LAMB CROP 2020

beef+lamb new zealand

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0800 BEEFLAMB (0800 233 352)
WWW.BEEFLAMBNZ.COM
BY FARMERS. FOR FARMERS

Beef + Lamb New Zealand

PO Box 121

Wellington 6140

New Zealand

Phone: 04 473 9150

Fax: 04 474 0800

E-mail: econ@beeflambnz.com

Contact:

Andrew Burtt 04 474 0842

Chief Economist

Rob Davison 04 471 6034

Executive Director

Rachel Agnew 027 294 1276

Senior Agricultural Analyst

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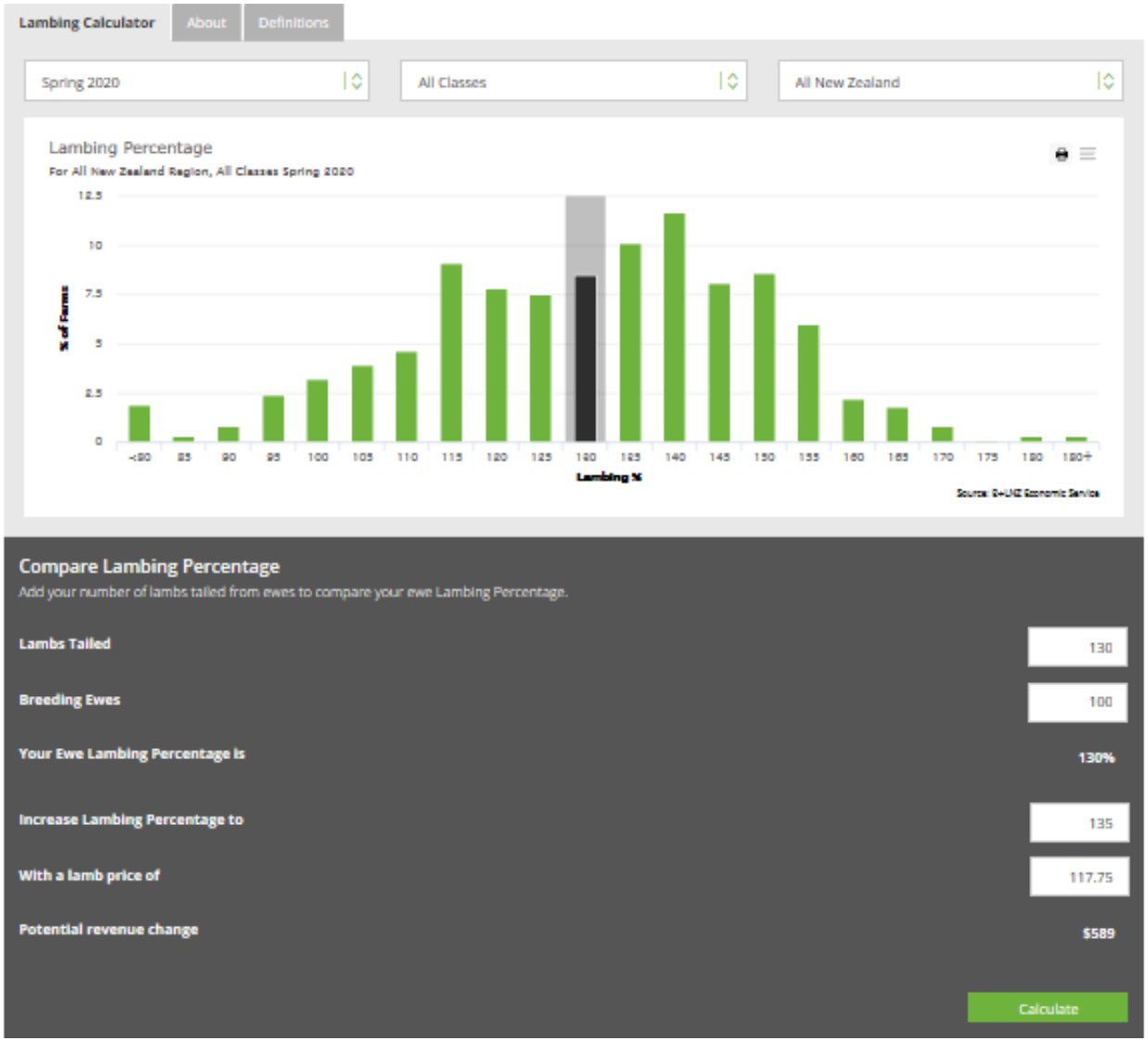
Lambing Calculator

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 -1.5%

The number of lambs tailed in spring 2020 decreased by 1.5 percent or 357,000 head on the previous spring to 22.9 million head. There were large differences between islands, with the North Island adversely impacted by drought.

North Island -4.8%

The total number of lambs in the North Island declined 4.8 percent (546,000 head) to 10.8 million head. The severe autumn drought drove the decline. Restricted feed supplies at mating resulted in lower pregnancy rates when scanning was completed. The severity of the impact of the autumn drought on the lamb crop was partially offset by excellent climatic conditions at lambing. The number of lambs born from ewes was down 2.7 percent and the number of lambs born to hoggets was down 40 percent. The most severe impact was in East Coast, with the total lamb crop for the region down 10.1 percent.

