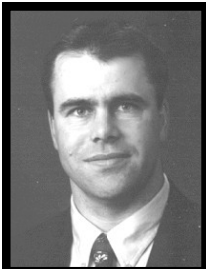


Manawatu/Rangitikei Federated Farmers NEWSLETTER



Dear Member

As this goes to press the southern and some eastern parts part of our province has just experienced the effects of extreme wind from a storm and I have attended a meeting at the Horowhenua District Council to see how we can be of assistance. Obviously these extreme events have a dramatic immediate effect as well as high level of stress that effects farmers and their families, we are fortunate to have the—

Rural Family Support Trust set up to help out, and people should be encouraged to seek their support.

Phone 0508 376 833 Or 06 329 6860

Our province needs congratulating for the commitment from our executive members who are making to the further good of Federated Farmers. Three local executive members have now stepped up to executive positions with in the National Body of Federated Farmers. Hew Dalrymple was voted on as National vice chairman of Grains and Seeds, Tony Gray also need congratulating for stepping up and being voted on to the National executive of Meat and Fibre, as does Andrew Hoggard now as National executive member for Dairy as well as his role as vice chairman for our province.

In our last Manawatu/Rangitikei executive meeting on the 19th July we discussed various different models for membership structures and prices. From this meeting we agreed that the strategy should be about gaining more Federated Farmers members, even if this meant paying slightly less per member on average. Rather than fewer members paying more and more, which becomes unsustainable. And we are happy to have retired members and smaller farmer members as long as they are clearly defined, with the encouragement to have the additional people in the business such as staff on as additional members at the much lower rate. And with a greater discount for prompt payment.

I presented this view at the National AGM in Christchurch which seems to have been positively received, and further refinement by email has hopefully got the new model to the point that it will be ready for our National body to vote on soon. My view is that it is further refining what we have got or had without radical change but better able to reflect our changing farm systems such as farm amalgamation. Let's hope that it gets accepted and then we can work further on other issue such as recruiting new members.

As we no longer have Field Officers your provincial executive is looking at initially taking a active role to re start recruiting new members, but we also need your help in that if you know a non member or someone able to help recruit members please forward the details onto Sue Wall in our Palmerston North office.

Phone Sue directly on 06 357 4026—0800 327 646

One Plan and Green Rig

As you should be aware the hearing of the submissions on the One Plan started on the 1st July and runs through until next year. We are working closely with the other three provinces in the Horizons region and plan to do further work with other submitters who have similar concerns as Federated Farmers. Julie Ireland is the policy analyst based in Palmerston North who has put in considerable input into the plan and may require further input from members to help in the process, such as telling how the proposed rules will affect your farm.

And we had a remit unanimously passed at the National Council meeting to give the board direction to continue giving funding and resources a high priority towards our opposition to parts of the Proposed One Plan, as the implications if this is not challenged will eventually affect all New Zealand farmers.

So far the continual trend of Horizons is to not give our concerns in the Proposed One Plan much consideration, and the most common word appearing from council staff to our submission and other similar ones is "Reject". An example of this is Horizons refusing to include economic considerations in their One Plan. On a positive note at least the three independent commissioners have been asking good questions at the hearings and have now demanded Horizons properly consider economic effects, which should have been included at the start with consultation.

As for the Green Rig which is Horizons environmental education truck, it also has been delivering a strong anti-farming message which is totally unbalanced. For further information I have written an article on this that should be in the August "Country Wide" paper.

National Office

I spent two and a half days last week in Wellington with six other new Provincial Presidents and industry chairmen. This gave me a good insight into what goes on down there and as I see it there is a good team working there on our behalf, and I meet our new CEO who is Conor English who seems to have good skills to lead the management of the Federation.

The signs of improvement in some of our product prices that have been very depressed are emerging as the reign of cheap food appears to be ending, obviously this is dramatically needed in the sheep and beef sector as well as structural change. With the dramatic rise in farm inputs such as fertiliser now would be a ideal time to evaluate the effectiveness of you fertiliser policy to get maximum efficiency from you nutrients as well as minimising fertiliser losses to the environment, that is for those still able to have fertilizer in their budget.

Our next executive meeting is being held on Thursday evening on the 21st August 2008 and we welcome input from members and anyone who wants to have a bit more involvement in our Province.

Gordon McKellar— President Phone 0800 673 337

Rural Family Support Trust

“Farmers helping Farmers”

Feeling under pressure with the ongoing
Wet/storm conditions?

