




# The Economic Service and Overview of the Sheep and Beef Farming Sector in Hurunui

7 March 2018  
Hurunui Science Stakeholders Group  
Amberley  
P18007

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## The Economic Service Overview

- **History**
  - genesis, ownership, structure
- Who we are
  - people
- Sheep & Beef Farm Survey
  - data collection



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## Economic Service Genesis



- The 1949 Royal Commission to “Inquire Into and Report Upon the Sheep-Farming Industry” found that:  
*“There is considerable division of opinion with no unchallenged premises of facts from which deductions could be safely made to formulate conclusions and proposals”*
- The commission recommendation included the amalgamation of the then Meat and Wool Boards... and to collect and document factual information concerning farm production and economics

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## Economic Service



- Originally owned 50:50 by New Zealand Meat Producers Board and New Zealand Wool Board
- Called New Zealand Meat and Wool Boards' Economic Service
- Ran as a standalone group/company until 2004 when it was merged into Meat & Wool New Zealand Ltd, which became Beef + Lamb New Zealand Ltd

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## B+LNZ & Economic Service



- Individual-good
- Industry-good
  - B+LNZ
    - Doesn't own or sell any meat products
    - Does own information about the value chain and future production
  - Economic Service is noted for
    - Representativeness
    - Integrity
    - Independence
    - Consistency
    - Authoritative and credible forecasts

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## Beef + Lamb New Zealand

### Economic Service (Wellington and Feilding)



**Rob Davison**  
Executive Director,  
Economic Service



**Loma Finch**  
Information/Group  
Coordinator



**Rob Gibson**  
Senior Ag Analyst



**Ben Hancock**  
Senior Ag Analyst



**Brian Speirs**  
Senior Analyst,  
Information Systems



**Tim Hembrow**  
Business Analytics Manager



**Andrew Burt**  
Chief Economist

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## Beef + Lamb New Zealand

### Economic Service (Regions)



**Sam Stewart**  
Northern North Island



**Wendy Dewar**  
Mid-Northern North Island



**Stephen Lys**  
Eastern North Island



**Michael Flett**  
Western North Island



**Esnes Gray**  
Northern South Island

**Vacant**  
Environment Data Analyst



**Sharyn Price**  
Central South Island



**Jenny McGimpsey**  
Southern South Island

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## Farm Classes



**The eight farm classes – five in the South Island**

**1. South Island high country**  
Extensive run country at high altitude carrying fine wool sheep, with wool as the main source of revenue. Located mainly in Marlborough, Canterbury and Otago.

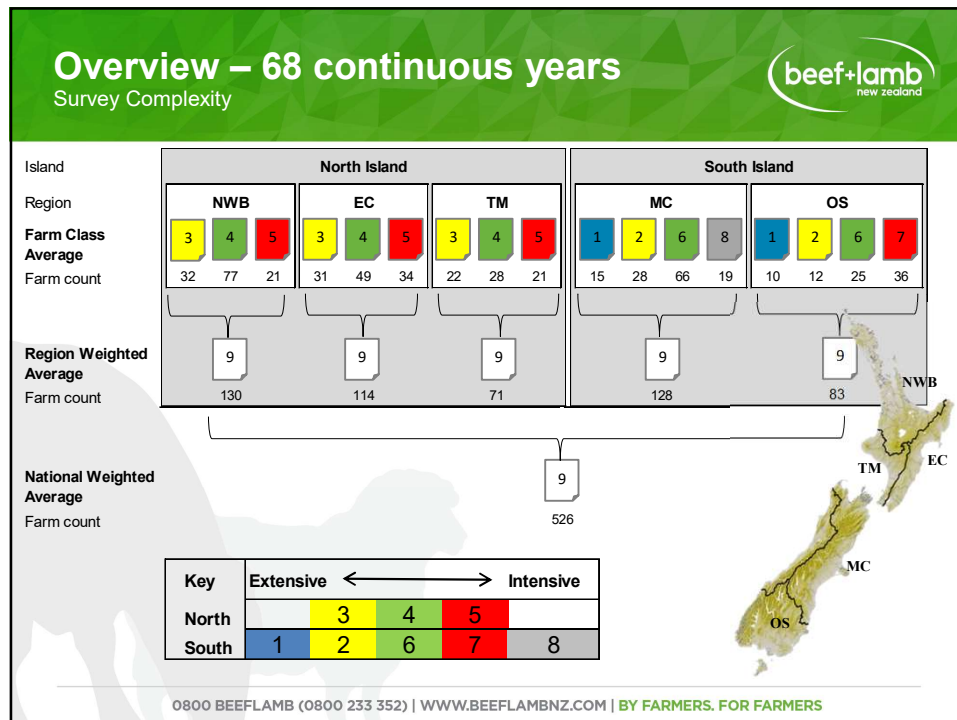
**2. South Island hill country**  
Mainly mid-micron wool sheep mostly carrying between two and seven stock units per hectare. Three quarters of the stock units wintered are sheep and one quarter beef cattle.

**6. South Island finishing-breeding farms**  
A more extensive type of finishing farm, also encompassing some irrigation units and frequently with some cash cropping. Carrying capacity ranges from six to 11 stock units per hectare on dryland farms and over 12 stock units per hectare on irrigated units. Mainly in Canterbury and Otago. This is the dominant farm class in the South Island.

**7. South Island intensive finishing farms**  
High producing grassland farms carrying about 10 to 14 stock units per hectare, with some cash crop. Located mainly in Southland, South and West Otago.

**8. South Island mixed cropping and finishing farms**  
Located mainly on the Canterbury Plains. A high proportion of their revenue is derived from grain and small seed production as well as stock finishing.