South Island +1.6%

The total number of lambs in the South Island increased 1.6 percent (189,000 head) to 12.1 million head. Otago was the major driver of the lift, because it recorded an increase in total lamb crop of 3.9 percent. The total lamb crop in Marlborough-Canterbury and Southland were marginally up on 2019.

Ewes to Ram +0.1%

The number of breeding ewes at 1 July 2020 remained static (+0.1%) on 2019 at 16.8 million head. An increase in the South Island of 1.2 percent was offset by a decrease in the North Island of 1.2 percent. East Coast of the North Island recorded a 2.7 percent decline due to the severe autumn drought, however this was partially offset by a lift in the number of breeding ewes in Northland, Waikato and Bay of Plenty or 1.6 percent.

Lambing Percentage 130.3%

The average ewe lambing percentage for spring 2020 was 130.3 percent, down 0.7 percentage points on 2019.

North Island 130.6%

The North Island ewe lambing percentage averaged 130.6 percent, down 2.0 percentage points from spring 2019. East Coast recorded a decline in average lambing percentage of 4.4 percentage points, driven by drought. The average Taranaki-Manawatu lambing percentage lifted by 2.3 percentage points with excellent survivabilty at lambing offsetting any adverse drought impact.

South Island 130.0%

The South Island ewe lambing percentage averaged 130.0 percent, up 0.5 percentage points compared to spring 2019. Otago recorded a lift in lambing percentage of 3.8 percentage points, while the average lambing percentage in Marlborough-Canterbury and Southland declined slightly.

Lambs from Hoggets -22.0%

The number of lambs from ewe hoggets is estimated at 918,000, down 22 percent on spring 2019 and equivalent to 4.0 percent of total lambs. The North Island drove the decline, with the number of lambs born from hoggets down 40 percent as a result of the autumn drought. The number of lambs born from hoggets in the South Island was static (+0.2%).

Export Lamb Processing -4.5%

The number of lambs processed in 2020-21 is estimated to decrease 4.5 percent to 18.25 million head.

Export Adult Sheep Processing +10.8%

The number of adult sheep processed is estimated to decline 10.8 percent to 3.15 million in 2020-21.

How We Collect the Data

This paper summarises the results from a survey carried out to estimate the lamb crop for spring 2020. 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

Climatic conditions at lambing for most of the country were extremely favourable with warm temperatures, optimal rainfall and an absence of spring storms. Otago-Southland was the exception, with snow and strong winds adversely impacting lamb survivability.

Lamb Growth Rates

North Island good, South Island variable

Lamb growth rates were above average in the North Island due to favourable spring weather and good pasture quantity and quality. Growth rates in the South Island were more variable reflecting geographical variance of spring weather.

Early Drafting Pattern

North Island – later, South Island - earlier

Drafting of early lambs may be delayed in the North Island this season. This is a result of some farmers delaying putting the ram out due to the autumn drought, and also due to exceptional spring growth that is encouraging farmers to retain lambs for longer.

In the South Island, many farmers are wary about the forecast La Niña weather pattern that would be expected to bring dry conditions. Some are choosing to draft early to reduce feed demand if the weather turns dry. Those regions not impacted by this weather pattern are likely to draft as normal.

Early Schedule Comment

Schedule prices are well back across the country on spring 2019. Uncertainty in global markets as a result of COVID-19 disruption is weighing on prices and further declines are expected as peak lamb production begins.

Table 1 Estimate of 2020-21 Lamb Crop

				Northland-Waikato-BoP	East Coast	Taranaki-Manawatu	North Island	Marlborough-Canterbury	Otago	Southland	South Island	NEW ZEALAND
2018-19	Ewes to Ram	(000)	1	2,124	4,213	2,016	8,353	3,218	3,068	2,524	8,809	17,162
2019-20	Ewes to Ram	(000)	2	2,088	3,998	1,975	8,061	3,331	3,023	2,430	8,784	16,845
2020-21e	**Ewes to Ram**	**(000)**	**3**	**2,121**	**3,890**	**1,953**	**7,964**	**3,378**	**3,044**	**2,469**	**8,891**	**16,855**
2018-19	Lambs from Ewes	(000)	1	2,896	5,280	2,678	10,854	4,338	3,928	3,519	11,784	22,639
2019-20	Lambs from Ewes	(000)	2	2,706	5,414	2,571	10,691	4,303	3,776	3,295	11,375	22,066
2020-21e	**Lambs from Ewes**	**(000)**	**3**	**2,721**	**5,096**	**2,588**	**10,405**	**4,324**	**3,918**	**3,321**	**11,563**	**21,968**
2018-19	Ewe Lambing %	(%)	1	136.3%	125.3%	132.9%	129.9%	134.8%	128.1%	139.4%	133.8%	131.9%
2019-20	Ewe Lambing %	(%)	2	129.6%	135.4%	130.2%	132.6%	129.2%	124.9%	135.6%	129.5%	131.0%
2020-21e	**Ewe Lambing %**	**(%)**	**3**	**128.3%**	**131.0%**	**132.5%**	**130.6%**	**128.0%**	**128.7%**	**134.5%**	**130.0%**	**130.3%**
2018-19	Lambs from Hoggets	(000)	1	178	334	164	675	251	127	115	493	1,168
2019-20	Lambs from Hoggets	(000)	2	169	329	160	658	216	140	163	519	1,177
2020-21e	**Lambs from Hoggets**	**(000)**	**3**	**144**	**154**	**100**	**398**	**220**	**152**	**148**	**520**	**918**
2018-19	Total Lambs Tailed	(000)	1	3,074	5,614	2,842	11,529	4,589	4,055	3,634	12,277	23,807
2019-20	Total Lambs Tailed	(000)	2	2,875	5,743	2,731	11,349	4,519	3,916	3,458	11,894	23,243
2020-21e	**Total Lambs Tailed**	**(000)**	**3**	**2,865**	**5,250**	**2,688**	**10,803**	**4,544**	**4,070**	**3,469**	**12,083**	**22,886**

