

June 2013

Herd Scheme values for livestock were announced by the government on 14 May 2013. These represent valuations of livestock throughout the country at 30 April 2013.

2013 values have fallen from 2012 values, except for milking (dairy) goats where Does over one year have increased by 24% to \$620.00. This reflects market conditions whereby demand is high due to increased goat farming activity as the goat co-operative is accepting more supply.

For dairy cattle, Friesian Rising 2 year Heifers and Mixed Age Cows have decreased 13%, Jersey Rising 2 year Heifers by 17% and Jersey Mixed Age Cows by 15%. See table below. The decrease in Dairy cattle values is a reflection of lower payout and climatic conditions (drought) i.e. Dairy Cattle values and Dairy Company payout trend together.

Since April 30, Dairy Cattle values fell even further but have since risen as pasture recovers from the drought and with Fonterra's announcement of this year's payout to \$7.00. As on aside the \$5.00 advance payment for milk supplied is welcoming news for farms cash flow prospects in the coming season.

2013 is the last year that farmers will be able to value Friesian and Jersey Dairy Cattle separately in their financial accounts. Currently before the house is a bill whereby Friesians and Jersey cattle will be valued separately at 30 April of each year, then these values will be added together divided by 2 to produce one valuation figure for all classes of dairy cattle, thus removing all doubt in regard to Friesian/Jersey crosses or Jersey/Friesian crosses. This is a welcoming move which provides simplification of Dairy cattle values going forward.

Dairy Cattle

<u>Friesian & Related Breeds</u>	<u>2012</u>	<u>2013</u>
Rising one-year Heifers	\$1,234.00	\$892.00
Rising two-year Heifers	\$1,806.00	\$1,560.00
Mixed-age cows	\$2,155.00	\$1,873.00
<u>Jersey & other Dairy Cattle</u>		
Rising one-year Heifers	\$955.00	\$668.00
Rising two-year Heifers	\$1,620.00	\$1,343.00
Mixed-age cows	\$1,923.00	\$1,627.00

Rodney Aitken, Director CooperAitken Ltd - accountants in Morrinsville and Matamata 07 8897153.

www.cooperaitken.co.nz