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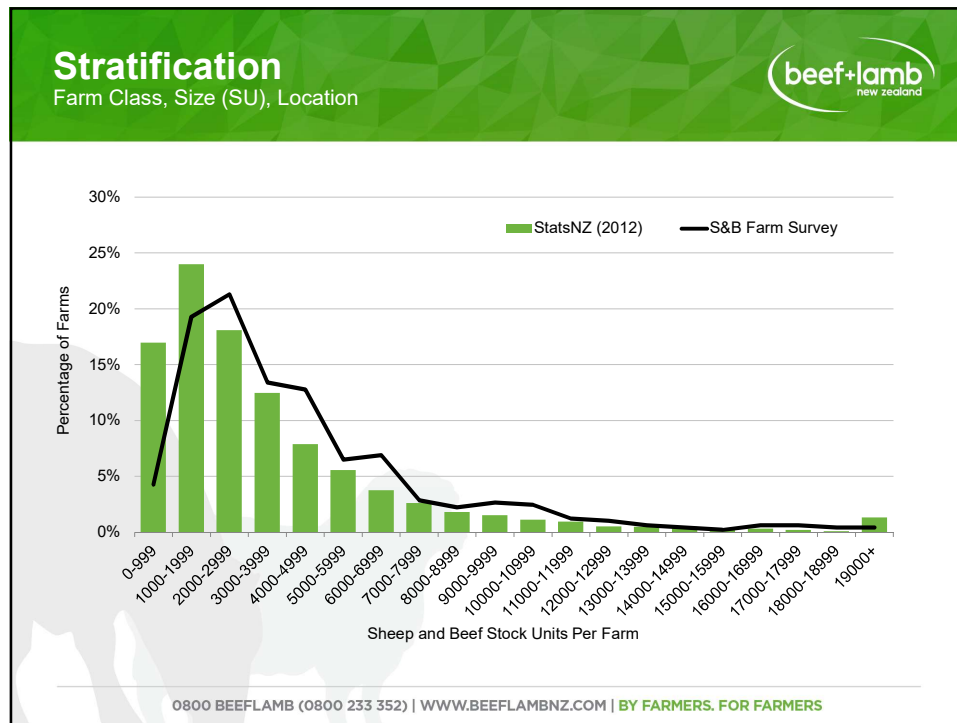
## What is a Stock Unit (SU)?

- One breeding ewe
  - that weighs 55kg and
  - bears one lamb
- Lincoln University Farm Technical Manual 2003

SHEEP		STOCK UNITS
Ewes		1.0

DAIRY CATTLE	DAIRY COW EQUIVALENT*	STOCK UNITS
Jersey Cows	1.0	6.5
Friesian Cows	1.3	8.5

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## Survey Sample

**beef+lamb**  
new zealand

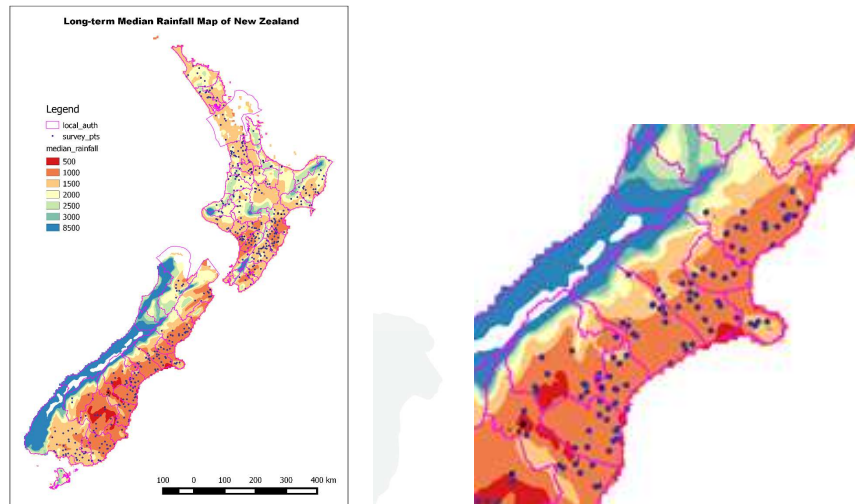
**Beef + Lamb New Zealand Economic Service**  
Survey Completion by Region Council by Farm Class: 15.16 Survey  
5/03/2018

Island	Region Council	District	Cl. 1 Tally	Cl. 2 Tally	Cl. 3 Tally	Cl. 4 Tally	Cl. 5 Tally	Cl. 6 Tally	Cl. 7 Tally	Cl. 8 Tally	Count
		Hurunui	2	8				11		1	22
		Waimakariri						4		1	5
		Banks Peninsula		1							1
		Selwyn		2				10		2	14
		Ashburton	1	2				4		6	13
		Timaru		1				7		3	11
		Mackenzie	5	1				1			7
		Waimate		3				1		3	7
	<b>Canterbury</b>		<b>8</b>	<b>18</b>				<b>38</b>		<b>16</b>	<b>80</b>

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## Survey Sample



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## Quality of data collection

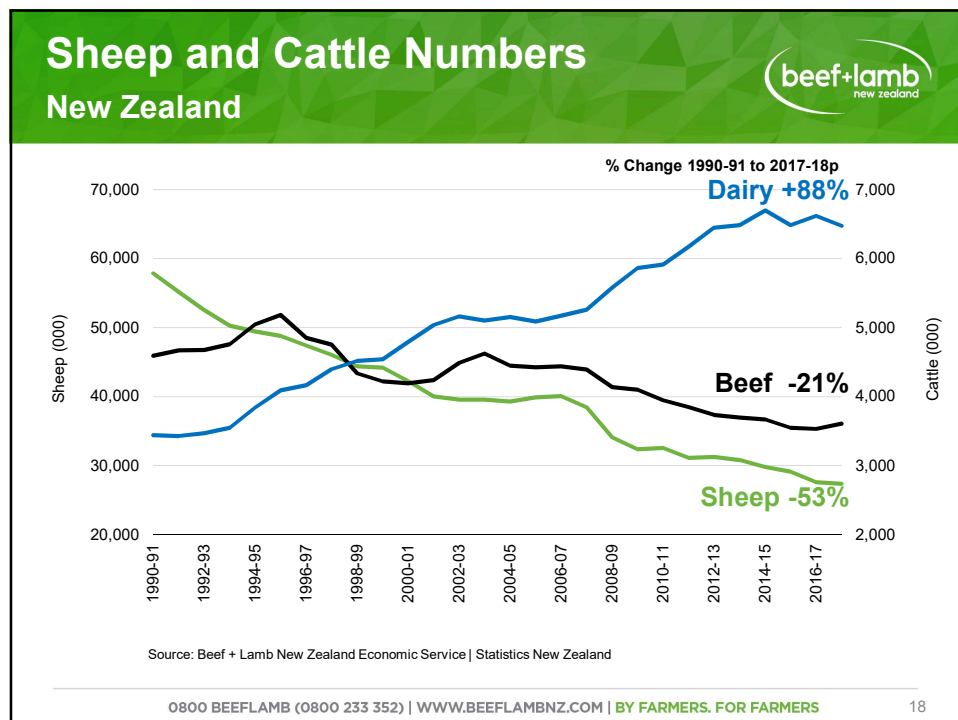
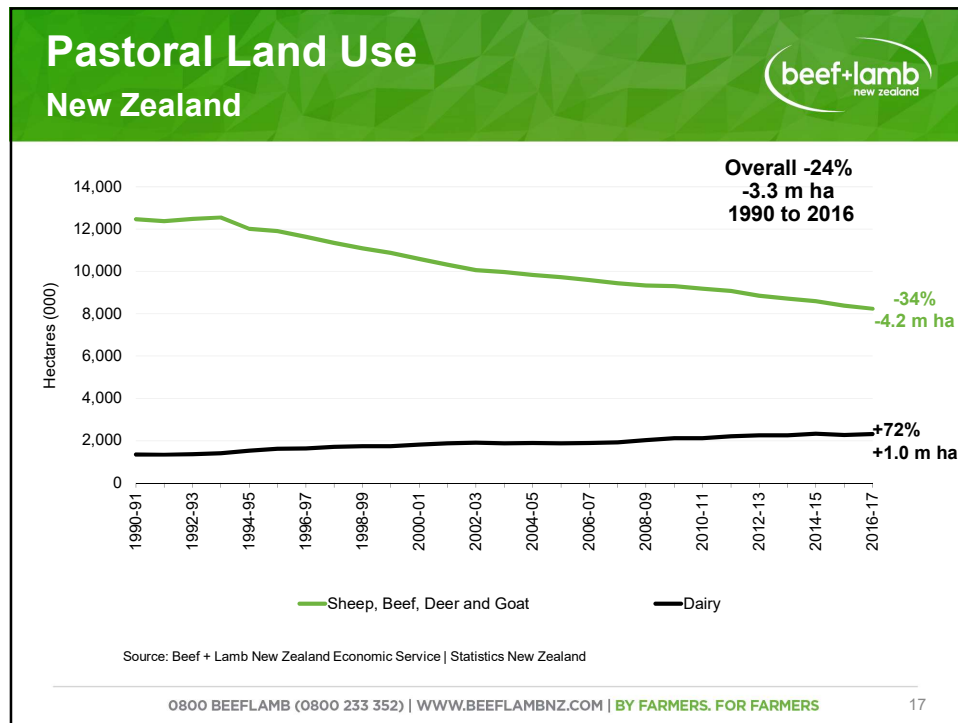
"The list of standardisations between the stated and the truth, frankly, is endless."



