

# RURAL VIEWS

Accountants who know Agri business

SHAND THOMSON

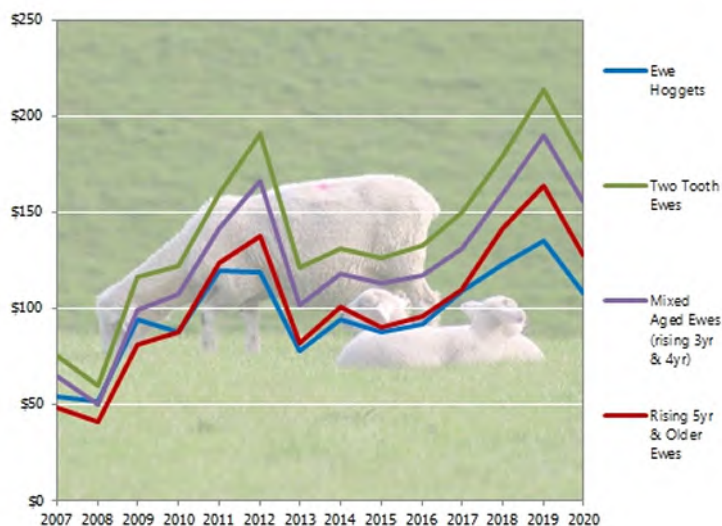


## 2020 National Average Market (Herd) Values

### Sheep:

	2020	2019	Change	Change
	\$	\$	\$	%
Ewe Hoggets	108	135	27	↓ 20.0%
Two Tooth Ewes	177	214	37	↓ 17.3%
Mixed Age Ewes	156	190	34	↓ 17.9%
Older Ewes	128	164	36	↓ 22.0%

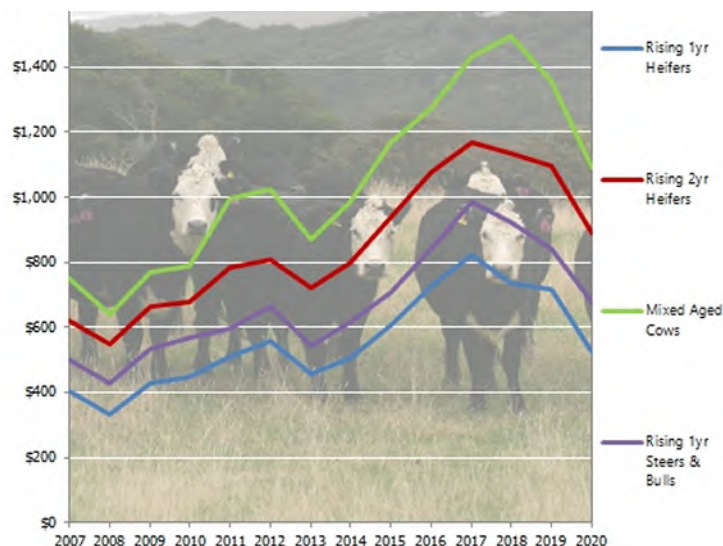
Sheep prices have reduced significantly across all classes of livestock from last year's record high. The lamb finishing season proved very challenging as the extreme summer drought, felt across much of the North Island and the top of the South Island, caused major problems. In addition, Covid 19 slowed down processing capacity at the peak of the kill season which meant more lambs than desired were on hand later into the season. The demand for capital livestock at the normal two tooth and annual draft ewe fairs was subdued across the country.



### Beef & Beef Crosses:

	2020	2019	Change	Change
	\$	\$	\$	%
Rising 1 Year Heifers	526	717	191	↓ 26.6%
Rising 2 Year Heifers	888	1,097	209	↓ 19.1%
Mixed Age Cows	1,090	1,355	265	↓ 19.6%
Rising 1 Year Steers/Bulls	678	844	166	↓ 19.7%

The different age classes of beef cattle have all experienced significant declines in value. The beef prices were strong for the early part of the season and fell away as numbers for slaughter increased. The main cause of the decline was the drought and delays in the slaughter of animals over the late summer and autumn period due to the Covid 19 lockdown. Both of these factors caused significant feed shortages in some regions and negatively impacted on the demand for, and therefore price of, store cattle.



