

RURAL VIEWS

Accountants who know Agri business

SHAND THOMSON

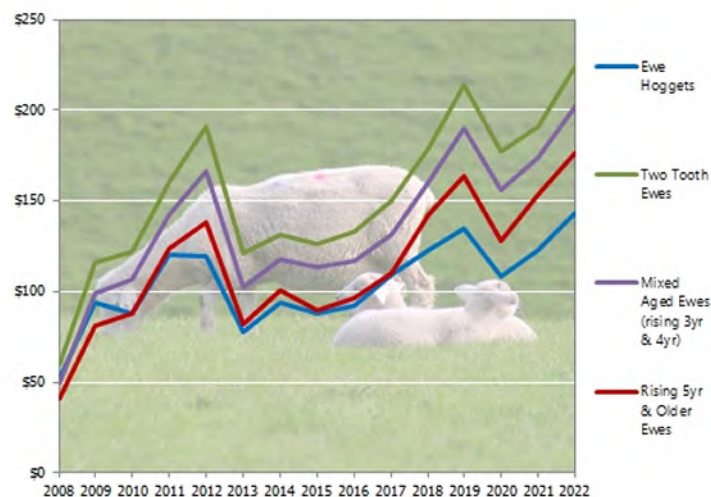


2022 National Average Market (Herd) Values

Sheep:

	2022	2021	Change	Change
	\$	\$	\$	%
Ewe Hoggets	143	123	20	↑ 16.3%
Two Tooth Ewes	224	191	33	↑ 17.3%
Mixed Age Ewes	202	174	28	↑ 16.1%
Older Ewes	176	153	23	↑ 15.0%

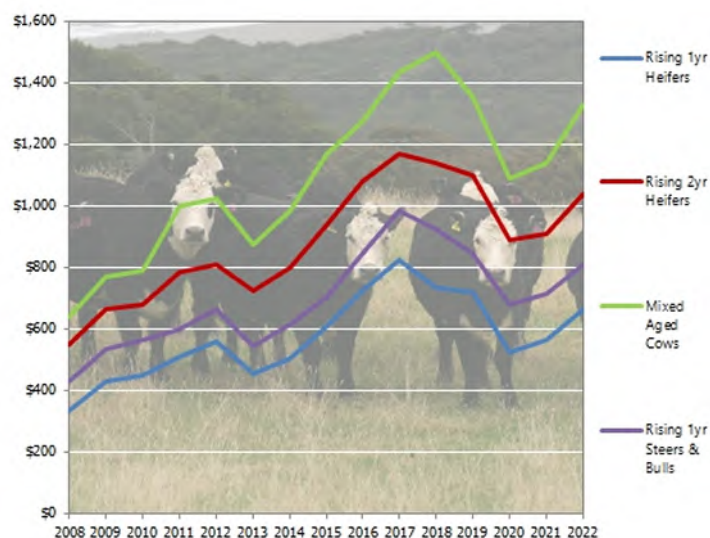
A lower exchange rate and strong demand from China and the US have led to a rise in lamb and mutton farm-gate prices. While the Omicron outbreak resulted in processing challenges, most regions except the South have had available feed to hold onto lambs for longer periods. Global mutton production was tight as Australia rebuilds sheep numbers after several years of drought. Our national ewe flock continues to decline; sheep numbers at 30th June 2021 stood at 26 million with the number of breeding ewes declining 1.3% from last year.



Beef & Beef Crosses:

	2022	2021	Change	Change
	\$	\$	\$	%
Rising 1 Year Heifers	665	563	102	↑ 18.1%
Rising 2 Year Heifers	1,038	911	127	↑ 13.9%
Mixed Age Cows	1,328	1,138	190	↑ 16.8%
Rising 1 Year Steers/Bulls	808	716	92	↑ 12.8%

All age classes of beef cattle continue to increase in value. International supply has been tightened due to lower production in the US and Australia, which has increased the demand for NZ beef. Demand from China is also up, becoming the primary market for NZ beef. Surplus feed in the North Island, combined with lower capacity for prime stock, has supported the market for store livestock.