- Cross financial period stock / produce movement
- Differentiating capital expenditure versus working expenditure
- Standardising non-June balance date stock to a common year-end
- Differentiating true net stock returns and meat weights at a transactional level (share deductions, retentions, bonus payments)
- Establishing valid carcass weight for prime and store stock sales and purchases
- True, net wool production and value including on-hand-end movements
- True calving percentages (one of the most miscalculated data points in livestock farming)
- Allocating fertiliser use by timing, rate and analysis to block
- Accommodating differing financial account presentations and multiple accounts per enterprise

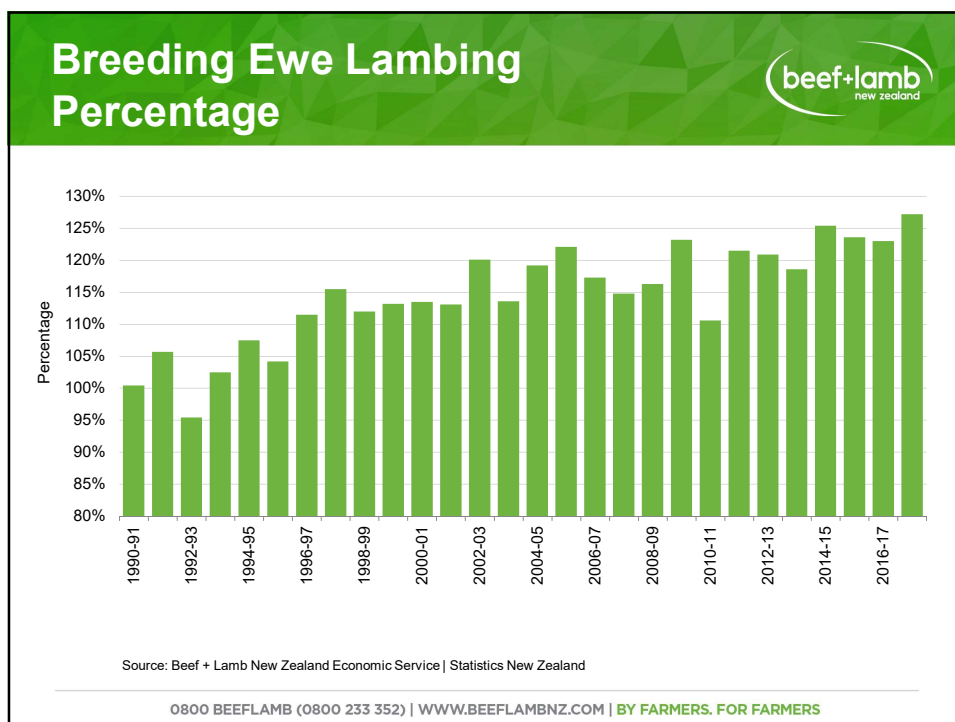
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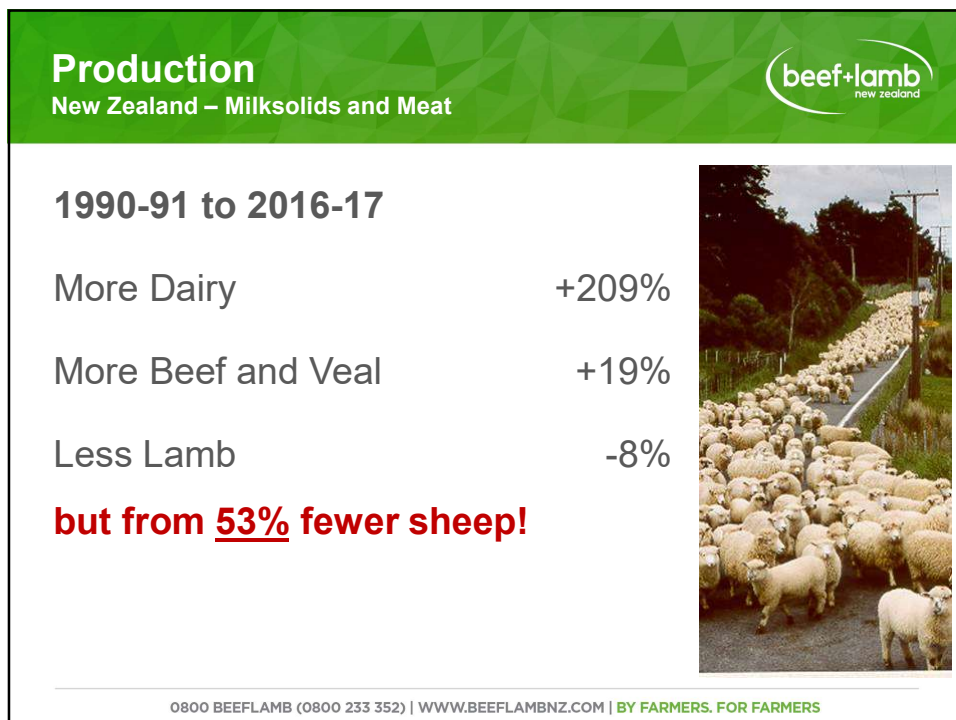
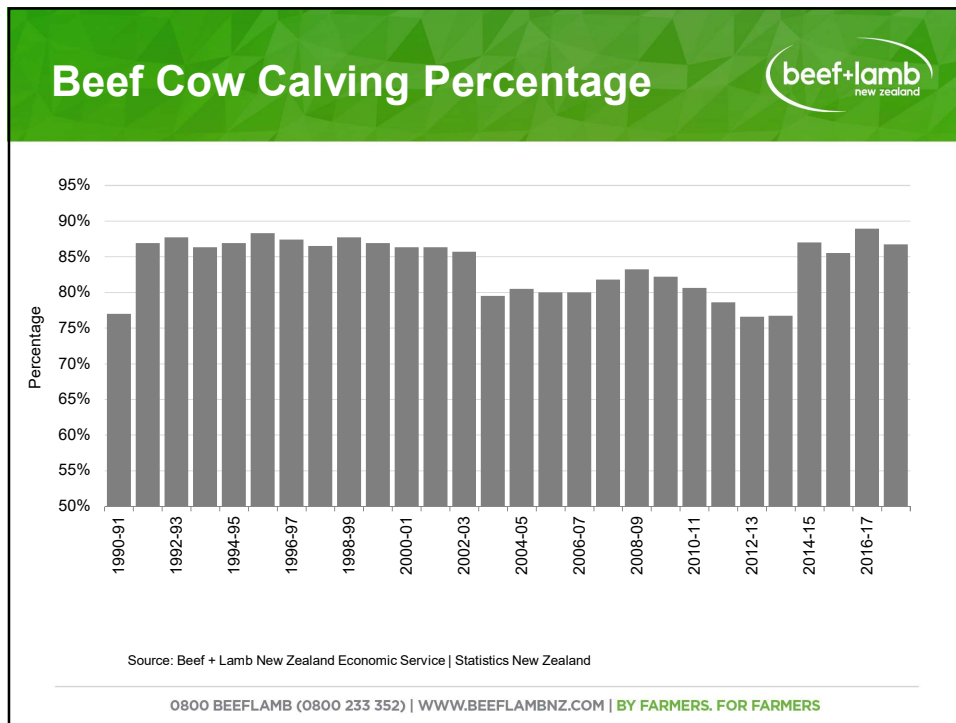


