



Stock Number Survey

as at 30 June 2023

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Executive Summary

Table 1 Livestock Summary

	30 June 2022 (million)	30 June 2023e (million)	% change
Breeding Ewes	15.48	15.34	-0.9
Hoggets	9.00	9.36	+4.0
Total Sheep	25.33	25.49	+0.6
Estimated Lamb Crop	20.23	20.36	+0.6
Beef Cattle	3.90	3.81	-2.4

e estimate | Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

This report provides an assessment of the national sheep flock and the national beef cattle herd between 30 June 2022 and 30 June 2023. Land use change appears to have continued to play an important role in shaping livestock numbers with the breeding ewe flock continuing to decline and over five million (nearly 20 per cent) fewer sheep than a decade earlier (see Table 2).

The estimate is more complicated at present due to uncertainties relating to land use change. Based on independent work that B+LNZ commissioned we know how much land has been sold for conversion into forestry, how much land has been planted, and that livestock numbers will fall as a result, but there is uncertainty on the exact timing of the decline in stock numbers as animals do not go directly to processing.

Sheep +0.6%

Overall, sheep numbers are estimated to be relatively steady due to a large number of hoggets on hand at 30 June 2023.

The breeding ewe flock is estimated to have declined by 0.9 per cent, which is offset by an increase in hoggets of 4.0 per cent. An additional 356,000 hoggets were on hand in June, particularly trading hoggets, which will likely be processed through winter and early spring.

The breeding flock, however, is the key indicator of the flock size in the future and it continues to trend down and is expected to continue to decline because of expected continued land use change.

The 0.9 per cent reduction in breeding ewes follows a significant reduction (-5.2 %) last year, as shown by the Agricultural Production Census that is conducted by Stats NZ.

Outlook for lambing +0.6%

Mixed age ewes were in good condition during mating, and at 30 June 2023, for most of the country. Overall, ewe pregnancy scanning results were favourable for most regions. It is anticipated that, based on scanning results, the ewe lambing percentage in spring 2023 may be up around 1.5 percentage points on

last season to 126.1 per cent. The lamb crop is forecast to slightly increase to 20.36 million (+0.6%) for spring 2023.

Beef cattle -2.4%

The number of beef cattle at 30 June 2023, estimated at 3.81 million, is down 2.4 per cent on the previous June.

Breeding cows and heifers increased 1.1 per cent on average for New Zealand, with the South Island, mostly, leading the increase. Breeding cow numbers lifted as farmers chose to reduce weaner and trading cattle numbers.

The number of beef cattle weaner decreased 3.2 per cent. Southland farms bucked the trend and replenished weaner numbers by over 20 per cent following two years of dry conditions.

Spring 2023 calving is expected to be better than last year with more breeding cows, relatively good cow condition, and plenty of pasture during mating.

Overall expectations are for the number of beef calves born in spring 2023 to increase by around 1.3 per cent (+11,000 head approximately). This follows a decrease of an estimated 50,000 calves in spring 2022.

General Comment

Land-Use Change

Land-use change from sheep and beef farms into forestry continued in 2022-23 and remained of high concern to many farmers. The pace of sales slowed, possibly because of the lower carbon price and uncertainty introduced to the market when the Government announced a consultation on changes to the Emissions Trading Scheme (ETS).

[An updated analysis](#) of land-use change from pastoral farming to large-scale forestry released by B+LNZ in July 2023 showed that 200,000 hectares of sheep and beef farms have been sold into forestry in the last five years.

In 2021, two-thirds more farmland was sold for forestry conversion than in 2020. In 2022, the area sold declined following the government's announcement of the review of the ETS, though we understand the Overseas Investment Office (OIO) has a backlog of applications, which if approved would result in further conversion of food-producing land into forestry.

This land is being converted into forestry quickly, with 64,000 hectares planted on pastoral land in 2022 and a further 88,000 hectares identified as intended to be planted in 2023: [Afforestation and Deforestation Intentions Survey 2022 \(mpi.govt.nz\)](#).

This is now starting to be reflected in livestock numbers, with a 5.2 per cent reduction in breeding ewes to 30 June 2022. A more modest reduction in breeding ewes is estimated to 30 June 2023.

Seasonal conditions

Devastating flooding and extreme rainfall characterised summer 2022-23 for the North Island, while the South Island had long periods of hot and dry weather. Cyclones Hale and Gabrielle, and heavy rainfall on Auckland Anniversary weekend, left a trail of destruction across many parts of the North Island and particularly Northland, Coromandel, and East Coast. For farms impacted by the cyclones, it was a traumatic season and the recovery is far from over. When gathering this survey data, several Sheep and Beef Farm Survey farms were unable to account for all stock on 30 June because farm infrastructure had been severely compromised – so their priorities remain in rebuilding their farms and livelihoods.

Summer rainfall was above normal or well above normal for most of the North Island. For the South Island, summer rainfall was above normal or well above normal for the northeast, but below or well below normal for parts of the west and south¹. For the southern South Island, 2022-23 was the third consecutive dry season.

Despite rainfall and cloud cover at times, it was the third-warmest summer on record. For many, this meant exceptional summer and autumn pasture growth and plentiful feed levels. Warm temperatures persisted into autumn, which was the fourth-warmest autumn on record.

Economic conditions

Farm-gate prices and gross margins are influential factors in stock policies. In 2022-23 farm-gate prices for lamb and mutton decreased. Mutton prices fell sharply near the start of the season and then continued to remain much lower than 2021-22. Farmers were disappointed by lamb prices, which were down 13 per cent to an estimated \$143/hd in 2022-23². Published processor prices decreased in winter 2023, an unusual occurrence because typically prices increase as supply reduces.

The decline in the prime lamb market suppressed the lamb store market. On average, store lambs sold for up to \$40 per head less than the previous season. Farmers were concerned at low margins and potential losses between buying store lambs and finishing them to sell prime.

Beef cattle farm-gate prices were relatively strong this season, down only slightly from 2021-22 (-3%). Beef cattle prices were the main positive for the season.

Wool continued to generate poor returns for sheep farmers. Prices were slightly higher for all wool types, except medium wool while remaining historically low.

Inflation continued to put pressure on farm inputs with farmers reducing inputs such as fertiliser and cutting back on repairs and maintenance. Paying considerably more for less was the crux of farm spending this season.

Uncertainty around government policy decisions and their impact on the sheep and beef industry continued to influence farmer decisions and farmer morale was at very low levels.

¹ NIWA Climate Summaries, Summer 2022-23 and Autumn 2023

² Weighted average farm-gate price

Introduction

Livestock numbers as at 30 June 2023

This paper summarises the results from a survey carried out to estimate the number of sheep and beef cattle on hand at 30 June 2023. The report gives an estimate of the change in livestock numbers six months before provisional figures are available from SNZ (Agricultural Production Survey). The report also discusses the potential lamb crop and calving outlook for spring 2023 based on condition (and any changes in number) of breeding livestock and ewe pregnancy scanning results.

