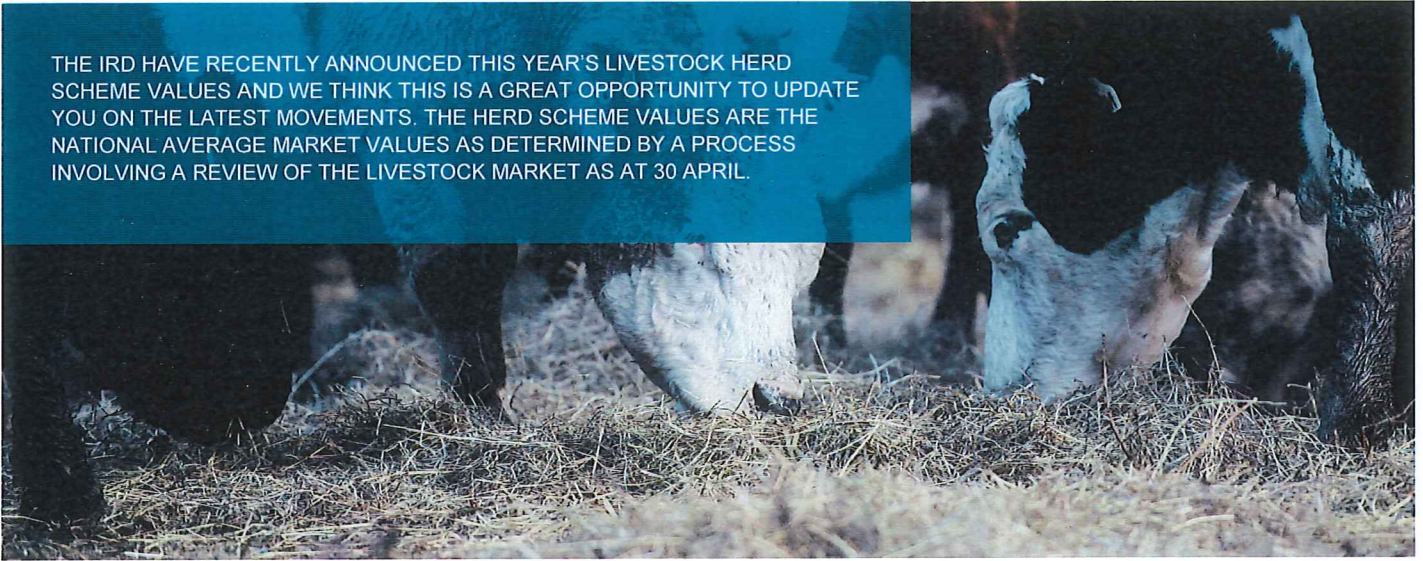


ACCELERATE

LIVESTOCK SPECIAL ALERTS

THE IRD HAVE RECENTLY ANNOUNCED THIS YEAR'S LIVESTOCK HERD SCHEME VALUES AND WE THINK THIS IS A GREAT OPPORTUNITY TO UPDATE YOU ON THE LATEST MOVEMENTS. THE HERD SCHEME VALUES ARE THE NATIONAL AVERAGE MARKET VALUES AS DETERMINED BY A PROCESS INVOLVING A REVIEW OF THE LIVESTOCK MARKET AS AT 30 APRIL.



DAIRY CATTLE

Late last year we saw some large increases in dairy cattle prices - however this eased back in the last few months so the resulting values for Rising two-year heifers and Mixed Age Cows were lower than what we were seeing late last year. The herd scheme value for a mixed age dairy cow has increased from the low in 2016 to \$1,649 - a definite rise from the \$1,356 (21.6%) in 2016. Rising two-year heifers are now valued at \$1,421 - up from \$1,077 (31.9%) last year.

The biggest rise is however in Rising one-year heifers - these have increased from a low of \$530 to \$819 - an increase of 54.5%. In talking to clients, this should come as no surprise as there seems to be a high demand for this age group of livestock.

Dairy bulls and steers have seen modest increases from last year with breeding bulls now valued at \$1,887.