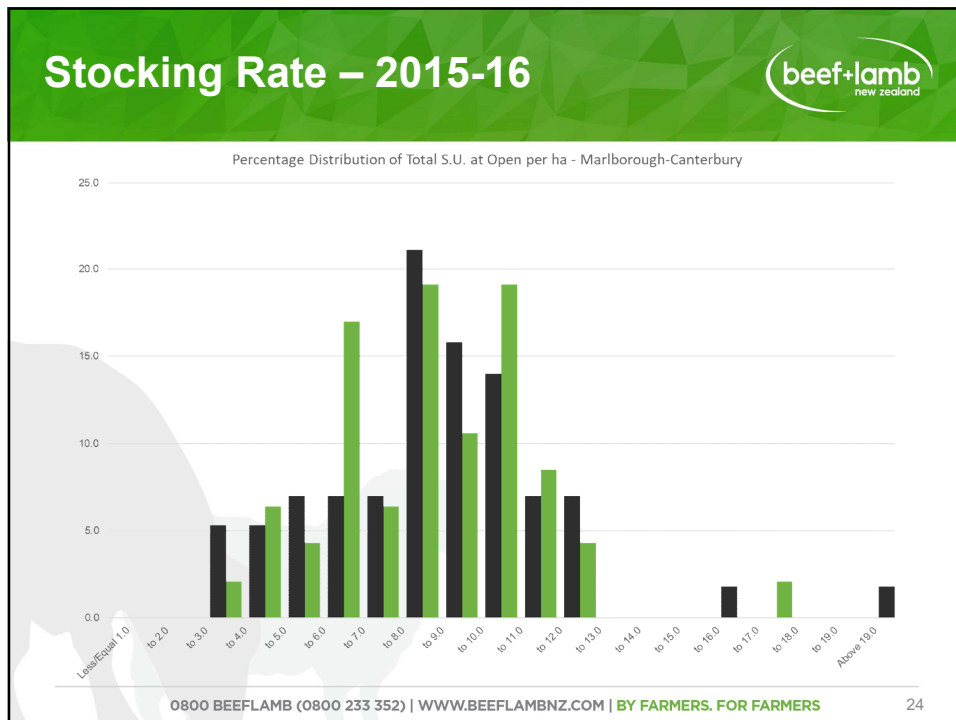
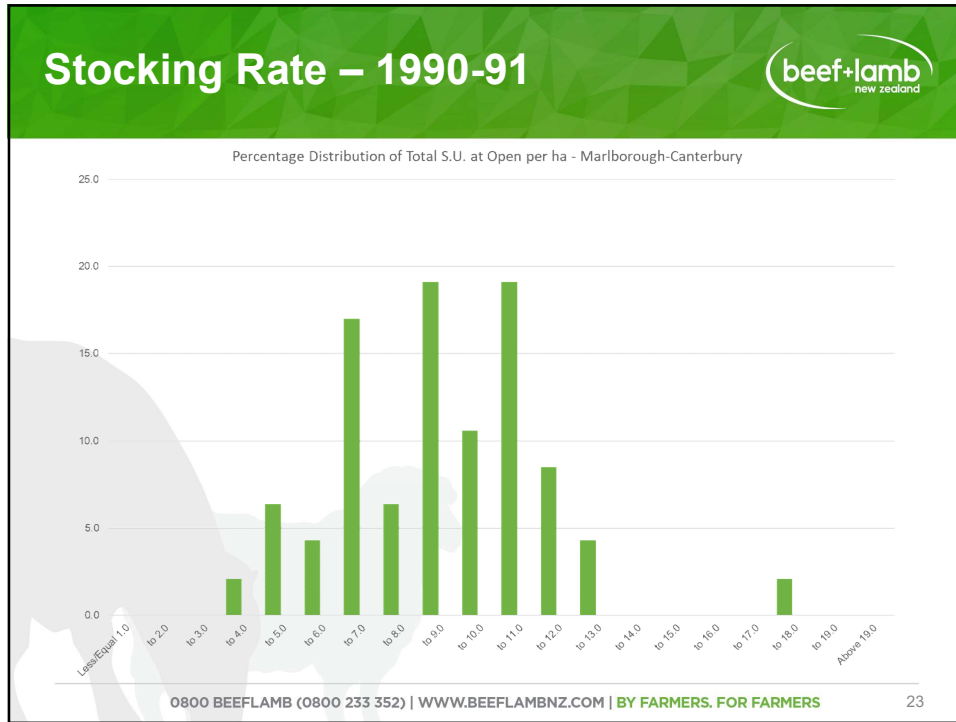