This survey uses the Sheep and Beef Farm Survey framework, which is a statistically representative sample of over 500 commercial sheep and beef farms. Economic Service Managers based throughout New Zealand collect information from farms at various points during the year.

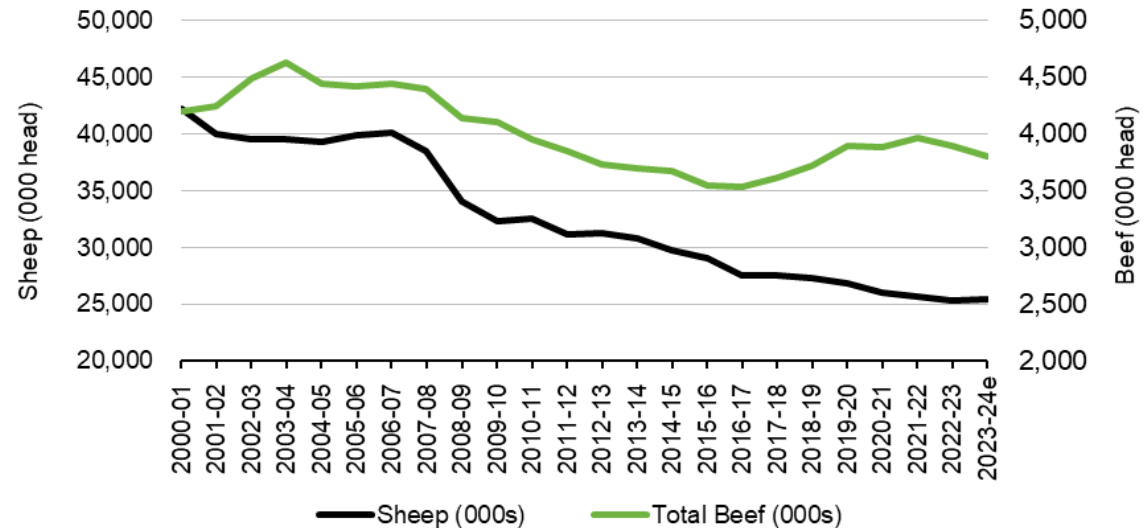
The livestock on hand at 30 June 2023 described in this report are the productive base for meat and wool production in the 2023-24 farming and meat export years.

In addition to the survey results, other information was used to estimate how changes in the size of the dairy herd impact on sheep and beef cattle numbers. Statistics New Zealand data for land use (hectares) and livestock numbers for commercial sheep and beef farms is combined with survey results.

The SNZ Agricultural Production Census gave greater visibility into the changes in New Zealand's national flock and beef cattle herd, with 5.2 per cent fewer breeding ewes (the largest drop since 2015-16) and 1.7 per cent fewer total beef cattle to 30 June 2022.

The results of the survey are reported by region for sheep in Table 3 and for beef cattle in Table 5. Longer-term time-series of livestock numbers are shown at the national level in Table 2 for sheep and in Table 4 for beef cattle.

Figure 1 Livestock Numbers



Source: Beef + Lamb New Zealand Economic Service | Statistics New Zealand

Sheep – NZ overview

Total Sheep +0.6%

Overall, the number of total sheep increased slightly, 0.6 per cent (~150,000 head) on the previous year to 25.49 million at 30 June 2023.

This is largely driven by more hoggets on hand at 30 June, particularly trade lambs that are recorded as hoggets but will be processed in as lambs in the final quarter of the meat processing season. In absolute terms, we estimate that an additional 356,000 hoggets were on hand at balance date.

One reason for the surplus of trading hoggets on hand was surplus pasture in June with farmers intending to sell the stock prime through winter rather than traditionally selling in the store market.

In Marlborough-Canterbury, total sheep increased by 2.1 per cent driven by more hoggets on hand. In East Coast, there was a small decline in total sheep numbers while all other regions were steady or increased to 30 June 2023.

North Island -0.4%

The total number of sheep marginally decreased (49,000 head or 0.4%) to 12.27 million at 30 June 2023.

South Island +1.5%

The total number of sheep increased by 1.5 per cent (201,000 head) – to 13.22 million at 30 June 2023.

Breeding ewes -0.9%

The number of breeding ewes decreased 0.9 per cent (-141,000) compared with the previous June to 15.34 million. The number of breeding ewes decreased across both islands.

The reduction in breeding ewes was more distinct for hard hill country farms in the North Island and hill country farms in the South Island where sheep and beef farms made way for pine trees.

North Island -1.2%

In the North Island, the number of breeding ewes decreased 1.2 per cent to 7.33 million. The biggest driver of the decrease for the North Island was fewer ewes to the ram for East Coast farms, down 2.1 per cent or approximately 77,000 head. The East Coast region is important for sheep numbers because it holds the most breeding ewes and total sheep of any region in New Zealand (see Table 3).

South Island -0.7%

In the South Island, the number of breeding ewes decreased 0.7 per cent (54,000 head) to 8.01 million.

Marlborough-Canterbury and Southland both decreased the number of ewes to the ram this season. Ewes were lost to land use change, especially to forestry, and flock reductions in light of low crossbred wool prices and pessimism about lamb prices in the coming season.

Otago bucked the trend with a marginal increase, 0.4 per cent, in breeding ewes.

Hoggets +4.0%

The total number of hoggets at 30 June 2023 is estimated at 9.36 million, up 4.0 per cent (+356,000 head).

Hogget numbers decreased in Northland-Waikato-BoP (-5.0%), while hogget numbers increased in all other regions.

North Island 0.0%

The total number of hoggets was steady for the North Island at an estimated 4.58 million. A large decrease in Northland-Waikato-Bay of Plenty was offset by small increases for East Coast and Taranaki-Manawatū. The northern North Island retained greater numbers of ewe hoggets run-with-ram while reducing trading hoggets.

South Island +8.1%

The total number of hoggets increased 8.1 per cent (358,000 head) to 4.78 million at 30 June 2023. Increased hogget numbers were reported by farmers across all regions, due to farmers retaining hoggets for trading over winter. The largest increase was in Marlborough-Canterbury (+9.5%), which also holds the most hoggets in New Zealand at an estimated 2.82 million head (Table 3).

Outlook for Lambing 2023

Ewe condition and pregnancy scanning

Mixed age ewes were in good condition during mating and at 30 June for most of the country. The body condition of ewes during mating and at balance date was good for most of the country, and condition improved for southern South Island ewes as feed supplies returned to more normal levels following dry conditions over summer. However, exceptions to this were found in Southland where farmers felt that consecutive dry seasons impacted the condition of younger stock and therefore reproductive performance.

