

NEWS FLASH TOO WIDE FOR THE ROAD

With the onset of the summer statutory holidays, farmers are reminded of the need to carry an over dimension extension certificate for any agricultural vehicle wider than 2.5meters. These restrictions apply to all agriculture vehicles and are particularly important over the Christmas/ New Year holiday period. If you don't have a certificate and your vehicle combination is over 2.5meters wide you can't use the road.

In addition there are future restrictions between 8am and 4pm on every Saturday and Sunday of the year.

Federated Farmers can issue these certificates at a cost of \$45 for all over dimension machinery on your farm. Ring Kevin Geddes, 0800 327 646.



DAIRY PRODUCTION

Is 10-12 percent behind what we would be normally expecting due to the province experiencing cold, wet weather. Flooding in late November in the Rai Valley and Pelorus areas has not helped.

Bruce Richmond, Marlborough Dairy Chairman

TOP OF THE SOUTH RURAL SUPPORT TRUST

The Trust contact person is Ian Blair, phone: 03 57 89 923. Ian is now talking drought/fire risk for some local areas. Marlborough Federated Farmers' representative on the Trust is Brian Powell, phone: 03 572 9511.

FARM DAY SUNDAY, 1 MARCH 2009



At Federated Farmers of New Zealand's National Council, meeting held in Wellington 18-19 November, all presidents unanimously endorsed a remit put forward by Wairarapa Province to simultaneously host a farm open day in all 24 provinces across New Zealand. This initiative was seen as a great way to encourage non-farming people to reconnect with their country friends. The 'Farm Day' will be held on the 1 March 2009; I would appreciate your support in helping to organise our event up here.

We will need to find a host farm and put together a small organising committee to help organise the event.

If you would be willing to host this event on your farm please let me know.

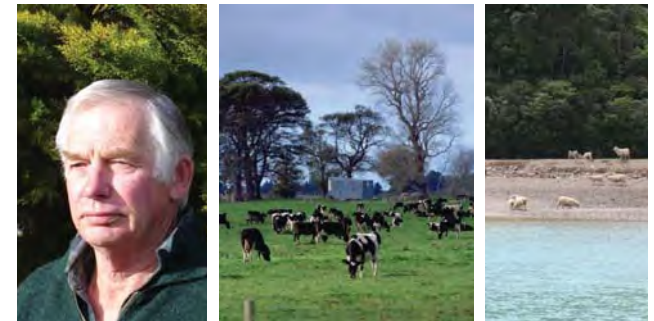
It would be great if all members can help out a bit. It should be a fun day out for everyone, town and country folk alike.

If you want to be involved in planning this event, please ring either Ali Undorf-lay, provincial support co-ordinator on 0800 327 646 or myself.

Geoff Evans
Marlborough Provincial President
Phone: 03 572 4809



CHRISTMAS 2008 NEWSLETTER



*Merry Christmas and
Happy New Year*

NZ GRASSLANDS CONFERENCE

One highlight of 2008 was the Grasslands conference which was attended by New Zealand wide representatives. Marlborough Federated Farmers was asked to help with on-site transport and I am pleased to report several members supported the event with their 4WD vehicles. Thanks to all who helped out on the day, conference organisers were very appreciative and have asked me to pass on their thanks.



POLITICAL SOAP BOX

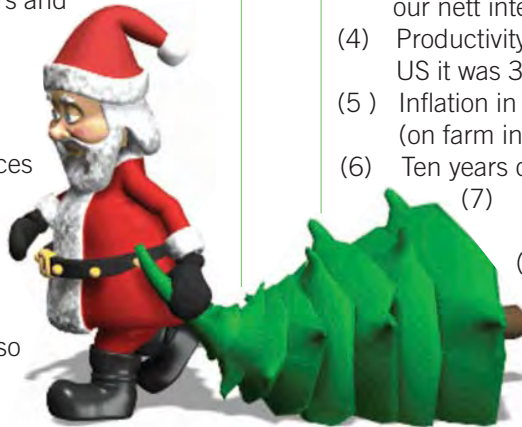
We also organised a meet the candidates meeting for rural Marlborough at Renwick on 30th October. This was a successful event with plenty of debate on some pretty diverse issues. Peter and Anne McPartlin kept political hopefuls on their toes.

The election has come and gone with huge changes in the political spectrum. We will have to wait and see what this will mean for farmers. It is imperative that the economy's turmoil is addressed as soon as possible. The re-election of Colin King is pleasing, as he has been a real supporter of Federated Farmers and all farmers.

ECONOMIC SOAP BOX

Our country's economic health is of huge concern to me. Commodity prices continue to drift down and in some cases have fallen faster than the exchange rate.

Wool is particularly vulnerable, but the trend for the meat schedule is also down. One example is a line of wool valued at \$50/kg four weeks ago fell



to \$15/kg in a couple of days. Farmers can not sustain these slumped prices.

The Reserve Bank has lowered interest rates, but I note that interest rate differentials with our trading partners have actually increased. This is because most of our trading partners have lowered their interest rates substantially more than we have (e.g. Australia).

The Reserve Bank of New Zealand is continuing to run a high interest/exchange rate policy to the detriment of farmers and all exporters.

In my view, the basic fundamentals of the New Zealand economy remain as:

- (1) New Zealand is one of the most indebted countries in the world with nett international liabilities of \$160 billion or about \$40,000 per man woman and child in this country.
- (2) New Zealand has one of the world's worst balance sheets on a GDP basis at 86.6 percent of GDP.
- (3) New Zealand has a huge current account deficit at 8.4 percent of GDP, which is continuing to add to our nett international debt (in the US 4.8 percent).
- (4) Productivity growth at zero in New Zealand (in the US it was 3 percent until recently).
- (5) Inflation in New Zealand is in excess of 5 percent (on farm inflation over 40 percent since 2001).
- (6) Ten years of fiscal deficits predicted.
- (7) Potential taxpayer liabilities of \$450 billion with the bank guarantee scheme.
- (8) Falling commodity prices.

The outgoing and incoming government have both moved to support business in the financial sector and announced

policy to support those displaced by the economic storm in the labour markets etc.

There has been no mention of farming in these new policies.

Some farmers are at real risk; they have large debt burdens caused by years of overvalued exchange rates/ high interest rates driving poor product prices and also on-farm inflation compounded by years of drought.

Commodity prices internationally are falling. The ANZ commodity price index fell 7.4 percent in October alone. International dairy prices are also falling. This has been masked by the exchange rate fall.

The new government has a huge job in front of it to revitalise the export sector.

Silver Fern Farms have announced that the PGGWrightson purchase of part of the Silver Fern Farms business will not take place. This leaves the way open for other strategies, such as the Mega- Merger, to take place.

It is a pity that Meat & Wool NZ's initiative to create a strategy for the industry came to nothing. Perhaps this could be revisited?

The loss of nine million sheep from the kill this year may hold on farm prices, but farmers must look further ahead to create a sustainable industry. Discussion and planning for the future of the industry must continue with even greater urgency.

There is merit in ignoring the negative issues and getting on with our lives.

Geoff Evans - Marlborough President