Worried about your financial situation?

Concerned about a family member or
neighbour?

For advice and support please phone

0508 376 844
06 329 6860



A Successful AGM

Manawatu/Rangitikei FFNZ had a most
successful AGM held on the 8th May with about
90 people attending.

William McCormick US Ambassador was the
after dinner speaker

Many thanks to Hew & Celia Dalrymple for host-
ing the Ambassador and Executive the next day
for an enjoyable tour of 'Waitatapia Station'

We do thank the following
organisations who sponsored this event



PIONEER
BRAND • FORAGE PRODUCTS



Ravensdown Fertiliser
Co-operative Limited

100% owned by New Zealand farmers



Sponsored
Preparation of our 2007 Annual Accounts

Photo's taken at Annual General Meeting



Gordon McKellar and USA Ambassador William McCormick



Ruth Rainey retiring President



Kevin O'Connor and George Searle



Denis Hocking (Life Member) & Gordon McKellar

Meat and Fibre Report

As I sit down to write this report, the news has just come through that the Meat Industry Taskforce has been disbanded after PriceWaterhouseCoopers were unable to get the information that they required from meat companies to develop a strategy for the meat industry to go forward. What is it going to take for the industry to realise for their (and our) sustainable profitability there needs to be restructuring in the meat industry.

I have just spent 2 days in Christchurch at the Meat & Fibre Annual Conference where the meat industry was discussed/debated. The following are excerpts from the conference speakers

Haley Moynihan—Rabobank

- Traditional markets are almost saturated with respect to meat consumption
- Recognising competition as chicken and pork
- Organic chicken breasts with chips and baked beans' - healthy chicken with not so healthy chips and baked beans
- Quorm—microprotein grown in a lab that is widely recognized by consumers in the UK

Keith Woodford—Lincoln University

- Lamb prices are greater than most other meats
- overcapacity in meat processing clearly a problem
- Highly seasonal business
- Still reliant on one major market—the EU
- On the European quota—'no exporter can be responsible for more than 55% of quota trade'. How do the current suggestions of 80/20 fit into this? (80/20 is 80% meat marketed by one large merged company and 20% niche marketers)
- On the mega merger—'Where is the business case?' - seems to have been built on faith
- On co-op restructuring
 - Farmers need to thin off 'their co-op'
 - Seasonal supply contracts
 - Modern co-ops need structures rewarding shareholder suppliers
 - Significant shoulder/off peak premiums are needed to smooth the supply peaks that we currently have
- On new market development
 - Which parts of the world are the 'new wealthy' and this is where we should be targeting—Iran, Western China, Russian, India
 - Use of marketing alliances similar to NZ LambCo in the US

Simon Gatenby—CEO Taylor Preston

- 4.5—5% of total NZ exports
- No offices overseas as it is expensive, instead travels overseas to SIAL 7 ANUGA food fairs
- No contracts as farmers don't like them
- If needs more product then just puts up the price of procurement

Mike Petersen—(Chairman Meat & Wool New Zealand)

- Seasonal production is the problem for the profitability of meat companies
 - 70% lamb slaughter Dec-May
 - 64% beef slaughter Dec-May
- Lack of trust between farmers and Co-op
- The opportunities
 - Unprecedented demand
 - Food security is the new phenomenon
 - NZ is high quality—safe & natural products
 - Food is fashion
 - Currently about 25% of lamb kill is out of spec and meat companies struggle to sell it profitably
- The markets
 - Needs to be greater understanding of the - Consumer
 - Needs to be a culture of branding and marketing
 - Needs to develop non-traditional markets
 - Need to have co-operation not competition in the market place

John Perriam—(Wool Grower Holding)

Wool Grower Holdings is a grower owned co-operative that will own 60% of The New Wool Company and will be vertically integrated to market strong wool. Currently the remaining 40% of The New Wool Company is owned by PGG Wrightson who has agreed to sell down shares to other industry participants eg Elders Primary & Wool Services International. Supplier shareholders in Wool Grower Holdings will fund the new structures and currently looking at 33c/kg for 3 years to get a \$1/kg share. This will be finalized in the prospectus that will come out in due course. There is a mentor group of 10 that will keep Grower Holdings on track. Growers must take control of the product through to the international market place.

Mike Petersen—Chairman Meat & Wool NZ

The Commodities Levies Act (CLA) that enables M & W NZ to levy meat & wool farmers is voted on every 5 years as is the rate at which the levy is set. What activities do levy payers want to give M & W NZ the mandate to do? - market development for example.