Overall, ewe pregnancy scanning results were favourable for most regions. It is anticipated that, based on scanning results, ewe lambing percentage may be up around 1.5 percentage points on last season to 126.1 per cent.

Lambing percentages vary between regions, farm classes and Islands, overall, for the North Island we estimate 128.2 per cent lambing for ewes and for the South island 124.2 per cent.

Lamb crop +0.6%

The lamb crop is forecast to slightly increase to 20.36 million (+0.6%) for spring 2023. The forecast increase in lamb crop is due to ewes being in good condition during mating and improved scanning percentages, because overall breeding ewe numbers have fallen.

B+LNZ expects an increase in lambs born in Northland-Waikato-BoP, Taranaki-Manawatū and Otago, with other regions being similar or slightly below spring 2022.

The North Island lamb crop is estimated at 9.90 million head.

The South Island lamb crop is estimated at 10.45 million head.

In South Island regions, spring feed will rely on climatic conditions, with spring lambing conditions being a key factor determining the final lamb crop, which will be reviewed in November when Beef + Lamb New Zealand's Lamb Crop Survey is completed. Table 2 shows the trend in the number of breeding ewes and total sheep.

Table 2 Trend in Sheep Numbers

June	Breeding ewes (million)	% change	Total sheep (million)	% change
2013	20.23	-0.9	30.79	-1.5
2014	19.78	-2.2	29.80	-3.2
2015	19.07	-3.6	29.12	-2.3
2016	18.14	-4.9	27.58	-5.3
2017	17.76	-2.1	27.53	-0.2
2018	17.16	-3.3	27.30	-0.8
2019	16.85	-1.8	26.82	-1.7
2020	16.57	-1.6	26.03	-3.0
2021	16.33	-1.5	25.73	-1.1
2022	15.48	-5.2	25.33	-1.6
2023e	15.34	-0.9	25.49	+0.6

e estimate | Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Table 3 Sheep Numbers at 30 June

	Actual 2021			Actual 2022			Estimate 2023			% changes 2023 on 2022		
	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (%)	Total Hoggets (%)	Total Sheep (%)
Northland-Waikato-BoP	2.020	0.980	3.101	1.884	0.931	2.892	1.872	0.884	2.898	-0.6	-5.0	+0.2
East Coast	3.938	2.406	6.493	3.628	2.611	6.401	3.551	2.637	6.331	-2.1	+1.0	-1.1
Taranaki-Manawatu	1.920	1.082	3.093	1.901	1.038	3.027	1.903	1.057	3.042	+0.1	+1.8	+0.5
North Island	7.878	4.468	12.686	7.413	4.580	12.320	7.326	4.578	12.271	-1.2	-	-0.4
Marlborough-Canterbury	3.092	2.158	5.496	3.059	2.578	5.883	3.022	2.823	6.007	-1.2	+9.5	+2.1
Otago	2.871	1.092	4.133	2.763	1.060	3.984	2.774	1.118	4.040	+0.4	+5.5	+1.4
Southland	2.486	0.846	3.417	2.242	0.787	3.146	2.213	0.841	3.168	-1.3	+6.9	+0.7
South Island	8.448	4.096	13.047	8.063	4.424	13.014	8.009	4.782	13.215	-0.7	+8.1	+1.5
NEW ZEALAND	16.326	8.564	25.733	15.476	9.004	25.334	15.335	9.360	25.486	-0.9	+4.0	+0.6

Beef Cattle

Total Beef Cattle -2.4%

There was a small decrease in the number of beef cattle, down 2.4 per cent or 92,000 head to an estimated 3.81 million. Slight growth in the South Island (+0.8%) was offset by reduced numbers in the North (-3.7%).

The number of beef cattle weaner decreased 3.2 per cent. Southland farms bucked the trend and replenished weaner numbers by 24.5 per cent following two years of dry conditions.

North Island -3.7%

Total beef cattle decreased by 3.7 per cent to an estimated 2.61 million. Decreases occurred across all North Island regions, with the largest decrease in numbers for the East Coast (-7.2%).

South Island +0.8%

The number of beef cattle as at 30 June increased slightly – 0.8 per cent – to an estimated 1.20 million head.

Cows Mated +1.1%

Breeding cows and heifers increased 1.1 per cent on average for New Zealand, with the South Island, mostly, leading the increase. Breeding cow numbers lifted as farmers chose to reduce weaner and trading cattle.

North Island -0.1%

An increase in breeding cows in Taranaki-Manawātū (+6.1%) was insufficient to bolster numbers overall as northern North Island and East Coast farms reduced the number of cows mated. Overall, breeding cows were steady on 676,000 head.

South Island +3.2%

Breeding cow numbers increased moderately in the South Island to 30 June 2023 – by 3.2 per cent – to an estimated 401,000.

Outlook for 2023 Calving

Spring 2023 calving is likely improved on last year with more breeding cows, relatively good cow condition, and plenty of pasture last spring during mating.

Table 4 Trend in Beef Cattle Numbers

June	Breeding cows (million)	% change	Total beef cattle (million)	% change
2013	1.02	-3.8	3.70	-1.0
2014	1.01	-0.7	3.67	-0.8
2015	0.98	-3.0	3.55	-3.3
2016	0.95	-2.9	3.53	-0.4
2017	0.98	+2.4	3.62	+2.4
2018	1.03	+5.4	3.72	+2.9
2019	1.10	+7.3	3.89	+4.5
2020	1.07	-3.4	3.88	-0.2
2021	1.07	+0.0	3.96	+2.1
2022	1.07	-0.2	3.90	-1.7
2023e	1.08	+1.1	3.81	-2.4

e estimate | Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Overall expectations are for an increase in the number of beef calves born this spring by around 1.3 per cent (+11,000 head approximately). This follows a decrease of an estimated 50,000 calves in spring 2022.

East Coast will be an exception to the forecast increase in calves as farmers had fewer cows mated and feed levels were variable following cyclones.

Table 5 Beef Cattle Numbers at 30 June

	Actual 2021			Actual 2022			Estimate 2023			% changes 2023 on 2022		
	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (%)	Total Weaners (%)	Total Beef (%)
Northland-Waikato-BoP	0.270	0.413	1.335	0.281	0.377	1.289	0.283	0.359	1.261	+0.7	-4.8	-2.2
East Coast	0.289	0.263	0.960	0.271	0.246	0.939	0.261	0.236	0.872	-3.7	-4.1	-7.2
Taranaki-Manawatu	0.124	0.149	0.484	0.124	0.145	0.483	0.132	0.147	0.477	+6.1	+1.6	-1.3
North Island	0.684	0.825	2.779	0.676	0.768	2.712	0.676	0.742	2.610	-0.1	-3.4	-3.7
Marlborough-Canterbury	0.220	0.234	0.712	0.230	0.245	0.748	0.239	0.224	0.726	+4.1	-8.3	-2.9
Otago	0.101	0.090	0.275	0.100	0.080	0.266	0.105	0.075	0.264	+4.4	-6.8	-0.6
Southland	0.062	0.079	0.198	0.059	0.061	0.172	0.057	0.076	0.206	-2.5	+24.5	+19.5
South Island	0.384	0.403	1.186	0.389	0.386	1.186	0.401	0.375	1.196	+3.2	-2.8	+0.8
NEW ZEALAND	1.067	1.228	3.965	1.065	1.153	3.898	1.077	1.117	3.807	+1.1	-3.2	-2.4

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Regional Round-up

Northland-Waikato-Bay of Plenty

Sheep

Total Sheep +0.2%

Total sheep numbers were steady (+0.2%) to 2.90 million head on 30 June 2023. Total sheep numbers on hard hill country farms remained steady, while there was a moderate decline in trading hoggets for both hill country and finishing farms.