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 mated increased 1.6 percent to 2.12 million. Despite severe drought conditions in the majority of the region, high sheep and lamb farm-gate prices lifted farmer confidence; driving the lift in capital stock numbers. A stable trend is forecast for the medium term, with downside risk due to growing uncertainty in both global and domestic environments.

East Coast

The number of breeding ewes mated decreased 2.7 percent to 3.89 million compared to 2019. Farmers reduced sheep numbers primarily in response to drought conditions, however weak wool returns and increased labour requirements (compared to cattle) also influenced farmers decision making. With pasture covers lower than normal, farmers culled flocks deeper than usual, which resulted in the ewe flock being younger and in better condition.

Taranaki–Manawatu

The number of breeding ewes mated stabilised, with only a minimal decline from 2019. The total number of ewes mated in the region for 2020 was 1.95 million.

Marlborough–Canterbury

The number of breeding ewes mated lifted 1.4 percent on 2019 to 3.38 million. This is the second year in a row of lifting breeding ewe numbers, following several years of sharp decline, as a result of drought and competitng land use. High lamb and sheep farm-gate prices increased farmer profitability and confidence.

Otago–Southland

The number of breeding ewes remained almost static in Otago at 3.04 million. In Southland the number of breeding ewes mated lifted 1.6 percent to 2.47 million, reflecting the increased retention of ewe hoggets in 2019.

Ewe Lambing Percentage

Northland–Waikato–BoP

The average ewe lambing percentage was 128.3 percent in 2020, down 1.3 percentage points compared with 2019. The autumn drought of 2020 resulted in poorer ewe condition at mating, which was confirmed by pregnancy scanning results that indicated lower conception rates. The number of dry ewes was similar to previous years but there were fewer ewes with multiple lambs. Despite lower liveweights, ewe health was good given the relative absence of facial eczema, worms, and fly strike across the region.

East Coast

The average lambing percentage decreased to 131.0 percent in 2020 from 135.4 percent in 2019. The reduction in lambing percentage was largely driven by drought conditions that persisted throughout mating. The lack of any autumn flush reduced ovulation rates. Farmers culled ewes that were in poorer condition, prioritising feed for those animals in better condition and thus enabling reasonable conception rates.

Taranaki–Manawatu

The average ewe lambing percentage was up 2.3 percentage points on 2019 at 132.5 percent. This was a positive result for the region given poor ewe condition at mating as a result of autumn drought. Pregnancy scanning indicated conception rates across the region were down. Excellent climatic conditions at lambing drove high lamb survivability, offsetting the impact of drought.

Marlborough–Canterbury

The average lambing percentage for 2020 was estimated at 128.0 percent, down from 129.2 percent in 2019. Ewe feeding prior to mating was affected by restricted feed levels as a result of drought and reduced meat processing capacity during COVID-19 lockdown meant that lambs were retained longer than expected. Farmers who fed grain to ewes prior to mating minimised effects on conception. Many farmers reported fewer ewes failed to conceive but also fewer multiples, resulting in pregnancy scanning results similar to the year before, but fewer twins and triplets on the ground.

Otago–Southland

In Otago, the average lambing percentage increased 3.8 percentage points to 128.7 percent, while in Southland, it decreased 1.1 percentage points to 134.5 percent.

Otago to experienced favourable climatic conditions at mating. Improved pasture quantity and quality led to higher conception rates being identified when ewes were scanned and better lambing results than the previous spring. Widespread snow at lambing resulted in variable lambing results, and offset some of the gains that were evident at scanning.

Southland results were down on the previous season. Some parts of Southland, notably the south east and parts of western and coastal Southland, experienced prolonged periods of wet, cold and windy conditions, which had a severe impact on lamb survival. Fewer farms than usual exceeded 150 percent lambing this season.

Hoggets to Ram

Northland–Waikato–BoP

The number of ewe hoggets run with the ram this season declined on 2019. Fewer hoggets had reached ideal mating weights and farmers were consequently more selective with choosing which hoggets to mate.

East Coast

The number of ewe hoggets mated declined by 10 percent in 2020. Poor growing conditions in autumn discouraged farmers from mating ewe hoggets, as liveweight targets were not met. Many hoggets that were joined with the ram were not lambed as the drought persisted into winter, with many farmers forced to sell these animals due to reduced pasture growth rates.

Taranaki–Manawatu

The number of ewe hoggets run-with-ram declined 5 percent in 2020. Drought conditions at mating resulted in lower-than-optimal hogget weights, and many farmers opted not to mate their hoggets.

