

LOCAL VOICE

PROVINCIAL NEWSLETTER

WANGANUI

CHRISTMAS 2009 SPECIAL



NOVEMBER 2009

2009 flying by

How come it seems just yesterday we were all sitting around looking forward to another Christmas with our families?

For some reason this time of the year just keeps on coming, no matter how much we wish it would sometimes go away.

I have just returned from Federated Farmers National Council meeting where, for the first time, we had Prime Minister, the Hon John Key, tell us that up until 2030, farmers will pay \$3,000 a year for the Emission Trading Scheme (ETS), not the \$30,000 under Labour's ETS.

From listening to the Prime Minister, Climate Change Minister, the Hon Nick Smith and Labour Party leader, Phil Goff, all seem to be saying the same thing as far as our ability to continue trading with other countries and that is that they may see us as being rather weak when it comes to climate change.



Given the science isn't so hot on this issue, it re-enforces our belief that 80 percent of the problem is political, so how do you fix that?

It was interesting to listen to various politicians at our cocktail hour about how they see Federated Farmers' opposition to the ETS.

They point out that another two to four cent rise against the US dollar, our inability to sort out our wool problem and low beef prices, with the possibility of lower lamb prices post Christmas, will individually cost farmers more than the proposed ETS up to 2030. Possibly something to think about?

It is great to see our weather becoming more settled as we move into summer, pity about the high dollar, but then you can't win every time.

Our hill country farmers will be getting used to this sort of scenario, as they have seen it all before over the last decade.

Meat & Wool NZ, or should that be Meat NZ, are getting back to basics so it will be interesting to see just how basic they get, along with Agriculture Minister David Carter's taskforce on our wool industry.

We will wait with bated breath to see the results of another wool industry taskforce. How many have we had now?

While I'm on the topic of things of a woolly nature, we are seeing an increase in stock theft, particularly sheep and cattle, within the region. Just remember, as times get tough, some will be looking for an easy opportunity to be the hunter and gatherer of meat for their table.

But here are a few simple tips. Keep your fat stock away from the front paddocks and stock yards. If possible, stock these areas with your culls. Keep these things in mind and be alert to the possibility of stock theft happening in your area.

While on this subject, the rural police tell us that most roads in our district are seeing an increase in deer poaching. Once again, remember to make it as difficult as possible for poachers to gain access to your property and let your neighbours know if you see strange vehicles on the road at unusual times.

Moving on, the Wanganui province joined with Ruapehu to make a submission to the Ruapehu District Council on rural representation.

While we spent considerable time putting together this submission, we were not successful in changing the present rural representation.

We wish to thank all those who assisted with this submission. We can always fight another day by possibly appealing the decision before the Local Government Commission. We now have until mid-December to lodge our appeal.

With 2010 looming, our four provinces have been meeting with Fonterra and DairyNZ to look for a way to present our views to the One Plan hearing panel on its water quality and water take issues.

At this point in time, we are all on the same song sheet, albeit singing a slightly different tune in some sections, which is not unexpected due to the group's diverse interests.



Our provincial Christmas function will this year be held at the Pukeko's Nest Café, next to the Double S Motordrome, SH1 on Friday, 11 December, between 5 and 6pm. Your executive look forward to seeing you there.

2010 looks like it's shaping up to be another busy year for your executive, so if you have a few spare hours or a day every now and then, I am sure we could use your support when submitting to various regional and district councils.

Let's hope our weather continues to be settled, with good grass growth going into the summer, where we can enjoy our rural atmosphere as the end of 2009 seems to be oh so close.

**Brian Doughty - Wanganui
President**



WANGANUI FEDERATED FARMERS CHRISTMAS FUNCTION

Friday 11 December 2009

Pukeko's Nest Café

*next to the Double S Motordrome,
Great North Road, SH3*

START: arrive anytime between 5-6pm

COST: \$30pp Full Christmas Buffet

Sponsored Drinks

Your executive look forward
to seeing you there.



RVSP by Tuesday 8 December:

Brian Doughty,
phone: 06 342 1846

The futures looking brighter for dairying

The 2009/10 season opened with good news and bad news. The good news was a very good growing June, cold, but good. July and August were the same.



The bad news was the payout forecast at a miserable \$4.55 per kilogram of milksolids, closely followed in July and August by respective 16 percent and 3 percent drops in global trade prices.