Breeding Ewes -0.6%

Breeding ewe numbers in the northern North Island stabilised with a slight decline of 0.6 per cent to 1.87 million head. Feed conditions in summer and autumn were conducive to retaining capital stock and culling regimes were shallower than in recent years due to ewe prices falling from relative high levels.

Hard hill country ewe numbers fell three per cent, with land conversions being the primary factor for decline. Breeding ewe numbers on hill country farms increased by one per cent with some farmers taking the opportunity to retain ewes in their flocks. Pregnancy scanning technicians continued to be in short supply with some farmers unable to secure scanning.

Hoggets -5.0%

The number of hoggets run-with-the-ram increased 12.2 per cent compared with last season. This increase was driven by relatively high feed levels throughout

the region, with more ewe hoggets reaching ideal tupping live weights. Around 45% of the region's ewe hoggets were mated.

The total number of hoggets declined 5.0 per cent to 884,000 head. Hill country and finishing farms led the decline motivated by falling processor prices and saturated soil conditions through the late autumn.

Farms in the region retained more ewe hoggets and decreased trade hoggets on farm. The total number of ewe hoggets increased 9.8 per cent while the number of trade hoggets on hand decreased by 21 per cent.

Outlook for lambing

Ewe pregnancy scanning results improved from last year, farmers reported scanning percentages around 10-15 percentage points higher than 2022. Better pasture levels and a kind summer and autumn period meant ewes were in better condition than last year.

With improved scanning percentages throughout the region, the outlook for lambing is very positive. When soil conditions improve and pasture growth resumes in spring, lambing could be exceptional.

Beef

Total Beef Cattle -2.2%

The number of beef cattle decreased 2.2 per cent to 1.26 million head. The decrease was driven by hill country and finishing farms.

Beef cattle numbers on hill country farms declined by 3.2 per cent as some farmers took the opportunity to sell weaner cattle in an exceptional

autumn market. Hill country farms had lower beef cattle numbers across each group with breeding cattle (-0.9%), weaner cattle (-7.6%) and older trade cattle (-0.3%) all down on June 2022.

Finishing farms had an overall decline in total beef of 4.1 per cent.

Hard hill country farms increased beef cattle numbers across each group, breeding, weaner, and older cattle, by 6.6 per cent in total. Hard hill country farms were affected by drought over the last two seasons and sought to rebuild beef cattle numbers.

Pasture conditions throughout the region were excellent, however, a wet autumn and early winter made cattle management difficult. With wet conditions and potential for pasture damage, finishing farms destocked heavier cattle early, which opened the opportunity to bring on younger, lighter animals.

While published processor prices for cattle remained strong the store cattle market was exceptionally strong, meaning farmers who traded cattle operated on a reduced profit margin when restocking, this particularly affected finishing farms and hill country farms who trade.

Cows mated +0.7%

Breeding cow numbers increased 0.7 per cent on the previous year to 283,000 head. The increase came primarily on hard hill country farms with a large increase in numbers of 5.7 per cent. Breeding cow numbers on hill country farms declined 0.9 per cent while numbers on finishing farms increased 1.0 per cent.

Outlook for Calving

Conditions through spring 2022 were conducive for mating and conception. With breeding cattle numbers stable, B+LNZ expects calving to be similar or better than last spring.

General Comment

Land Use

Forestry conversions were a concern for pastoral farmers and their communities in northern North Island, however, while farm sales and conversions still occurred, the rate appeared to slow. The flow-on effect of staggered forestry plantings on former sheep and beef farms will continue to affect livestock numbers throughout the region.

The number of sheep and beef farms on the market in spring 2022 was particularly evident in King Country, however, this market subsequently slowed, and the time taken for some farms to sell was longer than vendors expected.

Dairy grazing on northern North Island sheep and beef farms remained stable in numbers. This continued to be an important income stream.

The Waikato Regional Council's Proposed Plan Change 1 was forefront of mind for farmers in the Waikato and Waipā River catchments with an Environment Court case to resolve nutrient budget limits and stocking rates. The Waipā catchment is one of the first to require a freshwater farm plan from 1 August 2023, with farmers required to have approved plans within 18 months of this date. This is in addition to other central government

regulations that are creating ongoing angst for sheep and beef farmers.

The number of finishing farms in the region is declining because of urban sprawl around Hamilton, Auckland, and other urban centres. These farms are vulnerable for subdivision into lifestyle blocks and housing developments and some are also changing from pastoral land use to other agricultural practices.

Seasonal Conditions

After a couple of seasons of severe drought for parts of the region, the northern North Island experienced a wet 12 months and an intensely wet start to 2023. Numerous weather events, including Cyclone Hale and the Auckland Anniversary weather event in January, then Cyclone Gabrielle in February, wreaked havoc on the region's farms and roading infrastructure.

Feed cover was abundant throughout most of the region this season, however quality was relatively poor with metabolisable energy and dry matter percentages low due to a lack of sunshine hours. Farmers commented that pasture quality hindered the growth of young stock and made it difficult to add weight to animals to be processed.

Winter feed levels rapidly diminished due to saturated soils and consequent pugging events.

Some maize crops struggled to establish on heavier soil types, while maize on friable soils fared better. Overall, yields were reduced by 10-15% on the previous year. Wind from weather events snapped or lodged many crops.

Economic Conditions

The impact of the weather events on roads created issues for farmers. Many experienced slips, damaged fences and tracks that had to be repaired.

The damaged roads saw an increase in livestock transport and feed costs as trucks had to detour. One meat processor applied cartage charges, whereas previously prices for livestock to processors included transport costs.

The amount of fertiliser applied was down in response to increased cost and unsuitable weather. Fertiliser applications, both ground spread and aerial, were delayed due to weather conditions with air strips difficult to access and wet soil conditions.

Livestock processing timeframes caused concern for farmers with the timeframe for sending cattle to be processed longer than usual because processors continued to struggle to have sufficient labour.