Marlborough–Canterbury

The number of ewe hoggets mated in 2020 declined 10 percent on 2019. Very limited feed supplies in autumn resulted in ewe hoggets not being in optimal condition for mating.

Otago–Southland

There was an increase in the number of ewe hoggets mated in 2020 in both Otago (+0.7%) and Southland (+1.6%). Fortunately, favourable autumn feed conditions supported the higher stock numbers on-farm that resulted from COVID-19 restrictions on meat processing capacity. Hogget mating policies were able to continue unaffected.

Lambs from Hoggets

Northland–Waikato–BoP

The number of lambs born to ewe hoggets decreased 15 percent to 144,000 head compared with 2019. This represents 5.0 percent of total lambs for the region.

East Coast

The number of lambs born to ewe hoggets declined sharply in 2020. Conception rates appear to have been depressed due to limited feed supplies and many farmers culled replacement hoggets heavily if not entirely to ensure feed from other classes of livestock were met. This has led to the number of lambs from hoggets falling by 53 percent or 175,000 head.

Taranaki–Manawatu

The number of lambs born to ewe hoggets declined 38 percent in 2020, a result of fewer hoggets mated and lower conception rates due to limited feed supplies. Lambs from hoggets represent 3.7 percent of the lambs tailed in the region.

Marlborough–Canterbury

The number of lambs born to ewe hoggets lifted 1.9 percent. Despite drought restricting the number of hoggets mated in autumn, excellent climatic conditions at lambing resulted in good lamb survivability. Lambs from hoggets account for 4.8 percent of total lambs tailed in the region.

Otago–Southland

Unsettled spring weather had an adverse impact on hogget lambing in Southland. The number of lambs born to hoggets in 2020 is estimated to be down 9.2 percent on 2019.

In contrast, the number of lambs born to hoggets in Otago is expected to lift 8.6 percent, supported by a lift in the number of hoggets mated, good conditions at mating and more settled weather at lambing.

Total Number of Lambs

Northland–Waikato–BoP

The total number of lambs decreased marginally (-0.4%) to 2.86 million, a decrease of 10,000 lambs on 2019. The lower ewe lambing percentage and decline in the number of hoggets mated offset the increase in the number of breeding ewe. The autumn drought was the predominant driver of the marginal decrease in the 2020 lamb numbers.

East Coast

The total number of lambs born is estimated to have decreased by 493,000 head to 5.25 million; a 8.6 percent decrease from the 2019 season. There were 318,000 fewer lambs from ewes (-5.9%), and 175,000 fewer lambs from hoggets (-53%) than in the 2019 lambing.

Taranaki–Manawatu

The total number of lambs born in 2020 is estimated at 2.69 million head, a decline of 1.6 percent or 43,000 lambs.

There appears to be a stabilising of the ewe flock due to strong ewe performance balancing a reduction from hoggets. Extremely favourable lambing conditions and better lamb survival helped offset the lower lambing percentages indicated by scanning, which reflected a dry autumn. Fewer ewe deaths were reported in all farm classes with hard hill country farms having very few deaths compared to normal. Prolapses at lambing were not an issue, as they have been in the past. There were no reports of facial eczema influencing performance.

Marlborough–Canterbury

The total number of lambs born in 2020 is estimated at 4.54 million head, very similar to 2019. A lift in the number of breeding ewes offset the lower lambing percentage. This is a positive result for the region given drought conditions at mating and pressure from reduced meat processing capacity as a result of COVID-19.

Otago–Southland

The total number of lambs born in Otago in 2020 is estimated to lift 3.9 percent to 4.07 million lambs. A lift in the ewe lambing percentage and the number of lambs from hoggets both contributed to the increased lamb crop.

The total number of lambs born in Southland in 2020 is estimated to be very similar (+0.3%) to 2019. A lift in the number of breeding ewes offset lower ewe and hogget lambing percentages.

Lambing Date and Spread of Lambing

Northland–Waikato–BoP

Lambing dates and the spread of lambing were reported to be more variable in 2020 than in 2019. Many farmers attempted to mitigate the impact of the drought by putting the ram out slightly later in autumn. Reports from farmers who did this have been positive. Farmers in areas particularly hard hit by drought reported lambing was more spread.

East Coast

Lambing dates and the spread of lambing were impacted by the severe shortage of feed at mated. Many farmers left their rams out for an extended period to increase the probability of ewes getting in lamb. This, combined with below average ewe condition, resulted in a much wider spread of lambing and a later average lambing date.

Taranaki–Manawatu

The spread of lambing appeared to be normal to more compact. Despite the limited feed supplies in autumn there was no notable change in mating dates.

Marlborough–Canterbury

Mating dates were similar to 2019 but the average lambing date was slightly earlier on some farms due to more condensed lambing.

Otago–Southland

Lambing dates in Southland were slightly earlier than the previous season on average, extending a long history of similar behaviour. Lambing dates in Otago were unchanged from 2019.

Lambing was slightly more spread out in Otago to help mitigate effects of climatic events, but there was no change in Southland compared to the previous season.

Lambing Weather

Northland–Waikato–BoP

The weather throughout the lambing period was exceptional across the majority of the region, however pasture supplies were restricted for much of the spring and pastures did not recover because it was still relatively dry. Climatic conditions from late October have improved, with warmer weather and rainfall improving pasture growth rates and quality.

