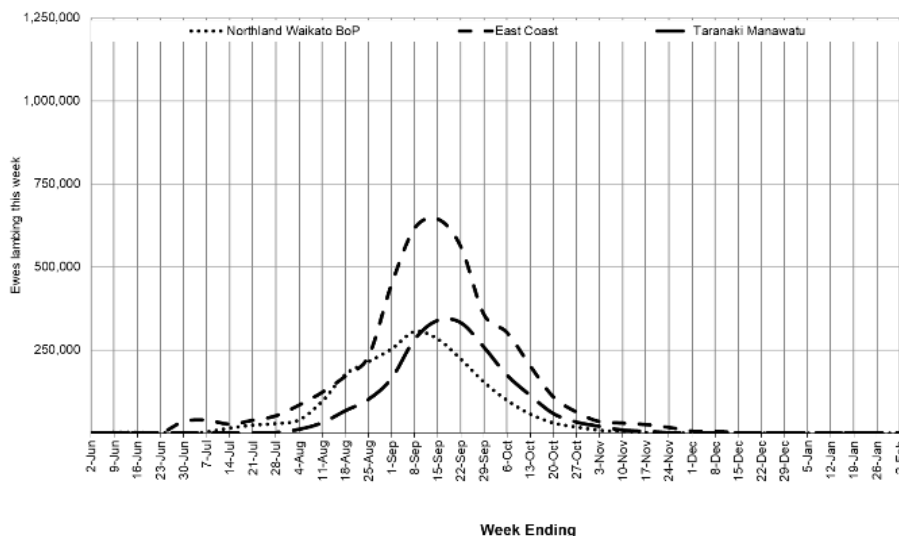
The number of adult sheep processed is estimated to increase 9.2 per cent – from 3.4 million head in 2018-19 to 3.7 million in 2019-20.

Sensitivity

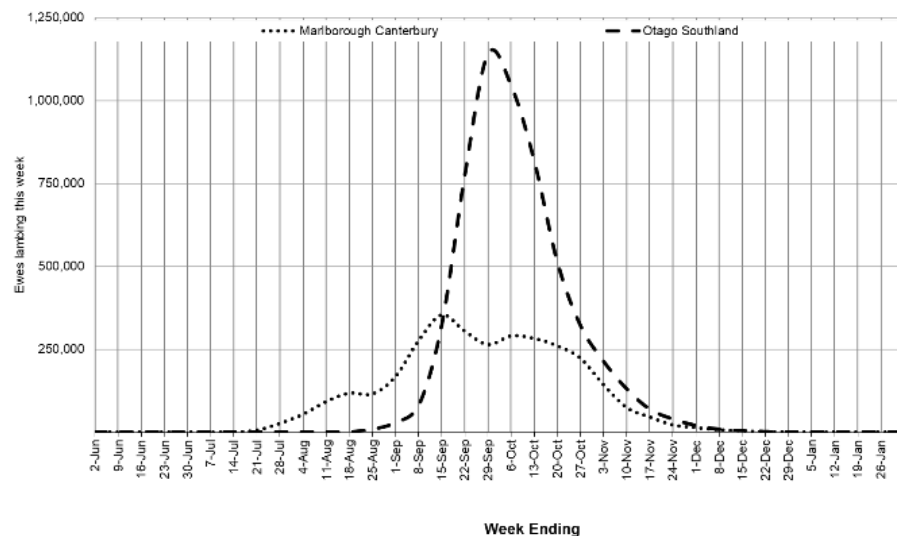
These estimates are sensitive to feed availability and prices offered by meat companies. If feed supplies tighten or schedule incentives are offered, the number of lambs processed early will tend to increase.

Ewe Lambing Dates by Region 2019

North Island



South Island



Variation in ewe lambing dates between regions is largely due to differences in pasture availability in response to geographically different climates. This is a management response by farmers to ensure that ewes are lambing when feed availability and weather conditions are typically good to provide lambs with the best possible start.

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