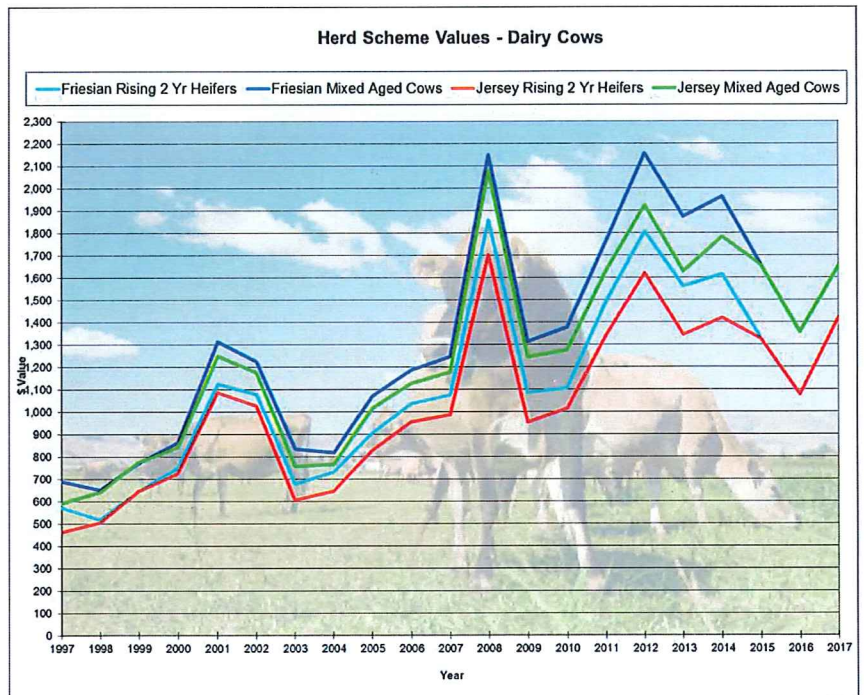
There was an opportunity last year to move