East Coast

Weather at lambing was excellent. A warm, settled weather patten prevailed, with enough rainfall to keep pastures growing, but not create wet or muddy conditions. Although some isolated areas suffered short, sharp storms, these had no impact on the overall result for the region.

Taranaki–Manawatu

The weather at lambing was ideal, with warm temperatures and optimal rainfall for pasture growth. No storms or adverse weather events occurred this year.

Marlborough–Canterbury

Most of the region had good weather throughout lambing, which was conducive to good lamb survival. Some hill country farms in east and north Otago were affected by the major snow event that struck in late September, but the Mackenzie high country escaped the storm's affects because lambing had not begun. Some farms south west of Nelson experienced very cold and wet conditions for a long period during lambing, with reductions in survival.

Otago–Southland

The lambing season was unsettled with fast-moving weather systems crossing the region at regular intervals. A particularly harsh event occurred in late September near the peak of lambing in the region. Heavy snow fell in hill country, and strong winds caused significant drifting in west Otago and northern Southland. Fortunately, the snow melted reasonably quickly, grass was exposed for ewes to eat and losses of capital stock were minimal.

Lowland areas received strong wind laced with rain, hail and some snow in late September. Snow melt from inland areas combined with rain on wet soils caused flooding in parts of Southland. That event was preceded by a prolonged period of wet weather and soils were cold and saturated. The weather did not improve until the second half of October.

More snow fell during September than for the whole of the winter.

Lamb Survival

Northland–Waikato–BoP

Lamb survival was reported by farmers to be better than typical across the region, which was attributed to excellent spring weather at lambing. Despite limited feed supplies as a lingering result of drought, ewes had fewer multiples and were able to mother their lambs successfully.

East Coast

Farmers reported lamb survival has been generally better than average, with few incidences of post-partum mortality in lambs. Scanning showed pregnancy percentages were well back on the year prior, however for most farmers the proportion of ewes that were “dry” remained close to normal, with the frequency of ewes carrying multiple lambs being well down. In-utero wastage was much less than what is typical, which was due to fewer multiple pregnancies and a deeper cull of mixed age ewes, leaving a younger and more robust ewe flock. The increased number of single lambs born, combined with good weather conditions, contributed to excellent lamb survival.

Taranaki–Manawatu

As a result of the favourable weather, lamb survival was excellent. Few losses were reported.

Marlborough–Canterbury

Overall, farmers reported lamb survival for the regions was near normal, however the occurrence of isolated spring storms did result in some variance. Snow-affected farms in southern districts lost up to 20 per cent of lambs born during severe weather events, as did those in Tasman district. However, Canterbury plains and North Otago downlands farms generally had higher lamb survival than usual due to dry weather.

Otago–Southland

In contrast to the rest of the country, farmers reported lamb survival was worse than typical across both regions. This was driven by unsettled spring weather, particularly in south Otago and Southland.

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. 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 this has improved lamb growth rates.

East Coast

Drier-than-normal conditions persisted across the region at the beginning of spring, following many months of below average rainfall. However, farmers reported that what rain did fall resulted in high quality feed, which was ideal for the reduced total feed demand from the ewes at lambing. Some farmers were forced to delay establishment of forage and cash crops because there was insufficient pasture on the remainder of their property to meet the feed demand from livestock.

Taranaki-Manawatu

The feed situation over lambing has been excellent. A combination of warm temperatures and optimal rainfall have set the region up well pre-Christmas. Late winter and early spring fertiliser applications were not held up by the weather resulting in improved pasture covers, however forage and cash crop planting has been hampered by the regular wet from mid-October.

Marlborough-Canterbury

North Otago and South Canterbury reported a slow start to spring, especially where low soil moisture limited pasture growth despite rising temperatures. These conditions prevailed in east and north Otago until mid-November, restricting pasture production and making it difficult to establish forage crops or conserve pasture for next winter. Feed was limited for lactating ewes and cows. Hot drying winds in November further reduced prospects for finishing lambs, leading to sales of ewes with lambs-at-foot or early weaning and store lamb sales. Mackenzie district and the Canterbury foothills fared better with regular rains.

Feed supplies were more favourable in Nelson and north and central Canterbury. Irrigated farms had excellent feed cover. Banks Peninsula and coastal areas missed later rains after a very dry winter and early spring, and feed supplies remained very tight.

Otago-Southland

Pasture covers were reported to be tight earlier in the season, but by tailing time the weather had improved, and warmer temperatures had contributed to improved pasture growth rates.

Measured pasture growth rates at AgResearch Woodlands followed a very similar pattern to 2019. Growth was two to three weeks behind normal through spring, but finally approached typical rates by the start of November. These results were supported by farmer observations.

When temperatures improved, clover was quick to appear in pastures providing good quality feed for lambs.

Lamb Growth Rates

Northland–Waikato–BoP

Lamb growth rates, also known as “thrift”, were reported as variable throughout the region. Currently, farmers described thrift as average, after it was behind what would normally be expected for the bulk of spring. Farmers reported a relatively early worm burden in lambs due to the exceptional warmth through October. Good feed supply and quality through late November is expected to result in lamb growth rates lifting rapidly going into Christmas.

East Coast

Lamb growth rates have been better than average, with weather conditions favourable and warmer than typical. Ewes lactated well and as a large proportion of the lambs born were singles, there was ample milk production, and less pressure on both ewes and lambs to compete for nutrition.