Other commentary

Farmer morale was low throughout the region with some farmers choosing to exit the industry. Of particular concern were young farmers reconsidering their future in farming. The enormity of compliance requirements and looming legislation, extreme weather conditions, high interest rates, high input costs and diminishing returns resulted in many farmers weighing up their future.

East Coast

The East Coast region also experienced several significant weather events in 2022-23, including widespread destruction from Cyclone Gabrielle on 14 February. This led to a shortfall in farmer stock number survey returns. In some cases, farmers were unable to muster and count livestock. Livestock numbers to 30 June 2023 were further influenced by the ability (or inability) to move store and prime stock post-cyclone.

Sheep

Total Sheep -1.1%

Total sheep numbers decreased by 1.1 per cent to 6.33 million head. This reflected fewer breeding ewes and a 6.2 per cent decrease in ewe hogget numbers on hand at 30 June 2023.

It is possible that the number of sheep mated may be lower than estimated due to an inability to collect data from those farms heavily affected by cyclone and rainfall damage. Livestock losses from weather events during 2022-23 cannot be fully calculated until livestock is reconciled. Damage to on-farm infrastructure (laneways, culverts, yards) and boundary fencing has impeded this reconciliation process.

Farmers reported poorer lamb thrift with limited sunshine across the region. This made it difficult to get lambs to appropriate processing weights for some.

Breeding Ewes -2.1%

Breeding ewe numbers decreased by 2.1 per cent. Hard hill country properties had a 4.0 per cent decline

in the numbers of ewes that joined the ram in autumn 2023. Hill country breeding ewe numbers dropped by 1.4 per cent while finishing farms decreased 5.0 per cent.

Hoggets +1.0%

An increased number of trading/male hoggets were carried over balance date, likely due to dropping processor prices leading into winter and farmers holding onto stock for better prices. Total hogget numbers increased 1.0 per cent.

While some farms struggled with feed levels, others had adequate feed this season, which reduced pressure to move trading stock. Results suggest that the proportion of ewe hoggets mated increased by five percentage points, which reflects good growing conditions through to tugging.

Outlook for lambing

Due to an abundance of grass on the East Coast after consistent rainfall from summer through autumn, most ewes had plenty of feed during tugging and despite the lack of sunshine many farmers achieved excellent pregnancy scanning results. Farmers reported improved scanning results on last year, with many seeing 180-200% rates for the first time in their mixed age ewes. Two-tooth ewes and younger ewes typically scanned lower but overall results were improved on 2022.

Farmers were focussed on feed levels and stocking rates leading into spring to capitalise on a potentially excellent lamb crop. Pasture covers in June were relatively good, however some areas on the coast had poorer quality feed due to heavy rainfall.

Beef

Total Beef Cattle -7.2%

Total beef cattle numbers dropped by 7.2 per cent to an estimated 872,000 head.

With plentiful pasture throughout summer and autumn, cattle were helpful at managing pasture levels. As published lamb prices dropped leading into winter, beef cattle became the more reliable market for farmers in approaching year-end.

Some farmers destocked cattle as a priority after assessing the damage from the cyclones, including which paddocks could not safely stock heavier animals. Processors increased their capacity post-COVID-19 as they overcame labour shortages.

A contributing factor to fewer cattle on farm on 30 June 2023 may be the impact of restricted transport across the region because of network damage from Cyclones Hale and Gabrielle. This dampened store cattle sales, through lower volumes of cattle on offer.

Weaner cattle numbers decreased 4.1 per cent.

Cows mated -3.7%

Breeding cow numbers decreased by 3.7 per cent. In 2021-22, farmers boosted breeding cow numbers following several tough drought years. The decrease to 30 June 2023 reflects farmers that had re-established cow numbers culling to gain benefits from the strong beef market prices.

Outlook for calving

The recorded drop in cows mated may in turn lead to a decrease in the number of calves born in spring 2023. Feed in winter was variable, a result of continued wet weather conditions and heavy reductions in fertiliser applications. Initial reports suggest fertiliser volumes are down 25% on last year.

General Comment

Land Use

Many farmers were retiring or planning to retire steeper country into forestry or natives, with increased resources and support available to farmers regarding carbon credits and registering blocks in the Emissions Trading Scheme (ETS) thereby encouraging diversification of the farm.

Farmers take their environmental obligations seriously and fencing of waterways and increased plantings is one way they are doing this organically.

Seasonal Conditions

Weather defined 2022-23 for the East Coast, after Cyclones' Hale and Gabrielle caused slipping, flooding and silt damage for the majority of farms in the region in January and February. Rain continued to fall throughout autumn, and good pasture growth rates reflected this, although quality was poor in some areas.

Morale was low amongst East Coast farmers as continuous rainfall frustrated farm operations and often undid cyclone repair work.

Economic Conditions

The impact of the storms on farms will have a significant impact on the region including large costs for rebuilding infrastructure, only some of which may be covered by insurance and grants. The damage and losses will be felt for some time.

This impact had heightened farm concerns about further increased costs from regulation.

Some older farmers faced with cyclone repairs and uncertainty felt this year had “broken the camel’s back”, leading them to consider exiting the industry or shifting to easier stocking policies or country.

Taranaki-Manawatū

Sheep

Total Sheep +0.5%

The total number of sheep on western North Island farms as at 30 June 2023 was up slightly (+0.5%) on the previous season to 3.04 million head.

Breeding Ewes +0.1%

The number of breeding ewes run to ram was steady at an estimated 1.90 million head. Both hill country and hard hill country farmers reported a slight increase in ewes-to-ram, which was offset by a slight decrease on finishing farms. Some finishing farms shifted to slightly more beef cattle to compensate for declining sheep returns.

Ewe hoggets mated increased by two percentage points on 2022. Farmers took advantage of favourable autumn conditions, which allowed ewe hoggets to be at adequate weights before joining the ram.

Hoggets +1.8%

Hogget numbers increased 1.8 per cent to 1.06 million head at 30 June 2023. Within the category of hoggets, the largest increases were for trading hoggets on hand in June.

There was a 19 per cent increase for hill country farms and a 16 per cent increase for hard hill country farms in trading hoggets compared to last year. These farms carried trading hoggets into the winter due to a surplus of pasture. The intention was to finish more of these as prime hoggets through winter rather than traditionally selling them on the store market.

Outlook for lambing

Farmer reports suggest ewe pregnancy scanning results were much better than normal across the region. Most farms were similar to last year or improved on long-term averages.

Above average pasture growth through the summer and autumn due to warm temperatures and regular rain, allowed ewes to hold or improve body condition at ram joining. Farmers reported fewer dry ewes at scanning. There was a significant rise in triplet-bearing ewes, but triplet-bearing ewes can pose a management challenge through winter and into lambing, with farms needing to prioritise feed and lambing paddocks to minimise lamb losses in spring.