John Greer—MAF Sustainable Land Management

- Focus is on the sustainability of hill country farming in particular by reducing erosion
- Slip scars take about 40 years to achieve about 80% production on those scars
- Solutions
 - De-water sub catchments
 - Root mass will stabilize hill sides `` (planting trees or poplar poles)
- Protection
 - Pasture to trees—poplar—carbon
 - Forestry—production forestry—reversion
- 80% of the sediment comes from 20% of the land

Continued.....



There is a new National Chairman of Meat & Fibre, Bruce Wills from Hawke's Bay with vice chairman Jeanette Maxwell (Canterbury) and the executive committee of Dugald McLean (Canterbury), Hamish Cave (Gisborne/Wairoa) and myself

There are a number of issues currently topical including meat and wool industry reform, M & WNZ and the Commodities Levies Act, National Animal ID and Traceability (NAIT) to name but a few. NAIT expects to launch the electronic identification scheme in 2009 and that it comes mandatory for cattle by 2011. All landowners with cattle and deer will be required to register their property, apply tags, replace lost tags, send information to NAIT, ensure any discrepancies with supplied data are resolved and continue to meet existing legislative requirement, like ASD forms for TB control. Submissions on the recently released Discussion Document close on August 1st and the Document can be sourced from Biosecurity NZ on (04) 894 0408.

There is still not much grass in the hills and the rest of winter and spring is going to be pretty tight feed wise as breeding stock will be under increased pressure. Talk to your vet about using long acting anthelmintics (injection/capsule) in multiple ewes and your animals (EH & 2th). On a positive note, it looks like lamb prices have turned a corner and we could be looking at another \$8-\$10 per lamb this season—not enough I know but better than nothing!

Here's to a good spring and positive actions coming out of our industry.

Tony Gray—Chairman, Phone 06 328 4575

Postscript:

Things have obviously moved along very quickly in the meat industry since I began this article.

Early last week came the announcement that PGG Wrightson plans to buy 50% of Silver Fern Farms (formerly PPCS) as long as they get the 75% backing of shareholders of SFF. The meat industry in general is low on capital, so an input of \$200 million into Silver Fern Farms by PGGW I think is worthwhile. Having said that, the devil is in the detail. I understand that this capital injection is not to cover debt but for hi-tech processing technology (use of robotics), market development, consumer analysis and also paying for the costs of 'right sizing' When I was down in Christchurch there was rumour of talks between PGGW and SFF, the other rumour being that Alliance are doing due diligence in CMP!!!

We will wait with interest to see how this develops.

Disclaimer

The information contained in this publication is of a general nature only. You should seek professional advice before taking any action in relation to matters dealt with in this publication



One Plan Update

Hearings of submissions on Horizons Regional Council's One Plan are only into the second month and already Horizons has asked for further section

32 analysis, which will enable the hearings panel to perform their statutory functions properly.

Federated Farmers is concerned that the Proposed One Plan creates an impression that many routine farm activities - such as track maintenance, clearance of vegetation re-growth, maintenance of riparian strips, soil cultivation and pasture renewal - are unsustainable and increase erosion.

Federated Farmers executive members fronted up at the Overall One Plan hearing and the Land hearings in Palmerston North and Ruapehu. Using economic information provided by the Meat and Wool NZ Economic Service, the executive emphasised the importance of the financial contribution of farming to the region. The economic and social risks of proposed rules that would lower the production capability of farms were highlighted.

The hearings panel accepted submissions about the need for a robust cost/benefit analysis in relation to water quality, water quantity and highly erodible land. Horizons and other parties have been asked to consult and agree on the appropriate matters to be dealt with the further section 32 analysis.

Federated Farmers sees this as a great win and is facilitating a meeting of agricultural industry parties to discuss what we consider needs to be dealt with in further section 32 analysis.

We hope that further section 32 analysis will highlight the importance of routine farm to the viability of farming operations.

While Federated Farmers supports, in principle, the voluntary farm plans concept, we have major reservations about the cost of each plan and the net benefit. Farmers want practical guidelines which give them a good steer rather than a costly academic plan. There is likely to be little farmer "buy in" to farm plans which could cost a lot more than the actual cost of erosion prevention work.

Next hearing infrastructure, energy and waste on the 29th of August.

Julie Ireland—Policy Analyst

Employment Seminars

Mark your diary now!!