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

Lamb growth rates are variable reflecting the geographical variance of spring weather and the subsequent feed levels. Lambs under better feed conditions did very well in warm dry weather that favoured weight gains, leading to better than normal lamb growth across most of the region. Even in dry areas many farmers reported pre-weaning lamb growth near or above average as lambs were not using a large proportion of feed energy to keep warm.

Southern farmers with serious feed deficits responded by selling trading stock such as cattle and dry ewes. Some also sold breeding ewes with lambs at foot, in some cases for the first time in their farming history.

Areas with tight feed conditions expect to have difficulty growing lambs post-weaning, especially as summer crop establishment was hampered by dry soils. This is expected to further boost store lamb offerings as weaning begins in earnest through December.

Otago–Southland

Lambs are reported to be growing well across the regions, despite the unsettled start to the season. Growth rates may be closer to normal than last season, which was very wet and cool.

Early Drafting Pattern

Northland–Waikato–BoP

Drafting may be delayed by a week or two as a result of the delayed spring and increased variance in mating dates.

East Coast

The early drafting pattern is expected to be later across the region. High rainfall in November, combined with reduced on-farm stocking rates are expected to result in lambs being retained on farm for longer to control pasture and increase liveweights. Farmers will have to balance this with cashflow pressures resulting from a severe drought, and bankers looking for capital repayments. Also, with the higher incidence of single lambs, there will be an increased opportunity to sell more milk lambs at weaning and at higher weights. This will also assist in reducing labour requirements with fewer animals to drench and shear.

Taranaki–Manawatu

It is expected that the early drafting pattern across the region will be in line with historical patterns. Good weather during spring has resulted in good lamb condition.

Marlborough–Canterbury

Early draft numbers are expected to be higher than usual in dry areas (east and north Otago, south Canterbury, Banks Peninsula) with farmers aiming to draft as many lambs as possible at weaning to reduce feed demand. Some also began drafting up to two weeks earlier than usual, to reduce feed demand for remaining stock. Districts with better feed supplies expected a normal drafting pattern.

Otago–Southland

Early drafting patterns across the region are expected to be as usual. However, some farmers are keeping a close watch on the developing La Niña weather pattern, which is forecast to bring a drier than usual summer to the south. Early weaning is one strategy being considered to manage this.

Number and Weights in First Quarter – Oct-Dec

Northland–Waikato–BoP

It is estimated that the number of lambs processed in the first quarter will be average. Indications are that farmers will aim to move as many lambs as possible over this time frame because current farm-gate prices are not as high as the previous year. The limiting factor to this plan is how quickly lambs will grow to be in suitable condition for sale, after growth rates were initially slow, which might mean a slightly lighter average weight.

East Coast

The number of lambs processed in the first quarter of the season is expected to be down. Surplus feed levels from high November rainfall will result in farmers prioritising weight-gain in lambs pre-weaning. It is expected that the store lamb market will be strong and lambs that are at the lighter end of the desirable weight range may be drafted as store due to a “grass-market” premium. Average carcass weights are expected to be up as a result.

Taranaki–Manawatu

The number of lambs processed in the first quarter of the season is expected to be similar to last year. It is expected that the average carcass weight will be slightly higher compared to last year due to better feed levels and lamb growth rates.

Marlborough–Canterbury

Farmers in dry areas expected to draft to lighter weights than usual, boosting the number of lambs sold while reducing the average carcass weight. Store lambs sold to farmers in Otago and Southland would increase draft numbers in those regions, partially offsetting lamb losses in the September snows, but this effect is likely to be greater after Christmas.

Inland hill country and better rainfall areas further north had more options. If these districts continue to receive regular showers and less nor’west wind then farmers may finish heavier lambs or, depending on market conditions, sell and make more supplementary feed, replenishing reserves used last autumn when dry conditions prevailed.

Otago–Southland

A significant proportion of first quarter processing is old-season lamb. The supply gap between old-season lambs and the start of the new season’s lambs may not be as pronounced this year as some farmers draft earlier if farming conditions are dry.

Good growth rates this spring may result in increased volumes processed in the first quarter, particulary compared to last season.

Early Schedule Comment

Northland–Waikato–BoP

The current schedule price for new season lamb is around $7.30/kgCW, well down on last season’s initial starting point of $8.90-9.00/kgCW. Some processors have signaled that they expect the schedule to drop consistently up till Christmas, with $6.50/kgCW indicated as a bottom point.

Uncertainty in global markets as a result of COVID-19 and Brexit negotiations is weighing on farm-gate prices. This theme is similar in all New Zealand regions.

East Coast

Schedule prices for new season lambs are currently around $7.40/kgCW. There is a great deal of uncertainty in international markets and this has been well communicated with farmers. We expect cashflow constraints and risk management to result in farmers spreading the sale of their lambs across the season, with a mix of store and prime sales.

Taranaki–Manawatu

Prices for early, new-season, prime lambs were $7.00-7.30/kgCW in November, compared with the highs of $8.50-9.00/kgCW at the same time in 2019. Meat companies are indicating that the price will drop to $6.50-6.60/kgCW as peak lamb supply comes on stream.