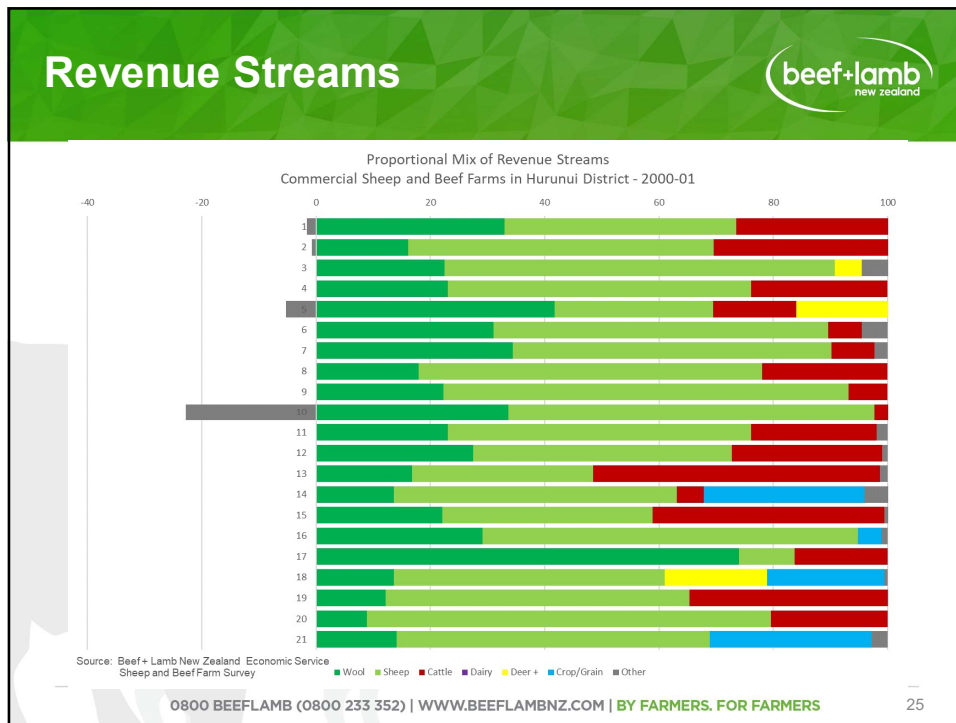
Livestock Productivity		New Zealand's "Silicon Valley" powerhouse			beef+lamb new zealand
		1990-91	2016-17p	% change	
Ewe lambing %	%	100.4%	126.3%	+26 lambs	
Hogget lambs as % all lambs	%	-	4.5%		
Lamb weight	kg/head	14.35	18.61	+30%	
Lamb sold	kg/ewe+hgt	9.37	18.25	+95%	
Wool production	kg/head greasy	5.28	5.02	-5%	
Steer weight	kg/head	297	314	+6%	
Dairy production	kgMS/cow	260	381	+47%	

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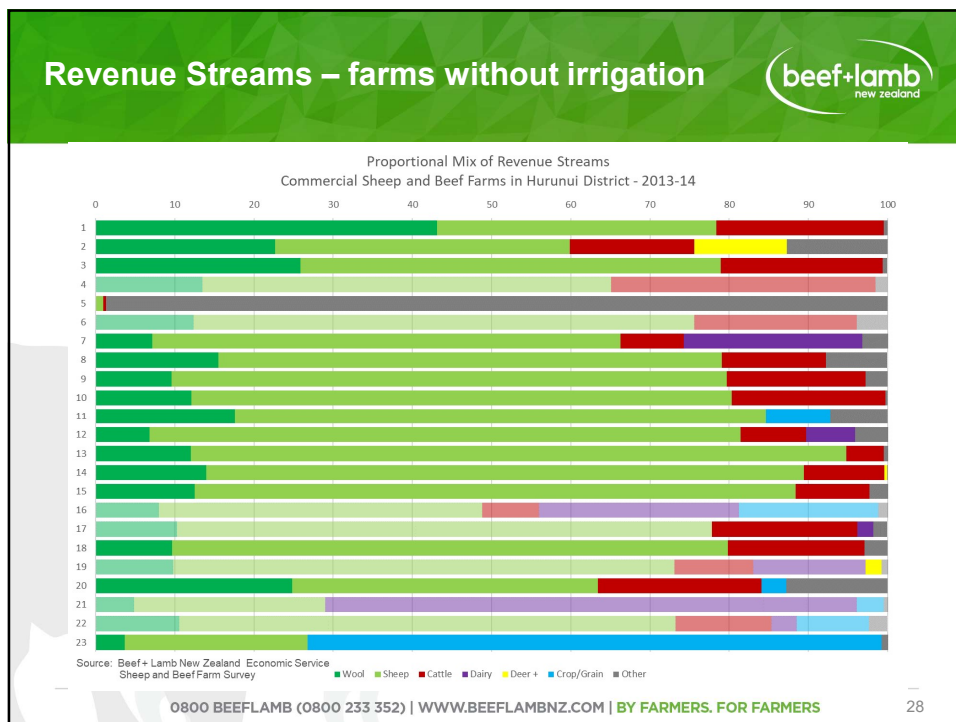
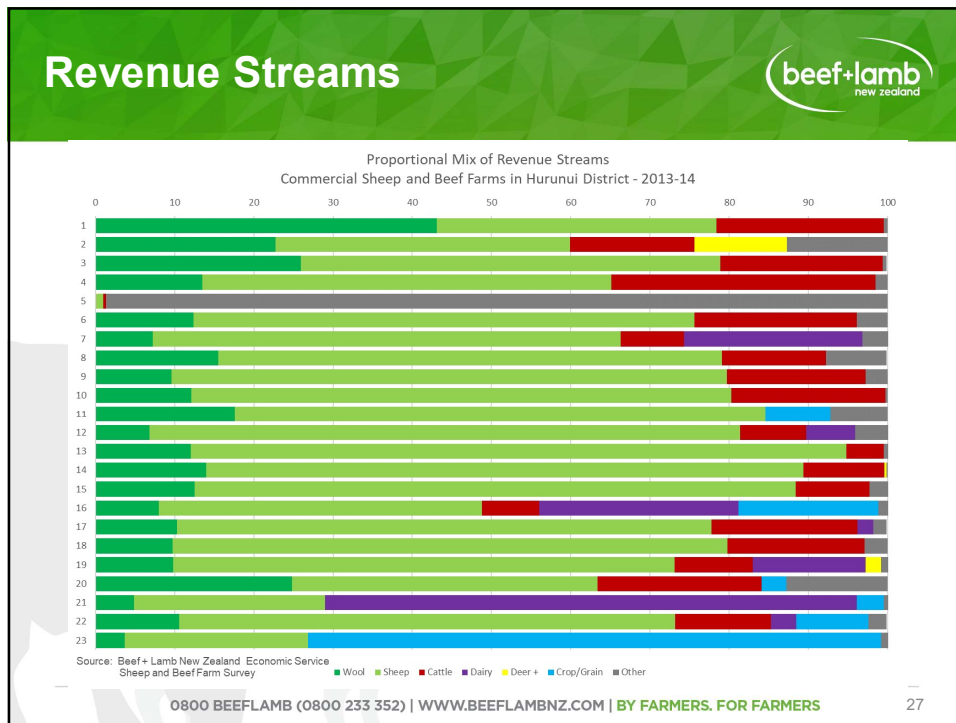