15th October 2008, 2.30pm
RSA, 200 Broadway Ave
Palmerston North

16th October 2008, 10.00am
RSA, 170 St Hill Street, Wanganui

For more information or to register
Phone 0800 327 646



Dairy Section Report

Andrew Hoggard Chairman

Phone 06 328 9677



I hope winter is treating everyone well, and everyone is all prepared for the upcoming rush. The Dairy Section recently held its national AGM in Christchurch. I will take this opportunity to give you a summary of it.

Elections: After having served his three years Frank Brenmuhl has stepped down as Chairman, and Lachlan McKenzie has stepped up from Vice-Chair. Lachlan is from the Rotorua area, and has a very sound understanding of issues around water quality. Willy Leferink from Mid-Canterbury continues as vice chair he was elected unopposed, John Bluett from the Waikato stepped up from being an Exec member to the other Vice-Chair position also unopposed. The only election we had was for the two Exec member positions, which was contested by Robin Barkla from BOP, Rod Pemberton from Southland, and myself from here obviously. Robin Barkla and yours truly were successful, but my finger nails are considerably shorter now.

Lachlan McKenzie FAME course: Lachlan gave a presentation on the recent FAME course he went on, which is basically a round the world trip looking at agribusinesses. The key points he made about that trip was that, China has huge potential and also huge risk if you don't play your cards right, for the market we need to ensure that our Food Safety is up to scratch, and also you need to have a good story behind your products.

Ravensdown; Resource shortage: We had an interesting presentation from Ravensdown on the causes between shortages and thus high prices for fertiliser. Basically N is of course tied to the price of oil, as it is a petrochemical by-product. P is short due to an increase in demand from China, but also from reductions in capacity (manufacturing plants/mining operations etc) over the past few years, it will take a few years to rebuild that capacity, there is still more than enough phosphate rock in the ground though for the next couple of hundred years. K is pretty much controlled by a joint Russian/Canadian cartel, and they are screwing us for all its worth basically. The only good news is that S should become cheaper very soon.

Sharemilking Contracts: Penny Mudford gave a presentation on how the new Sharemilking Contracts are working two years on, and outlined the changes that were made. By all appearances sounds like everything is working fine now.

Staffing on Farm: We had presentations from Willy Leferink, Immigration NZ, and Geoff Taylor from DairyNZ. Discussion was around staff shortages and solutions. Most of the shortages are in the areas of basic farm workers and assistant managers according to DairyNZ.. Obviously immigration from places like the Philippines can help, but given the trends and numbers required the real solution lies in increasing the retention rate of staff, if we cut down the figures of people who leave the industry for good, then it makes a huge impact.

Rick Pridmore: He is the new leader of DairyNZ's sustainability programme, talked about the direction that they will be going with that. The need to make information more readily available and accessible to farmers. Also the need to correct public misperceptions and for the industry to improve its PR efforts, as well as also improving what goes on at farm level.

Dairy Industry Guidelines for Developing RMA policy: This document was launched at the conference. It is to put it basically a tool for analyzing council policy's, for any of you who are doing Oral submissions for the One Plan, I would suggest you get yourself a copy (from DairyNZ), it will be a very useful tool for you to use in making a strong intelligent submission.

Dairy Industry Restructuring Act: Peter Fraser from MAF give pretty much the same presentation that he gave to our province. Described the new auction system under which Fonterra will supply milk to competitors in compliance with the act. The new system in my mind seems a sensible way to go and hopefully will eliminate the "cheap" milk Fonterra has been selling to competitors. Assuming the Minister agrees with the proposal.

Chris Knowles: Chris is the CEO of Foodstuffs (South Island) which is a co-op if you weren't aware. He talked around how foodstuffs manage redemption risk amongst its members. They have a whole heap of share classes and also various entry rules. His suggestion for Fonterra was to have a system similar to there's where each year one fifth of your shareholding turns over. So for someone entering the co-op who is say producing 100,000kgMS, in year 1 they buy shares for 20,000kgMS, and if that production never changes then each year for the next four years they buy another 20,000kgMS of shares, after year 5 assuming production never changes there would only be a paper transaction where they get paid for 20,000 shares and then buy back 20,000 shares. If they leave however, then they only get 20,000 shares a year for 5 years. An idea with merit if we were setting up Fonterra, but how would you make it work when we all already have our shares? And I'm not sure how that would work with the FVS.

Les Keeper: Les is a Nuffield Scholar from last year, he spoke on his thoughts around Fonterra and its direction. To be concise he wasn't happy, he felt that too much attention was being given towards the Australian consumer market, and not enough to the International Ingredients market. He was also of the opinion that some heads should roll.