2022 National Standard Cost (NSC) Values

Sheep

Rising 1 Year	\$38.00	↑ 1.3%
Rising 2 Year	\$27.00	↑ 0.4%

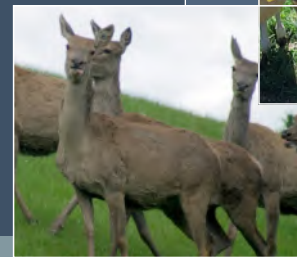
Beef Cattle

Rising 1 Year	\$398.10	↓ 0.4%
Rising 2 Year	\$228.10	↑ 0.8%
Rising 3 Year Male	\$228.10	↑ 0.8%

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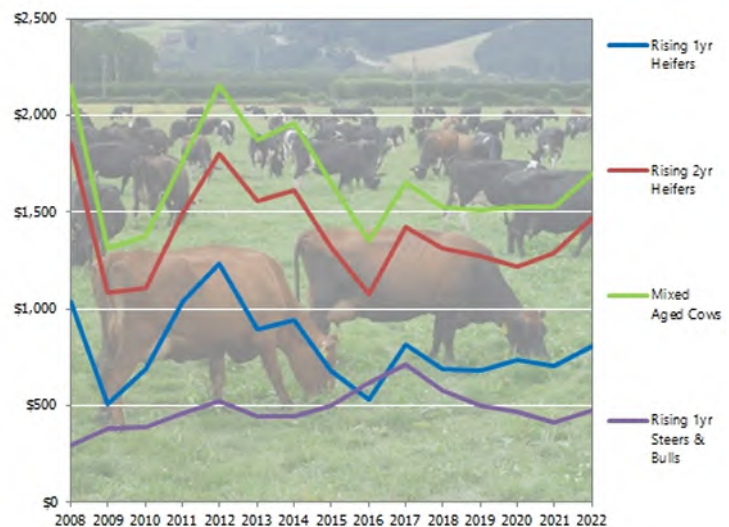


2022 National Average Market (Herd) Values

Dairy Breeds:

	2022	2021	Change	Change
	\$	\$	\$	%
Rising 1 Year Heifers	809	707	102	↑ 14.4%
Rising 2 Year Heifers	1,472	1,291	181	↑ 14.0%
Mixed Age Cows	1,697	1,528	169	↑ 11.1%
Rising 1 Year Steers/Bulls	476	413	63	↑ 15.3%

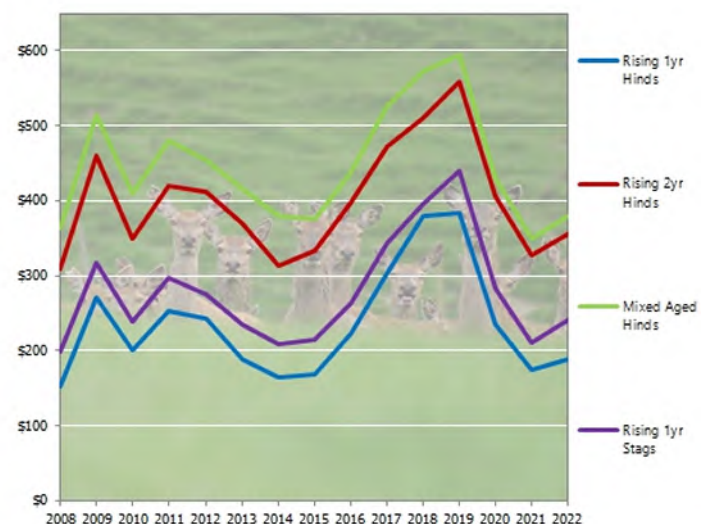
The values for mixed-age cows and heifers have increased after a few years of little movement. The record high Fonterra forecast payout of \$9.50 is mostly due to steady demand from China but also a drop in supply from international competitors, particularly those using grain-fed systems. The strong beef market has resulted in strong prices for cull cows, despite processing constraints. The number of dairy cattle in NZ at 30th June 2021 had increased 1.3% to 6.28 million.



Deer:

	2022	2021	Change	Change
	\$	\$	\$	%
Rising 1 Year Hinds	189	174	15	↑ 8.6%
Rising 2 Year Hinds	355	327	28	↑ 8.6%
Mixed Age Hinds	379	349	30	↑ 8.6%
Rising 1 Year Stags	242	212	30	↑ 14.2%

All classes of venison have increased on the back of a sharp drop over the past two years due to COVID-19 lockdowns. The rapid lift in value comes off the back of strong demand for animal protein and the global restaurant trade reopening. Unlike other forms of protein, venison prices are still substantially lower than in 2018.



2022 National Standard Cost (NSC) Values

Dairy Cattle

Purchased Bobby Calves	\$210.40	↑ 11.0%
Rising 1 Year	\$512.80	↑ 13.8%
Rising 2 Year	\$346.50	↑ 11.9%

Deer

Rising 1 Year	\$135.20	↑ 27.0%
Rising 2 Year	\$68.90	↑ 11.1%