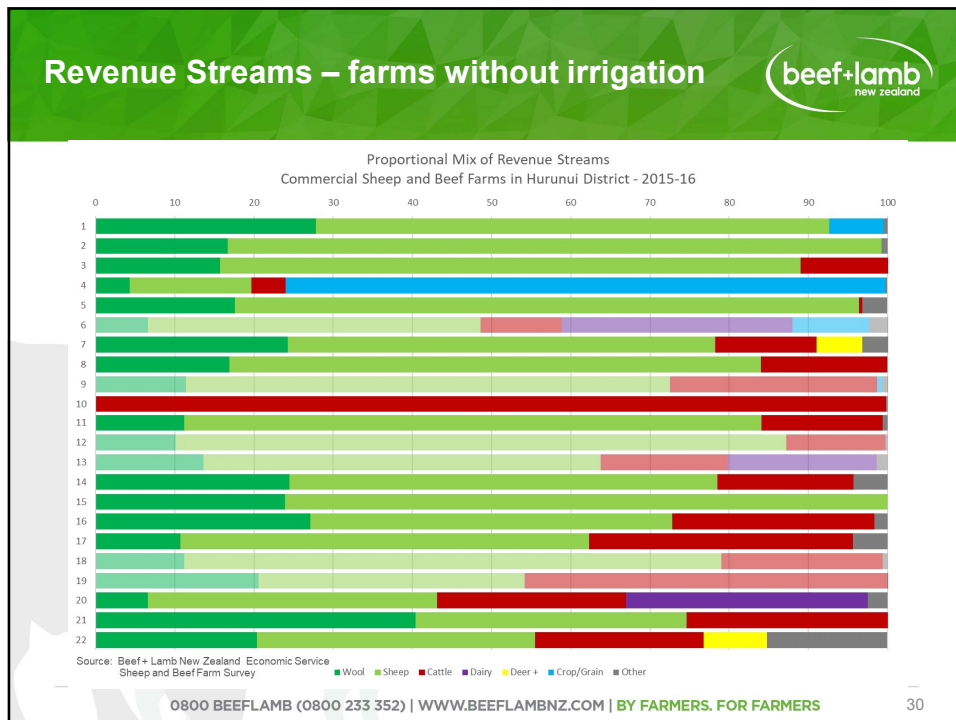
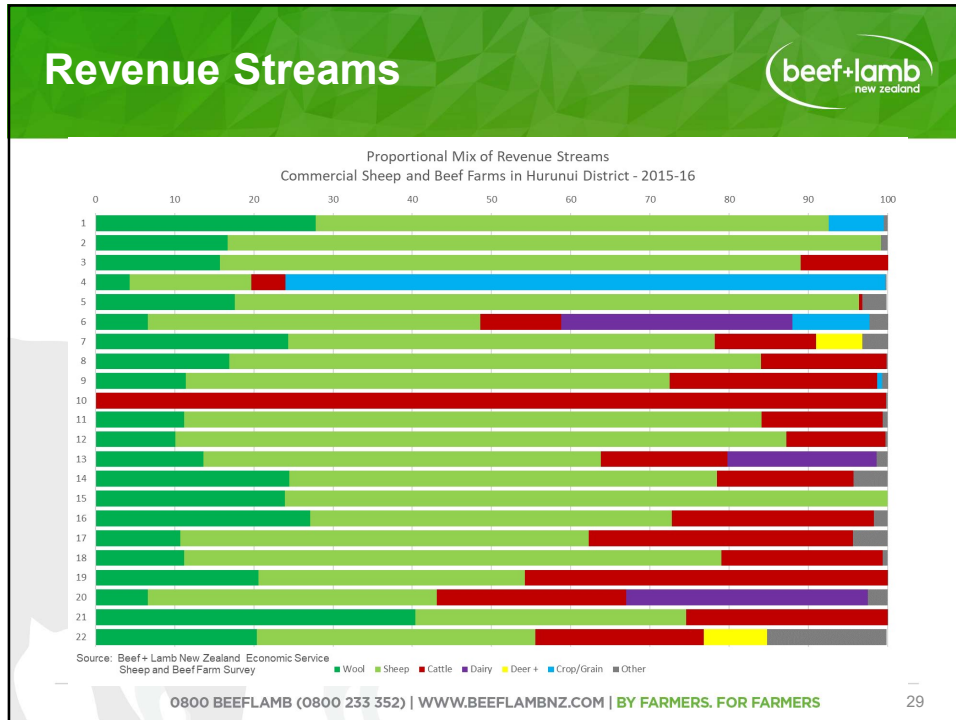
## Revenue Streams