Given a mild winter to date for most of the region, higher than normal scanning percentages and a reported two percentage point increase in ewe hoggets mated, it is expected that the number of lambs born will be slightly higher than last year's 2.7 million.

Ewe condition was good through early winter, and the weather forecast for the region for spring is looking good which should help minimise lamb losses in spring.

Feed levels on farms across the region were sufficient in June for the time of year heading into late winter/early spring.

Beef

Total Beef Cattle -1.3%

Total beef cattle have dropped 1.3 per cent to an estimated 480,000 head. Hill country farmers reported more breeding cows on hand

30 June. This corresponds with a large decline in trading cattle for these farms to make way for the breeding cows.

Weaners on hand as at 30 June for hard hill country farms were up 5 per cent as some farmers had yet to destock heading into winter due to favourable pasture levels.

Finishing farms reported increased trading cattle as some farms shifted policy away from sheep due to more favourable returns in beef.

The number of dairy cattle grazed on sheep and beef farms decreased on last season, with some sheep and beef farmers expressing a desire to focus on owned rather than non-owned stock.

Cows mated +6.1%

Breeding cow numbers increased by 6.1 per cent to 132,000 head. The large increase in breeding cows was driven by hill country farms. Several farmer reports indicated policy changes to more breeding cows driven by lower returns for sheep, perceived less work required for cattle, and farmers took advantage of exceptional summer grass growth.

More rising two-year-old heifers were mated this season.

Outlook for calving

Due to favourable conditions at mating, cow in-calf rates were reported to be similar or slightly better than last year. The exceptional pasture growth over the summer and through autumn have put beef cows in excellent condition heading into the winter.

A large amount of surplus feed via hay and baleage was harvested across the region in 2022-23 both during spring and summer. This gave farmers comfort to match feed demand through winter and into early spring 2023.

These factors bode well for a good calving through August-October.

General Comment

Land Use

Large-scale land use change from farmland to pine trees appears to have slowed from December 2022. At \$50/t (in June 2023), the carbon price was over \$20/t lower than the same time in 2022, which contributed to fewer sheep and beef farms being sold for planting into pines over the past six months.

Sheep and beef farmers continued to retire smaller areas of steeper, less productive land from pasture and plant exotics species, mainly *Pinus radiata*. Several regional council initiatives offer subsidies to farmers for planting natives as well as pines.

Seasonal Conditions

Regular rain through summer created surplus feed on farm for most of the region. Despite better-than-normal pasture growth rates, unfortunately lamb growth rates were not above average with hill country and hard hill country farmers reporting lambs had not thrived. The pasture appeared to be too high in moisture for the lambs to grow well. As a result, lamb carcass weights were not as high as many would have expected considering the feed supplies.

With higher pasture covers through the season and historically high fertiliser prices, fertiliser applications for the region were significantly down on previous years. These management decisions could pose a challenge to soil fertility if future applications continue to be missed.

Some contractors reported that surplus feed through spring 2022 and summer 2023 was converted into high volumes of hay and baleage, although harvesting this surplus was at times challenging because of the regular rain that fell during the same period.

Few farms reported facial eczema during autumn, however pasture damage from Porina caterpillars continued to be a challenge through the upper Rangitīkei area.

Beef calf weaning weights were excellent through March-May due to excellent cow condition and surplus feed levels.

A typical winter emerged through to June with colder temperatures, a handful of frosts and regular rain.

Economic Conditions

Sheep markets declined dramatically through late June and July when typically, prime lamb prices increase over winter with reduced supply.

Poor prime lamb prices influenced the store lamb markets with prices down by up to \$40 a head on the same time in 2022.

Prices for prime adult ewes were also well down on previous years.

Cattle market prices were slightly down on 2021-22 but, compared to sheep, were the strongest market this year.

Processing space was a challenge for beef cattle farmers through autumn with dairy cull cows gaining preference.

Deer returns improved for both venison and velvet markets, however deer numbers for the region were down slightly with a tendency to shift to cattle.

Other commentary

Farmer confidence was at very low levels, impacted by ongoing concern about the significant new environmental regulations coming at farmers.

Marlborough-Canterbury

Sheep

Total Sheep +2.1%

Overall sheep numbers in Marlborough-Canterbury rose by 2.1 per cent to 6.01 million, largely due to increases in trading and ewe hoggets. Total hogget numbers were up 9.5 per cent on 2022. Most of the increase was trading hoggets (up 13.9 per cent), with a slight increase in ewe hoggets retained for breeding flocks.

A strong growing season across most of the region allowed farmers to finish a higher proportion of hill country lambs and to take lambs to heavier weights on finishing farms. Plentiful autumn feed allowed farmers to hold lambs that would ordinarily be sold before winter, although liveweight gains were limited by poor feed quality. Processing space limitations may have added to numbers on.

Breeding Ewes -1.2%

The number of breeding ewes that were mated declined 1.2 per cent to 3.02 million in 2023, reversing the previous year's recovery in ewe numbers. Ewes were lost to land use change, especially to forestry, and flock reductions in light of poor crossbred wool prices and also pessimism about lamb prices in the coming season.

Hoggets +9.5%

Total hogget numbers increased 9.5 per cent to 30 June 2023 driven mostly by trading hoggets on hand thanks to plentiful feed conditions in autumn, and these hoggets were

expected to be sold over winter. Farmers were mindful of selling trading hoggets before the dairy sector's influx of non-replacement calves arrived and competed for processor space.

Outlook for lambing

Reported ewe ultrasound scanning results suggested slightly reduced scanning percentages in the north of the region compared with good 2022 results, likely due to low feed quality around mating. In southern parts of the region results were near normal to slightly above.

Pregnancy scanning results varied widely within districts, suggesting possible animal health issues. Some flocks were diagnosed with unusually high internal parasite burdens, especially in hoggets, while other farmers noted possible mineral deficiencies or contagious abortion effects in early pregnancy.

Overall lambing percentage was expected to be around average for the region, leading to a slightly smaller expected lamb crop than 2022 reflecting reduced ewe numbers. Flocks were reported to be wintering well in good body condition due to suitable plentiful feed.

Pasture cover at lambing was expected to be normal to good, so long as additional trading hoggets departed as planned. If hogget drafts were delayed, then hogget feed demand could conflict with ewe requirements in late pregnancy. Ewes would need to take priority to avoid compromising body condition, risking metabolic disease and reduced colostrum supply.

Beef

Total Beef Cattle -2.9%

Total beef cattle numbers fell by 2.9 per cent, to 726,000 head. Weaner numbers declined 8.3 per cent (about 20,000 head), as expected given a reduced cow herd in 2022. Older trading cattle were also down, by 2.9 per cent. Some of the drop may reflect steadier processing progress without COVID-19 disruptions, but the seasonal influx of cull dairy cows still slowed beef cattle flow to processing in autumn.