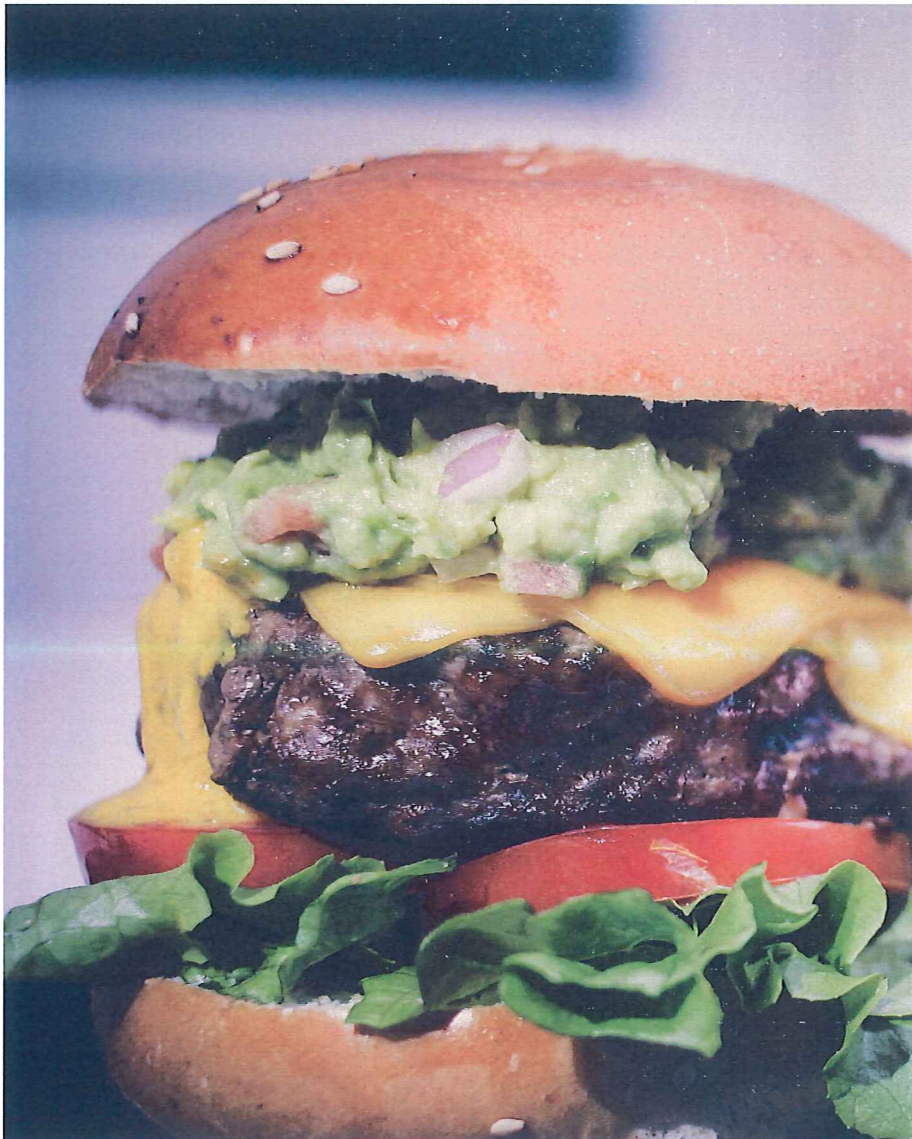
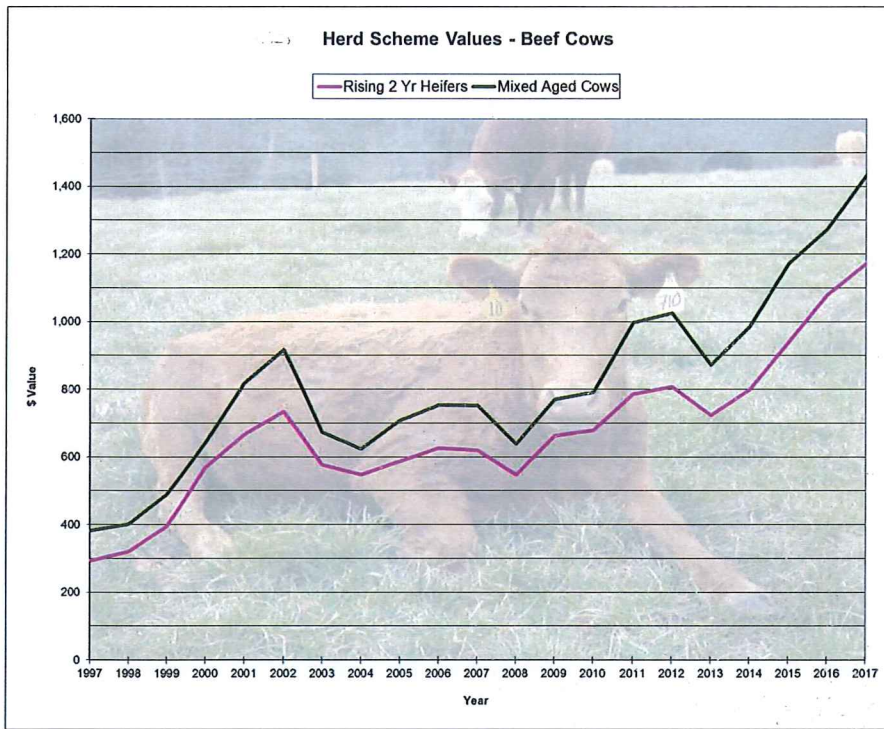
some clients from the National Standard Cost scheme to the Herd Scheme. This was because the 2016 values were at historic lows and were the closest to National Standard Cost values than they had been for quite a long time. The rise in values in the 2017 year and the recently announced dairy pay-out increases for the 2017/2018 year mean that the decision to move was the correct one.