Marlborough–Canterbury

Published lamb schedules rose slightly during November to reach $6.65-6.90/kgCW. Although prices received by farmers were often up to 50c/kgCW higher than published, returns remained around $2.00/kgCW below 2019 levels for equivalent animals.

Otago–Southland

Published lamb schedule prices were $6.65-7.00/kgCW in mid-November 2020. Some regional price adjustments were also available, but even with these included, lamb schedules were up to $2.00/kg lower than the same time last season.

General Comment

New Zealand Overview

There are several key themes of concern for farmers across all regions in New Zealand.

- Environmental pressure and uncertainty is causing concern for New Zealand. The govenrment's Action For Healthy Waterways package, which is widely known as the Essential Freshwater package, in particular, is impacting farmer morale. Farmers are wanting to know what they need to do to comply and require some clarity and guidance around what is expected of them.
- Strong Wool returns are continuing to disappoint New Zealand farmers. Most farmers are now in deficit between what they pay to shear their sheep and the returns they receive from the wool they sell.
- Competition from forestry.
- Lower farm-gate prices in the 2020-21 season due to global market uncertainty.

Northland–Waikato–BoP

Farmers in the region are thankful for the rain that has fallen in November. It has eliminated ongoing stress around how they were going to meet livestock feed demand.

Farmers who planted their crops early have struggled with even emergence due to the dry soil conditions. Later plantings benefitted from the recent rain. The area of maize is likely to be up by around 10 per cent on last season. There is currently a shortage of PKE (Palm Kernel Expeller), and pricing has continued to rise due to COVID-19-driven labour shortages in Malaysia and Indonesia.

More farmers are considering planting summer crops as mitigation against dry conditions in summer to aid lamb growth rates. Chicory, and Raphno crops, are proving popular this season.

East Coast

Weather patterns remain at the forefront of the minds of farmers across the region, following the severe drought experienced in autumn. The impacts of this drought will reach into the new season.

A limited surplus of pasture in early spring has constrained the amount of forage crops planted on the eastern North Island. This, combined with the previous season's drought, has created caution amongst farmers attempting to establish crops later into the spring.

Surplus feed is being conserved as balage and hay, as farmers recover their supplementary feed position.

Taranaki–Manawatu

There are a number of issues putting pressure on ewe numbers and subsequent lamb crops across the region. The high prime sheep prices experienced last season resulted in some farmers culling deeper in breeding flocks than would otherwise have been the case. This was compounded by the downturn in wool prices, and subsequent reduction in income. This region has also faced competitive pressure in hill country from forestry conversion, and this is expected to be an ongoing trend if the current regulative incentives prevail.

Marlborough–Canterbury

Farmer morale remains heavily influenced by legislative change. The Essential Freshwater legislation and stock exclusion rules are expected to add significant cost for many farms. Farmers reported that the 'low slope map' (defining farm land where cattle must be excluded from waterways) included large areas of steep land that would be expensive or impractical to fence, or both, i.e. expensive and impractical. Concerns around slope, pugging and re-sowing dates for winter cropping also persisted as farmers would require resource consent to continue current practices but could not see environmental benefits to the permitted activity

conditions. A single fixed re-sowing deadline was particularly concerning given low soil temperatures in September (Canterbury) and October (North Otago).

COVID-19 affected winter stock policies on Canterbury mixed cropping farms, in light of uncertainty about profit margins given winter lamb schedules. Some farmers switched back to wintering dairy cows in place of trading lambs but remained open to finishing lambs again in future. This would fit well with increased interest in Merino rams for hogget mating, producing later-born halfbred lambs for sale as store lambs in late summer.

Otago–Southland

In 2020, the number of ewe hoggets retained as replacements in Southland was similar to the previous year, so could auger well for at least maintaining, and possibly an increase in breeding ewe numbers in 2021. The outlook is not as favourable in Otago because lower ewe hogget retention rates are likely to result in the ewe flock being only maintained at best.

The implications of Essential Freshwater package are weighing heavily on southern farmers. Parts of the new rules appear unworkable without obtaining a resource consent, particularly rules around sowing dates, pugging in winter feed crops; and stock exclusion in hill country. As written, practically every farmer will require resource consent to continue feeding winter crops in this region. Regional Councils have indicated they do not currently have a framework in place to handle the number of consents that will be required.

Lamb Processing 2020-21

First Quarter-Oct-Dec

Export Lambs Processed October - December						
	(000) Head			% of Total		
	2018-19	2019-20	2020-21e	2018-19	2019-20	2020-21e
Northland-Waikato-BoP	392	407	370	23.8%	22.1%	24.1%
East Coast	1,019	1,063	860	25.9%	27.0%	24.8%
Taranaki-Manawatu	1,041	982	1,000	27.1%	25.9%	26.6%
North Island	**2,452**	**2,451**	**2,230**	**26.0%**	**25.6%**	**25.5%**
Marlborough Canterbury	1,338	1,339	1,480	26.3%	25.9%	27.8%
Otago-Southland	757	760	810	17.8%	17.3%	17.3%
South Island	**2,096**	**2,099**	**2,290**	**22.4%**	**22.0%**	**24.1%**
New Zealand	**4,548**	**4,549**	**4,520**	**24.2%**	**23.8%**	**24.7%**

e = estimate

Source: Beef + Lamb New Zealand Economic Service

Table 2 Export Lamb Processing for Oct-Dec

Overall, the number of lambs processed during the first quarter of the 2020-21 season – from October to December – is expected to total 4.52 million head, down 0.6 per cent on 2019-20.