Farmer decisions to reduce winter cattle stock pressure on soils were evident. Some hill country farmers chose to sell more weaners, driven by acceptable weaner prices, uncertainty about future cattle pricing and loss of live export options for beef heifers in the spring. Some beef cattle finishers opted to quit heavy rising two-year-old finishing stock that would normally be wintered, especially from farms in winter-wet areas with vulnerable soils and farms that would need resource consent for sufficient winter crop. These cattle were sold in autumn, either as well-conditioned stores or sold prime at lighter carcass weights than usually achieved in the spring.

Cows mated +4.1%

The number of cows and heifers mated in Marlborough-Canterbury increased by 4.1 per cent to 239,000 head, bringing numbers back up to 2019-20 levels. Rises were noted across all cattle breeding farm types.

Some farms were yet to cull cows due to difficulty getting processing space while dairy cows were processed, or

farmers held cows in the hope of increased prices later in the year.

Outlook for calving

The total calf crop is expected to be up on spring 2022, due to the increased breeding herd and reports of good in-calf rates.

General Comment

Land Use

The area used for sheep and beef farming declined further over the past year. Forestry, in particular *pinus radiata* plantations, continued to displace sheep and beef farming throughout the region, especially in the Waimate and Hurunui districts. Subdivision of smaller farms on the outskirts of Christchurch was an attractive option for succession or to raise capital to help with increasing production costs.

Winter grazing rules encouraged some farmers to rethink winter stock numbers and policies. Sheep were a more attractive option, especially on high-value arable land. Rules reliant on a history of cattle in winter added a confounding factor for some farmers who felt obliged to maintain cattle numbers because lowering their permitted winter cattle numbers could compromise future land value.

Genesis Energy announced a joint venture 90-ha solar energy farm near Lauriston. Farmers were interested in green energy projects particularly as offsetting options for farm emissions, especially where livestock could be run alongside electricity generation.

The National Policy Statement for Indigenous Biodiversity (NPS-IB) had farmers concerned about future

management options if activities were limited near significant natural areas (SNAs), especially where farms had scattered areas identified as such. Maintaining management buffers around isolated patches of protected biodiversity may leave remaining farm areas impractical to manage and reduce the market value of the farm.

Seasonal Conditions

While grateful to escape the disasters of North Island regions, many farmers reported more extreme weather than usual with localised heavy damage. Heavy winter rains in 2022 led to low feed utilisation, difficult or dangerous access and declining stock condition into spring. Flood damage to roads, bridges, water supply and irrigation intakes in Marlborough, mid-Canterbury and the Mackenzie district took months to remedy. Nelson district experienced flooding in May 2023 with silt deposited on river flats.

Wind damage cut swathes through woodlots and destroyed shelter belts from North Otago to Canterbury. Replanting was likely to be limited due to expectations of similar future events and reduced revenue this season.

Growing conditions fluctuated widely from a slow start in spring through worryingly dry then wet periods that curtailed farm activities. Most farmers ultimately reported successful production overall. Winter forage crops reached good yields after delayed sowing due to wet spring soils. Arable farmers recorded pleasing grain and seed production. Autumn crop sowing was delayed by wet conditions with some cereals sown late into May and June.

Continual moisture led to lingering parasite burdens in sheep in autumn and even winter, especially from mid-Canterbury south. Young sheep were badly affected on individual farms but infestations were also noted in adult ewes.

Wet conditions in the Mackenzie district created prime conditions for foot rot. Sheep lameness reduced production while increasing costs; larger Merino flocks easily spent \$10,000+ per year on foot treatments.

Wet, cloudy weather in June 2023 made for sticky conditions but stock appeared to be holding well. Fewer frosts and warmer-than-usual temperatures increased pasture recovery on and may slightly increase spring pasture supply.

Economic Conditions

Recent falls in market prices for prime lambs and sheep severely knocked farmers' budgeted profits and morale. Traders faced little to no margin between the purchase prices of store stock bought pre-winter and the prime value of those animals, even before deducting costs. This was particularly concerning to mixed cropping farmers who produced a single crop of prime winter lambs each season, whereas continuous traders would expect to re-stock at reduced prices and thus maintain a margin.

Meat processors reported that minimum price contracts offered for winter-spring lambs were heavily oversubscribed. Contracted prices rose sharply to peak at around \$9/kgCW in mid-September, dropping rapidly thereafter. Farmers with uncontracted lambs feared that spot

market suppliers would be heavily penalised.

Farmers who had been attracted to beef finishing as requiring less work than sheep were reviewing their decision in light of low processor schedules and environmental impacts of heavy stock over winter. This was seen in the drop in cattle carried through winter accompanied by a rise in trading sheep, although farmers may regret that choice if their winter lamb prices were not underpinned with a minimum price contract.

Many arable farmers maintained fertiliser inputs in 2022-23 by extending their overdrafts, further increasing the effective cost of fertiliser when interest was added.

Low crossbred wool prices continued to drive farmer interest in finer wool and, increasingly, in wool-free or self-shedding sheep breeds. Removing the need to shear was attractive to many farmers, especially given associated mustering costs and post-shearing weather risks.

Mid-micron wool continued to cover shearing costs but with little to spare at the stronger end of the clip while fine Merino wool maintained a premium position that readily covered shearing costs despite additional costs.

Cropping farmers were watching dairy payout prospects carefully and expected to reduce feed grain sowing (especially barley) as dairy farmers tightened spending.

Other commentary

Fonterra's requirement for all non-replacement dairy calves to enter a value chain was expected to have

implications for winter lamb finishers in the region. Processing space conflicts in 2022 caused difficulty when there were fewer trading hoggets wintered and fewer dairy non-replacement calves to be processed.

On-farm biosecurity was an increasing priority as anthelmintic resistance, sheep abortion diseases, BVD (Bovine viral diarrhoea) and *Mycoplasma bovis* remained threats to farm productivity. Some farmers were actively reducing lamb trading, especially onto breeding farms, due to the risk of bringing on drench-resistant parasites.

Water supply legislation remained an important concern for rural community schemes supplying households and large numbers of livestock. One major concern for farmers was the risk of individual liability.

Farmers were watching the roll out of Fresh Water Farm Plans in Southland and Waikato closely. Concerns centred on practical implementation and requirements to show continuous improvement. Farmers who exceed minimum standards felt that they were now disadvantaged for having adopted best management practices and advanced waterway protection.

Uncertainty about charges for agricultural emissions caused anxiety throughout the season as farmers waited for confirmation from the government about how / when emissions would be calculated, how charges would be levied and acceptable mitigation or offsetting (sequestration) measures.

Otago-Southland

Sheep

Total Sheep +1.1%

Total sheep numbers for Otago-Southland were bolstered by increased numbers of hoggets on hand. Total sheep increased 1.1 per cent to 7.21 million head.