Gary Romano – Gary is Fonterra's head of manufacturing, he talked around happenings at the factory level. He also got to debate a bit with Les Keeper, hard to say who the winner was, but Gary did have the better sense of humour.

Remits – Perhaps the main two remits that are worth mentioning where around DairyNZ. First one was that it should be adopted into the constitution that all appointed directors be ratified at the DairyNZ AGM. To ensure that shareholders have some call over the board if they feel the board isn't appointing suitably qualified independent directors. Second remit was that all people standing for election to the DairyNZ Board should get access to the same level of contact details for voters. You will recall there was a bit of a stink at the last Dexcel election over whether sitting directors were getting more info than challenging candidates.

And that was the Conference.

NATIONAL EXECUTIVE

A Strategy Meeting was held to work out our goals for the next three years. We have 4 key areas we are going to work on those being - improving the public perception of dairy farming, issues around the Environment, Animal welfare, and relationships with other key stakeholders. The key area of concern is countering the whole dirty dairy image with the expectation being that in the run up to this election, certain political parties (well party) is going to make a beat up of the dirty dairy campaign and the whole Greenhouse gas/climate warming as it relates to Agriculture. So the question is how we deal with this. Well the belief is we refute the nonsense, and we accentuate the positive and most importantly we don't get into a debate with them, as that just gives them air time.

NAIT

Or more commonly known as National Animal Identification and Traceability. I am perhaps not as excited on this subject as others in the federation.

As dairy farmers what will this mean for us, firstly you will replace the brass secondary tag with an EID tag. Secondly all the data you currently send to LIC via MINDA or to Ambreed through their herd recording system, get shared with the National database. If you own your own truck and shift your own stock more than 10km, or to someone else is property, you will need to buy a scanner. The only extra data entry you will be required to do is recording stock movements to other properties, which should be able to be done through MINDA in the future. So what are the costs – for many the only direct cost will be the price difference between a brass tag and an EID tag. Potentially in the future the EID tag will also make the barcode tag redundant. The only other direct cost is a scanner if you have your own truck.

Indirect costs – Will LIC increase fees to compensate for having to on send our data??

Will trucking companies charge us more because they have to purchase scanners for their trucks? Though scanners should help them with sorting stock off trucks and maybe bring them some time savings so hopefully not.

Will there be some ongoing costs around administration of this database that farmers will have to pay?

On farm benefits – despite what the document says, there are none. The document quotes the benefits from full cowshed automation, of which the tags are only a small part. The tags on their own deliver no on farm benefit. The full automation certainly delivers large benefits depending on your current farm infrastructure and efficiencies, but that is a separate business decision for farmers.

So why the push to adopt this system - quite simply Biosecurity. The fake foot and mouth outbreak on Waiheke Island two years ago apparently revealed large holes in our ability to contain an outbreak. The longer it takes to contain an outbreak the more stock that gets destroyed, the longer it takes for us to get back in the marketplace.

Other reasons are given around food safety and market access but mainly those issues relate back to biosecurity and containing a disease outbreak.

This system will deliver some efficiency benefits to the processors, so the question will be do those benefits get passed back to the Farmer?

So what I'm looking at is – are those biosecurity risks real? And how large? If they are real and they are large, then they definitely outweigh the on farm cost I have identified, then will those indirect costs be also outweighed or will officials go silly.

To me that is the question we need to be asking and then making a decision flowing on from that.

STORM EFFECTS

At the time of writing this report many in the Horowhenua find themselves without power. We are liaising with others to try to assist those in need. Obviously generators are a big requirement for those dairy farms that have been left without power in this most critical time of year.

I believe all of you who don't currently own a generator should really consider buying one. Lets face it farms will be the last ones to have their power turned back on after a disaster. We purchased a generator back in 1999 to be on the safe side for Y2K (along with some canned food and a heap of ammo). But we soon found it invaluable with constant blackouts due to shoddy maintenance of the lines, and then in February 2004 it was a godsend. We would use it at least 10 times a year on average to run the shed.

At least have your shed switchboard correctly wired so that a generator can be plugged in safely, so that power doesn't flow back down the lines to linesman or damage borrowed generators. Maybe go halves on one with a neighbour.

But for now I am sure that there will be requests go out for help. Those of you that can help I would urge you to do so.