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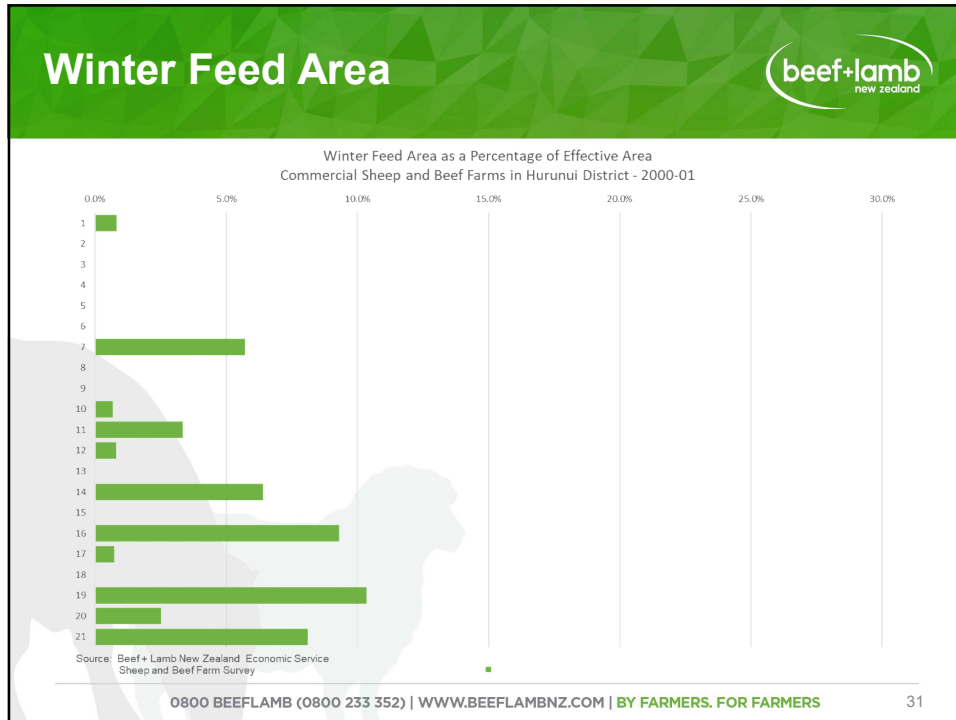
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## Revenue Streams

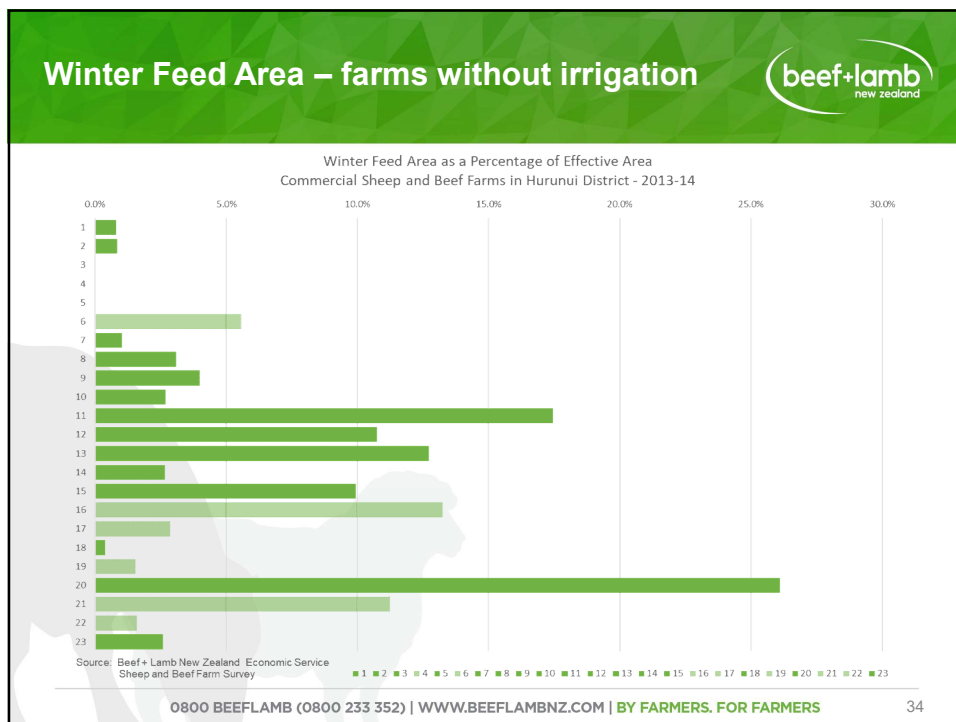
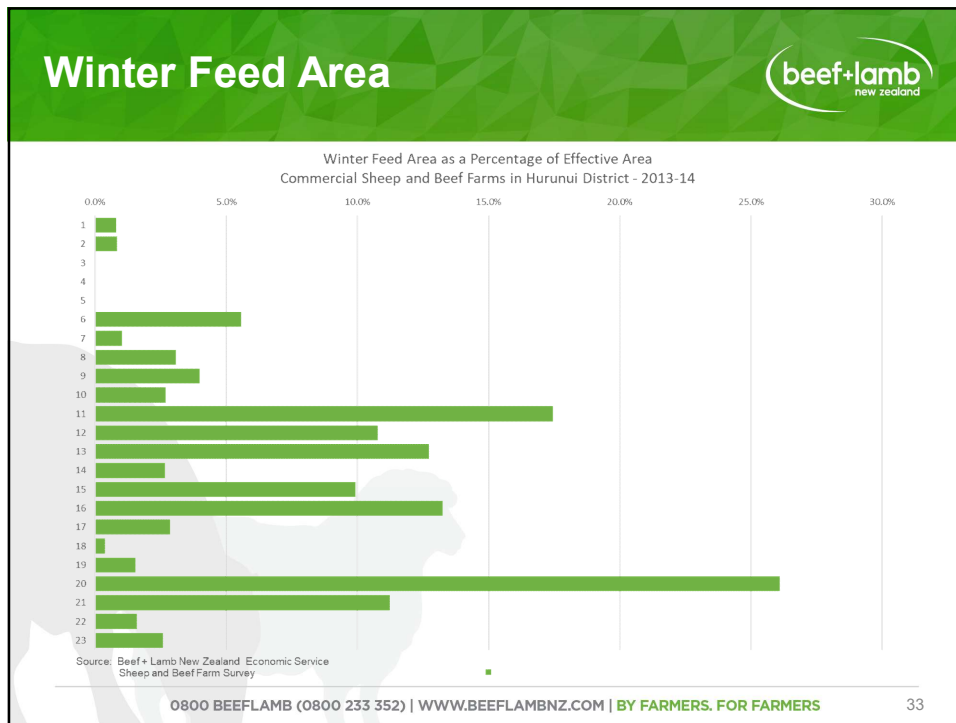