It is estimated that 25 per cent of the season's total export lamb processing will occur in the first quarter, up slightly from the previous season's 23.8 per cent.

North Island processing in the first quarter is estimated to be down 9.0 per cent, or 220,000 lambs, on 2019-20 to 2.23 million head.

South Island processing in the first quarter is estimated to be up 9.1 per cent, or 191,000 lambs, to 2.29 million head.

Processing trends in the first quarter reflect the trends in the 2020 lamb crop combined with feed conditions across the country.

Full Season Outlook

Export lamb processing -4.5%

The number of lambs processed is estimated to decrease 4.5 per cent from 19.1 million head in 2019-20 to 18.25 million for 2020-21. The lower lamb crop as a result of drought is the driver of the lower forecast.

North Island -8.8%

In the North Island, the number of lambs processed is estimated to decrease 8.8 per cent (795,000 head) to 8.71 million head.

South Island -0.1%

In the South Island, the number of lambs processed is estimated to decrease 0.1 per cent (38,000 head) to 9.54 million head.

Carcase weights -0.2%

The average carcase weight of lambs processed is expected to decrease marginally (-0.2%), from 19.03 kg per head in 2019-20 to 18.99 kg in 2020-21.

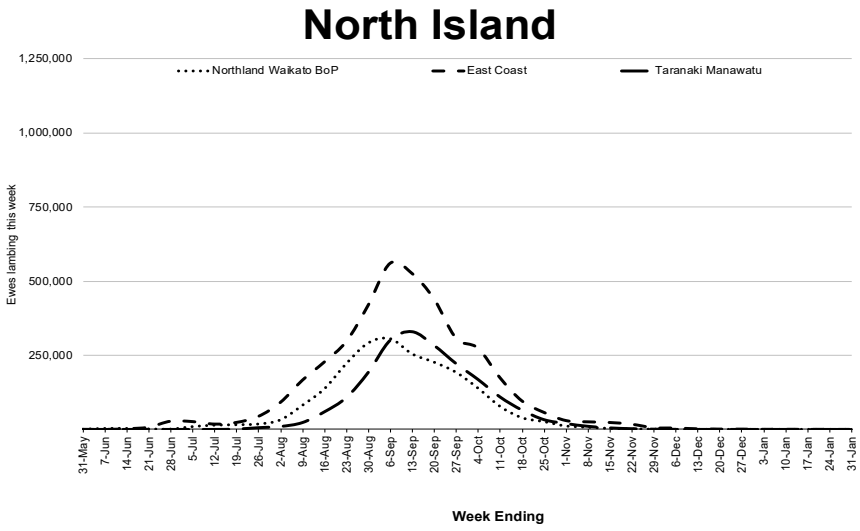
Export adult sheep processing -10.8%

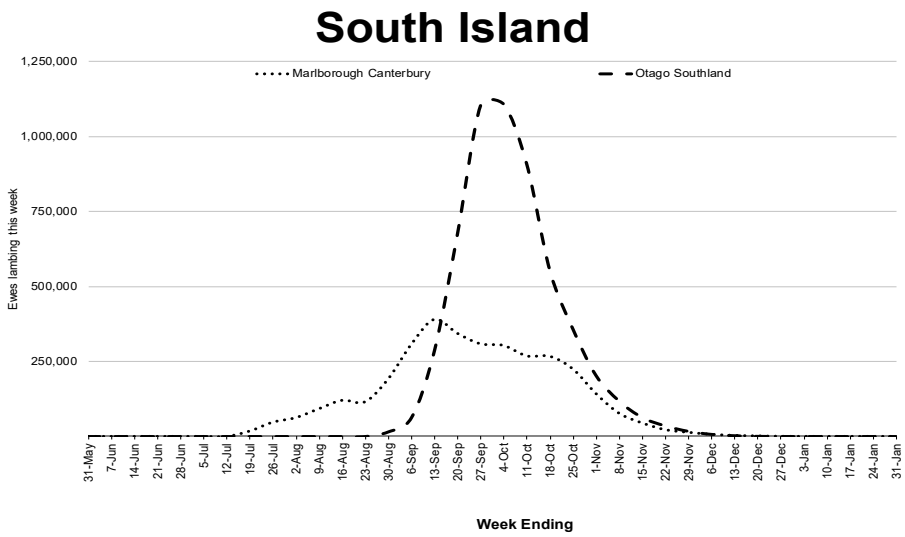
The number of adult sheep processed in New Zealand is estimated to decline 10.8 per cent – to 3.15 million. This result is driven by a higher off-take of ewes during the 2020 drought, and farmers seeking to maintain/recover ewe numbers.

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 2020





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.

Region Contacts:

Economic Service Managers

Northland–Waikato–BoP

Sam Stewart 027 454 8878

Wendy Dewar 027 555 9127

East Coast

Stephen Lys 027 248 3521

Taranaki–Manawatu

Michael Flett 027 839 6365

Marlborough–Canterbury

Esnes Gray 027 555 0123

Sharyn Price 027 431 2583

Otago–Southland

Jenny McGimpsey 027 458 8067