There may be an opportunity for clients who

signed up to buy herds late last year at reasonably high prices to move into the Herd scheme this year - assuming a 31 May settlement. This is something that can be considered at the time of completing your 2017 annual accounts. Each case will depend on the facts and of course we have to consider the long term implications as we will then be in the Herd scheme for the foreseeable future.

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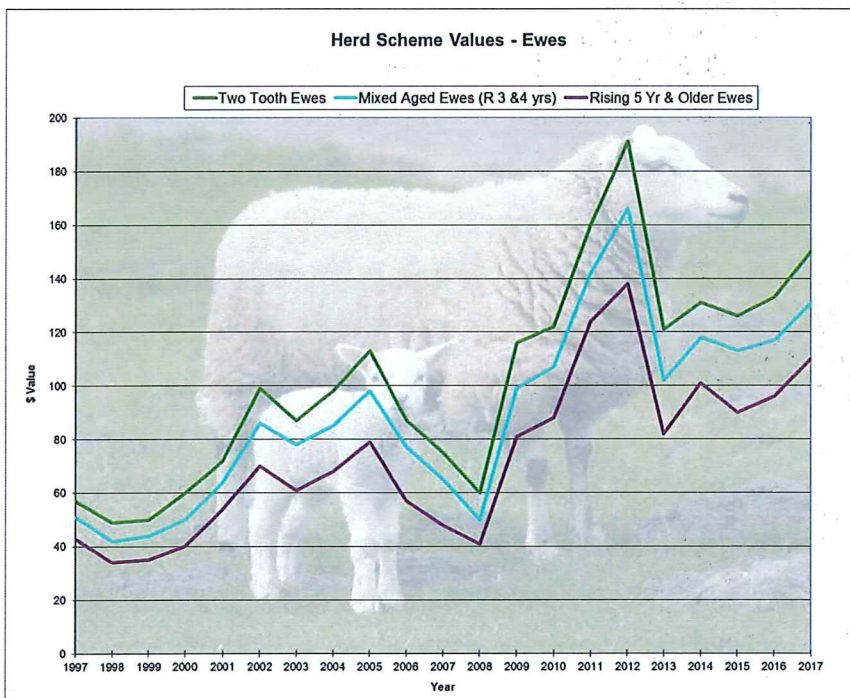




BEEF CATTLE

Beef values have once again increased markedly - Mixed Age Beef cows are now valued at \$1,431 - up from \$1,273 (12.4%) last year. Breeding Bulls increased to \$3,095 - up from \$2,571 (20.4%) last year. Commodity prices for beef products are at an all-time high. This has been strongly reflected in the beef market and in the prices farmers are receiving for their animals.

Beef prices have been steadily increasing since the lows of 2013 when a Mixed Age Cow was valued at \$872. The question is of course - how much longer will this upward trend continue. We have now seen four years of successive increases and as we all know this is a commodity market which inevitably has lows as well as highs. Food for thought!