## 2020 NSC Values

### Sheep

Rising 1 Year	\$36.60	↑ 7.0%
Rising 2 Year	\$26.10	↑ 8.3%

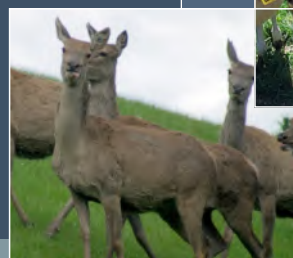
### Beef Cattle

Rising 1 Year	\$388.10	↑ 5.4%
Rising 2 Year	\$220.10	↑ 8.1%
Rising 3 Year Male	\$220.10	↑ 8.1%

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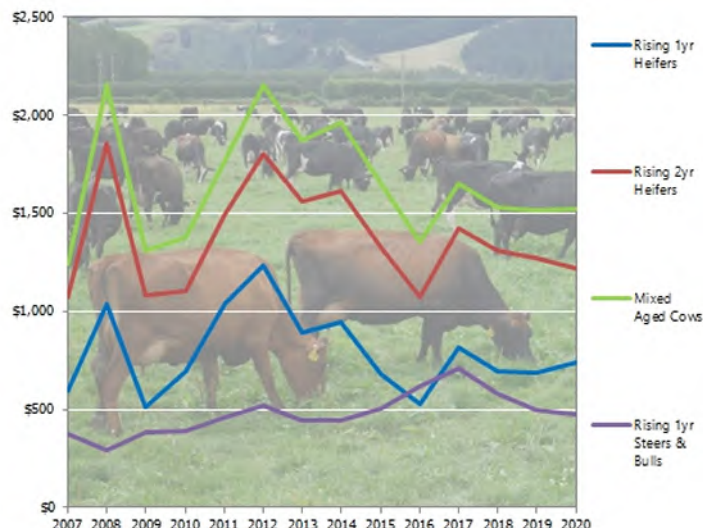


## 2020 National Average Market (Herd) Values

### ■ Dairy Breeds:

	2020	2019	Change	Change	
	\$	\$	\$	%	
Rising 1 Year Heifers	737	685	52	↑	7.6%
Rising 2 Year Heifers	1,222	1,274	52	↓	4.1%
Mixed Age Cows	1,525	1,513	12	↑	0.8%
Rising 1 Year Steers/Bulls	471	497	26	↓	5.2%

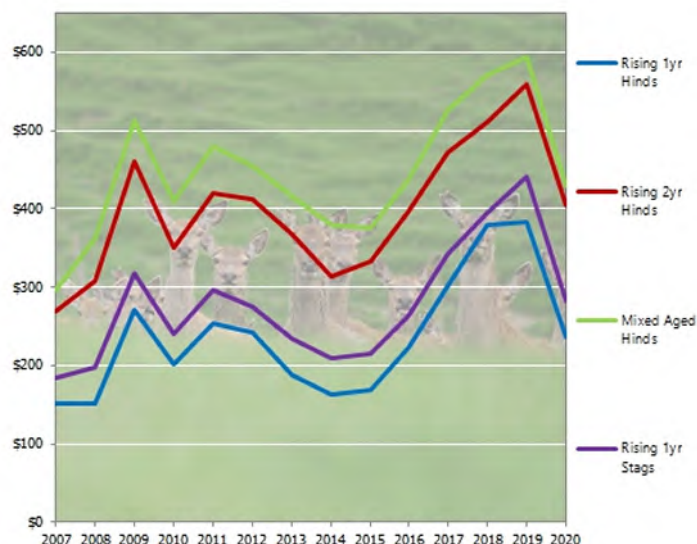
The dairy cow and rising 2 year heifer prices have been reasonably stable. This is a reflection of the favourable Fonterra farm gate milk price forecast for 2019/20 of \$7.15/kg milk solid. The increase in rising 1 year heifer prices reflects the current interest in the live dairy trade from China. Contrasting this is the reduction in the rising 1 year steer/bull value which reflects the nervousness in the market from the impact of Mycoplasma bovis, the drought conditions, and Covid 19's impact on beef prices.



### ■ Deer:

	2020	2019	Change	Change	
	\$	\$	\$	%	
Rising 1 Year Hinds	236	384	148	↓	38.5%
Rising 2 Year Hinds	405	559	154	↓	27.5%
Mixed Age Hinds	430	595	165	↓	27.7%
Rising 1 Year Stags	283	441	158	↓	35.8%

The significant drop in deer prices across all age groups is a reflection of the fall in the venison price to its lowest level since March 2016. The main markets in Europe and the US, where venison is considered a high end product in the restaurant trade, have all be adversely affected by the impact of Covid 19.



## 2020 NSC Values

### ■ Dairy Cattle

Purchased Bobby Calves	\$194.20	↑	0.9%
Rising 1 Year	\$453.00	↑	5.2%
Rising 2 Year	\$337.30	↓	0.3%

### ■ Deer

Rising 1 Year	\$90.70	↓	1.6%
Rising 2 Year	\$56.50	↑	5.6%