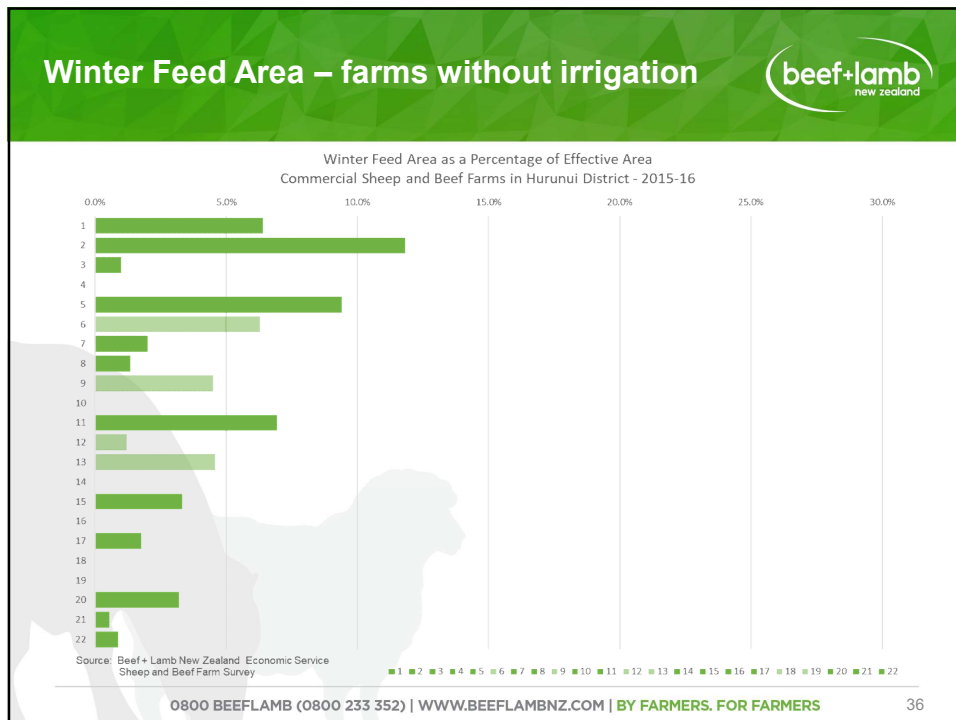
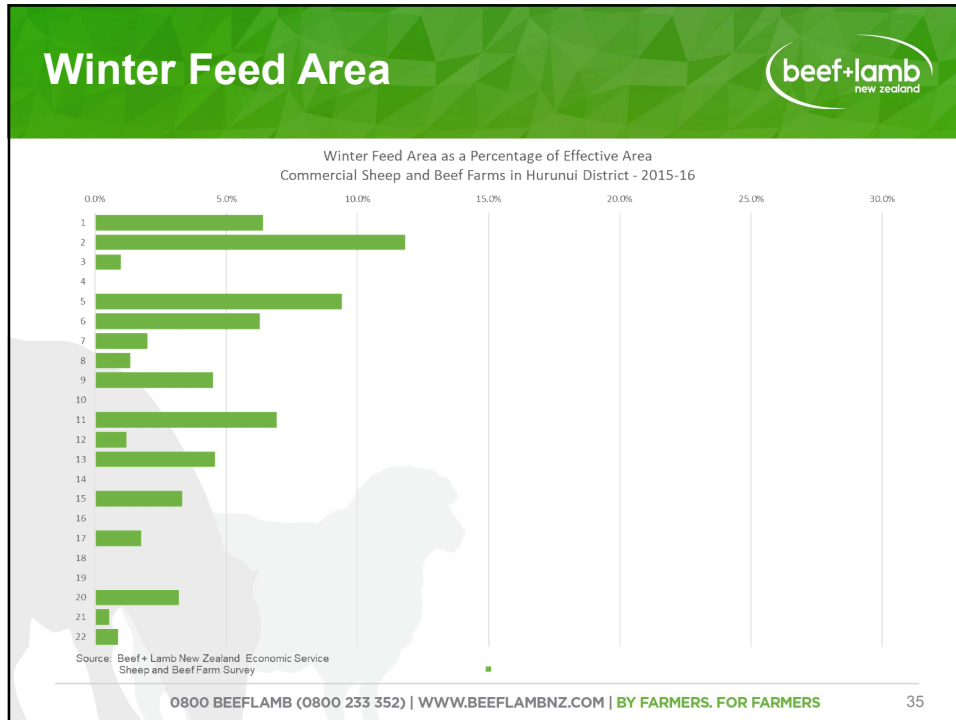
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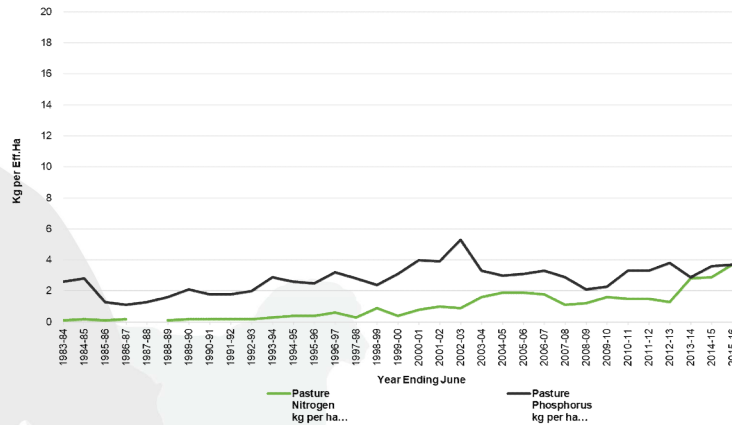




## Fertiliser Use



Nitrogen and Phosphorus Application to Pasture - Farm Class 2



Source: Beef + Lamb New Zealand Economic Service

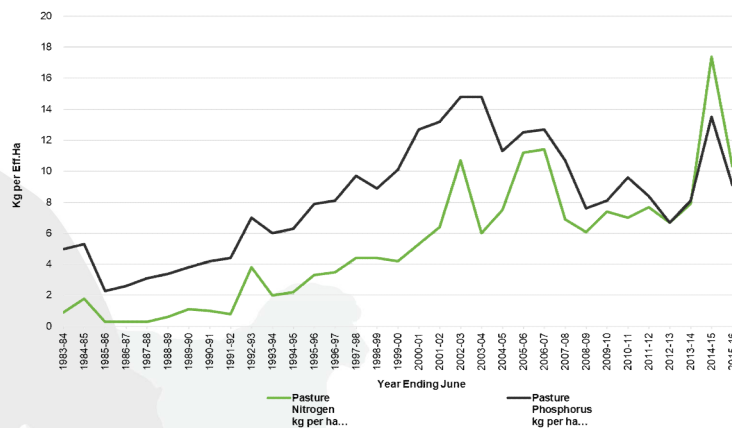
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## Fertiliser Use



Nitrogen and Phosphorus Application to Pasture - Farm Class 6



Source: Beef + Lamb New Zealand Economic Service

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