Total hogget numbers increased 5.5 per cent in Otago to 1.12 million. As ewe hogget numbers were stable, the increase was due to other hoggets kept over balance date. In Southland, total hogget numbers increased 6.9 per cent to an estimated 841,000 head. The overall increase in hoggets was due to extra trade stock present on farm, because ewe hogget numbers decreased in this region.

It was clear that fewer stock were grazing off-farm at 30 June this season compared to the same time last year.

Breeding Ewes -0.4%

The number of breeding ewes to the ram in Otago-Southland decreased to 4.99 million head, the first time breeding ewe numbers dipped below five million in the region. The trend was most evident in Southland where breeding ewe numbers declined 1.3 per cent. The impact of fewer ewe hoggets retained as replacements last season contributed. In contrast, breeding ewe numbers were stable in Otago (+0.4%).

The number of ewe hoggets retained as replacements continued to decline in Southland (-4.8%), which may indicate further declines in the ewe flock in future. This was a notable

trend because it follows a steep decline in retention of ewe hoggets for breeding last season, a widely used strategy to combat reduced pasture growth during last autumn's drought. Numbers of ewe hoggets retained for breeding were stable in Otago (+0.7%).

Hoggets +6.1%

Total hoggets in Otago-Southland were estimated to increase 6.1 per cent to 1.99 million head. Numbers of other hoggets increased in both Otago and Southland. A few farms changed their sheep policy, reducing breeding ewes and replacing them with trading stock, including winter trade lambs. In addition, the earlier arrival of rain in autumn and good pasture growth rates meant there was less pressure to move stock off farm compared to last season.

Increased numbers of hoggets for processing in spring could cause some bottlenecks at processing plants if timing conflicts with the expected increase in processing of non-replacement dairy calves.

Outlook for lambing

Ewe pregnancy scanning was only partially completed when the stock number survey was undertaken, and early results were mixed. Some farms reported excellent results whilst others were disappointed. There was optimism among farmers that scanning percentages would have increased this season because ewes were on a rising plane of nutrition and putting on condition on most farms as the ram went out. Some farmers indicated that the impacts of two years of drought may have had a long-term effect on ewe fertility, particularly in

younger ewes that may have been compromised as hoggets.

Increased hogget mating and an improvement in scanning percentage for many farms may help offset the reduction in breeding ewe numbers, but the 2023 lamb crop will largely be determined by weather at lambing. An increased scanning percentage can lead to higher lamb mortality, particularly if spring weather conditions are unfavourable.

Many farmers commented that apart from some short-lived cold snaps, winter weather was relatively settled. They have observed in recent years that unsettled spring conditions can often follow a pleasant winter.

Beef

Total Beef Cattle +7.3%

Total beef cattle numbers increased 7.3 per cent to 470,000 head in Otago-Southland, with differences between the regions.

In Otago, an increase of breeding cows and heifers was offset by fewer weaners and heavy cattle to give a stable result in total numbers of beef cattle (-0.6%).

Processing of beef cattle was timelier in general this season with fewer backlogs experienced, helping to reduce the number of heavy cattle held over on farm at 30 June.

In Southland, slightly fewer breeding cows and heifers were more than offset by large increases in weaners (+25%) and heavy cattle (+37%) resulting in total beef numbers increasing 20%. Although these changes appear significant, it should be noted that total numbers of beef

cattle in Southland remain small (0.21 million).

Because of better pasture growth in autumn this season, many cattle systems returned to usual practice, rather than having to offload stock as per the dry last season. In addition, a small number of sheep and beef farms exited deer farming and replaced these stock units with beef cattle.

Cows mated +1.9%

Total breeding cows increased 1.9 per cent in Otago-Southland to an estimated 162,000 head. Numbers of beef breeding cows and heifers increased in Otago (+4.4%) but decreased in Southland (-2.5%). Most of the breeding herd is in the hill and high country and the largest increase in numbers was in the high country. Increased numbers of rising two-year-old heifers were run with the bull. Not all these heifers will be retained as replacements because "over-mating" frequently occurs to allow selection decisions to be made. In addition, some farms run once-bred heifer systems.

Outlook for calving

Increased numbers of cows and heifers run with bull will likely lead to an increase in the beef calf crop this spring. The breeding herd is largely located in the hill and high country. Feed levels were excellent in late spring as the bull went out. Autumn rain boosted pasture growth again and most cows were in good order going into winter.

General Comment

Land Use

Land use change to forestry continued to affect total sheep and beef cattle numbers in both Otago and Southland with several more whole farms de-stocked this season.

The fall in the carbon price as a result of Government policy consultations has led to a slow-down in new forest plantings in the region (in the short-term at least).

Seasonal Conditions

Although the last 12 months were an improvement on the previous two seasons, they could not be described as easy. Spring pasture growth was near normal for many but followed a tight autumn and winter and was below par for farms that were unable to build adequate covers before lambing.

Warmer temperatures brought excellent pasture growth in late spring and early summer, but quality was lost on many farms as grasses turned reproductive. Large quantities of supplements were made.

A dry period through summer affected lamb growth rates and some farms elected to sell more store lambs. Parts of the region were subjected to clover root weevil damage. However, following the arrival of good rain in autumn, pastures responded and feed levels were average to good leading into winter.

With a third consecutive seasonal outlook for La Niña conditions, farmers were proactive in managing stock numbers to contend with dry conditions. However, rain arrived

earlier in the autumn than expected, easing pressure to reduce stock numbers further.

Economic Conditions

Lambing percentage decreased in spring 2022 following the impact of the previous season's drought meaning there were fewer lambs available for sale in 2022-23.

The Otago-Southland region is dominated by sheep so fewer lambs for sale and lower farm-gate prices for sheep meat combined to severely reduce total revenue.

High inflation and increased farm expenditure has added major economic pressure to farmers this season. Increased interest rates had a serious impact on farm finances and farms with high levels of borrowing were most affected.

Farmers were concerned about the outlook for meat and wool prices in 2023-24. An improved lambing percentage will help offset lower meat prices somewhat. Prices for some fertiliser products and fuel appear to have decreased slightly but prices of other inputs are likely to remain high. Profitability remains under pressure and some farms may take drastic measures to remain viable or potentially leave the industry.

Other commentary

Although this stock number survey does not focus on deer farming, there was an obvious trend for a few sheep and beef farms with deer to fully exit the deer component of their business in the last 12 months.

Some dairy support through wintering dairy cows or grazing dairy heifers

occurs on some sheep and beef farms in the region. Many of these arrangements are long-standing but a few are more opportunistic and change seasonally. Such was the case with the number of dairy cows wintered decreasing 18 per cent this season.

The pace of change in the regulatory area has not slowed as the general election approaches. Farmers were wearied by the continuing deluge of bureaucracy. The rollout of certified and audited freshwater farm plans began with two Southland catchments included in the first tranche adding yet more expense for farmers in these cash-constrained times.