Things were looking decidedly bleak with some experts forecasting an opening \$3.80 or so for the following year.

Speaking of which, had China not come into the world dairy markets like they did, we would have been looking at a figure with a three in front of it or thereabouts.

We now have a situation which is looking more like a repeat of 2007. If we do, I hope Fonterra has the intestinal fortitude to take money off the top and put it into reserves. Because from the low in August, we have seen something like an 85 percent increase

in powder prices, with butter and cheese (so far) lagging behind. Where this all might lead, with regard final payouts and prospects for next year, only time will tell.

The Fonterra Director elections are behind us. The incumbent John Wilson and Colin Armer have been re-elected, with Stuart Natrass replaced by Nicola Shadbolt. Nicola, a professor of agriculture science, lecturer at Massey University and dairy farmer above Ashhurst, is married to Shane - son of a well known Wanganui farming family. An excellent choice, Nicola will make a wonderful director.

Horizons Regional Council is continuing to make life difficult for food producers. Its latest foray into farming businesses is via their Farm Strategy. Meetings with them have been well attended. One thing puzzles me about these proposals. It is effectively a consent to farm, but I thought under the rules of the Resource Management Act, laws were supposed to include an economic justification. There does not seem to be anything like that in these proposals. These strategies have not yet been passed into law. If they are, it would make some farms unbankable, just as the Emission Trading Scheme would also do. But that is another story altogether.

Wishing you all the best for the festive season.

Tony Rogers - Wanganui Dairy Chairperson

Challenging times continue for meat and wool

I'm sick of writing reports about how much rubbish our industry is dealing with. Words like challenging or rough patch don't come close; it's definitely a situation requiring the effluent word. Sheep and beef farmers face an estimated \$18,000 loss this season. Last season provided the only decent burst of income this decade, which is not enough, resulting in a large chunk of our region's hill country being placed on the market. No cash flow and falling equity means the light at the end of the tunnel is a long way off and exceedingly small. For many, it seems to be a case of sell now and walk away with enough to buy a house and a few acres, or hang on for another year and risk ending up with bugger-all.

Shepherds and managers are leaving the industry and taking up different career paths. Lamb consumers in the UK are ageing and without serious marketing to educate the next generation, we will lose ground. The "No" vote to Meat & Wool NZ wool operations has meant total cost restructuring and millions pulled out of lamb marketing in the EU. We are surrounded by profit driven service industries that are taking us for a ride and attempts to sort out bits of it (e.g. MIAG) were kicked into touch. The Government talks about how we

will farm our way out of the recession but then trundles off to Auckland with the chequebook to build party central and more roads for city folk. Agriculture is continually beaten up over polluting our waterways, while local councils are still dumping raw sewerage without repercussions. Horizons is trying to force us into getting a permit to farm, world health organisations are going on about how eating meat will kill the planet for future generations, compliance costs are going through the roof and are often controlled by people with no hands on experience in agriculture and our currency fluctuations and, therefore, every exporters' income is totally in the hands of speculators.

We still are the best option to kick start the Kiwi economy and perhaps this dull patch is an opportunity to tidy up our industry. Investment in research and development gives a high return far better than a cycle track does.

It still seems wrong that the land of sheep, New Zealand, has lamb prices that are so high it keeps this quality meat off the average Kiwi's table. Instead, it's dodgy chicken and Aussie beef for dinner.

Federated Farmers is acting to bridge this divide but we have to continue informing

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Federated Farmers FARM DAY 2010

is set for
SUNDAY, 28 MARCH

Please mark this date in your diaries as we would appreciate members' support.



urban dwellers that the pain being felt in the hill country will spread throughout our already hurting society. It's time for all farmers to stop the us and them mentality and show that we are part of the solution. We need to tell our urban cousins about the small amount of the end value that farmers get and what we contribute to local economies.

Federated Farmers is campaigning to show the rest of New Zealand that we are all on the same road. With that in mind, I'm looking forward to Federated Farmers Farm Day on 28 March 2009 and urge every farmer to invite an urban friend along so they can see first hand how their food and fibre is produced.

Have a cracker festive season and I hope the big fat joker in the red suit fills your stockings.

Grant Deroles - Wanganui Meat & Fibre Chairperson