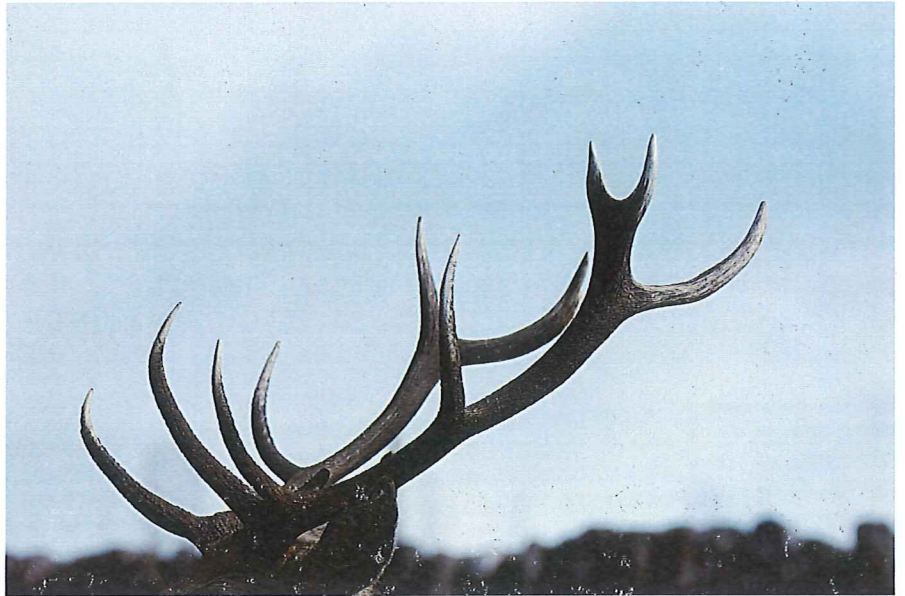


SHEEP

Sheep values have seen an overall average increase of 17.4% with two-tooth ewes now valued at \$150 - this compares to \$133 last year. Still some way to go to catch the most recent highs in 2012 when two-tooth ewes were valued at \$191!

DEER

Deer values are continuing their upward movement with Mixed Age Hinds increasing by 20.1% from \$438 to \$526 per head. We understand that the deer market is a little erratic at times but hopefully these values are reflecting more maturity in the market and the demand for a quality product.

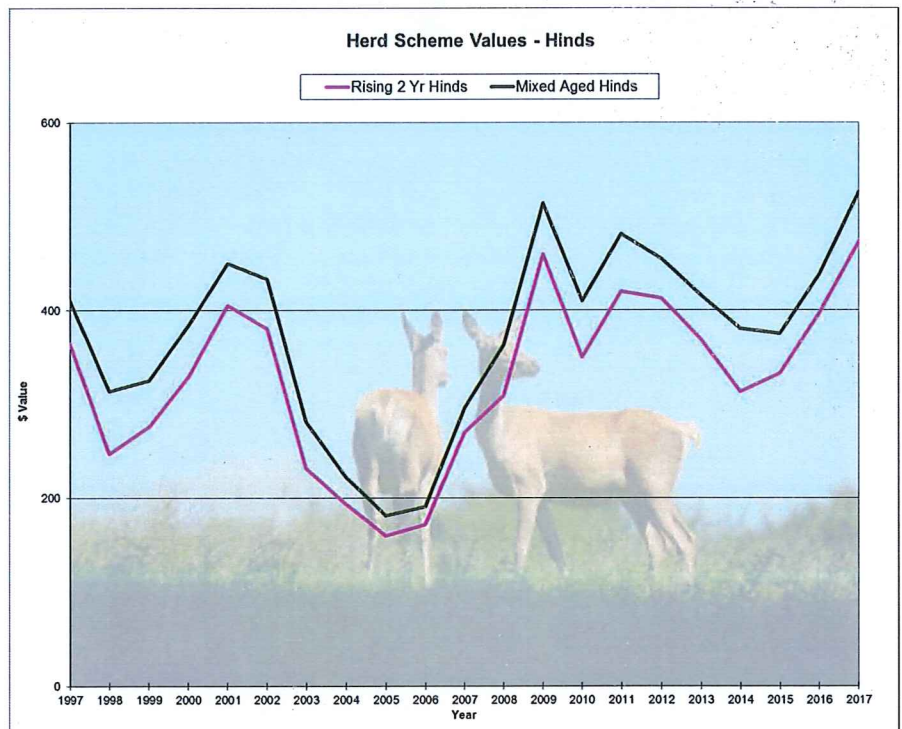


GENERAL

Careful consideration needs to be given to your livestock election choices. Even though changes were made to the Herd scheme in recent years, there is still flexibility around how to value increases in numbers - if you increase your numbers during the year you are able to choose an alternative valuation option to value that increase. Whether you take that option or you elect to value the increase using herd values will depend on a number of factors - such as:

- where we are in the cycle of livestock values (e.g. at the bottom, or at the top)
- if the increase is a permanent or a temporary one
- your longer term intentions

As the decision is clearly one that should be made on a case by case basis, we will naturally discuss your valuation options with you on review of your 2017 Financial Statements and Taxation Returns.



CONTACT OUR TEAM

09 238 0699

www.msbca.co.nz