Call for leaders

Federated Farmers runs two leadership courses for up-and-coming farming leaders. The programme is important to the Federation's succession planning. Programmes are highly interactive, delivering information using practical methods and workshops to suit hands-on types. The two courses promote both leadership and team building.

If you think that you can make a difference with some polished leadership skills give your President Gordon McKellar a call 0800 673 337 to discuss attending a course

**2008 course dates:
Getting Your Feet Wet
26-27 November 2008**

**Advances Leadership Skills
3-4 December 2008**



Here is an extract from World Perspectives Inc Monday 4 August Agricultural report:

“Chicago Mercantile Exchange Monday 4th August comment Mike Krueger, WPI

GET ME OUT!! That was the message shouted across the commodity markets again today. The selling was widespread and heavy. Virtually every commodity was under selling pressure, including all of the grains, gold, silver, coffee, orange juice, rice, coffee, etc. Crude oil started the day slightly lower than eventually traded down more than US\$4.00 a barrel.”

However WPI also reports that:

Crop development in the United States is well behind normal in the central and northern corn belt and will need a frost free September and maybe even in to October for these acres to mature. Some agronomists are still saying the national average corn yield will have trouble exceeding 145 bushels per acre (USDA estimates are for 148-150 bushels/acre)

With corn prices having come off their highs at CME by over \$2.00 a bushel it is likely that U.S. producers will store as much crop as they can. There is more the available farm storage space in the U.S. than there has been in decades. With ending supplies of virtually every commodity at or near record **small** levels then US producers will be counting on a rebound in prices in the months after harvest.

The following tables summarize the estimates for US soy & corn crops and show the very low ending stocks forecast. The increased acres planted over the last couple of years have been taken out of hay & pasture land. There is not much scope to carry on increasing crop areas.

US Corn Supply & Demand Outlook				
	2006/07 USDA	2007/08 USDA	2008/09 USDA	2009/10 WPI
Planted m acres	78.3	93.6	87.3	91
Harvested	70.6	86.5	78.9	81.7
Yeild bushels/acre	149.1	151	148.4	153
Production m bushels	10535	13074	11715	12500
Opening Stocks	1967	1304	1598	833
Total Supply	12514	14393	13328	13333
Feed/Residual	5598	6050	5200	5200
Ethanol	2117	2950	3950	3800
Exports	2125	2450	2000	2100
Total Use/Demand	11210	12795	12495	12500
Ending Stocks	1304	1598	833	800

US Soybean Supply & Demand Outlook			
	2007/08 USDA	2008/09 USDA	2009/10 WPI
Planted m acres	63.6	74.5	75
Harvested	62.8	72.1	72.3
Yield bushels/acre	41.2	41.6	42
Production m bushels	2585	3000	3035
Opening Stocks	574	125	140
Total Supply	3169	3135	3175
Crush Demand	1840	1830	1850
Exports	1145	1000	1050
Seed/Residual Use	65	176	150
Total Use/Demand	3044	2996	3050
Ending Stocks	125	140	125

Yields of wheat from the Eastern European countries being harvested now are generally very good, well ahead of forecasts, although milling wheat quality in the Ukraine is poor with only 25-30% being of sufficient quality for milling. Prices in East Europe have been falling for some time. However it needs to be remembered that World grain Supply and Demand is in balance with demand still growing. Inventories are not predicted to increase significantly anytime soon. It is likely that while the markets are taking a breather now, that prices will start to increase again

Indicative Grain Prices Facing Pig Producers in Manawatu July 2008

Grain Type price \$/T

Barley 510 - 570

Maize 510 - 580

Wheat 540 - 580

The Malting Coy, ADM, has announced its initial contract price at \$510/Tonne for malting barley at 14% moisture. The contract closed at end July but ADM will announce further prices for additional contracts as the months progress. These prices may vary from the initial offering.

Indicative Maize Silage Prices being discussed at the moment range from 28c/kg DM to 32c/kg DM with some contracts having been signed already in this price range.

It is likely that these sort of price levels will underpin the grains market so feed wheat & maize grain should be priced at similar levels. Note that importers will find it difficult to import feed wheat or maize at less than \$500/T

Dried Distillers Grain a byproduct from the corn ethanol process is now being imported into New Zealand. It is relatively high in protein and will be priced somewhere in the \$450 to \$500/T range landed in NZ.

Deer Report – Mike Holdaway

The deer industry is in a pretty buoyant mood at the moment with most indicators looking positive and good prices for the next few years looking like a real possibility.

The N.I. average for venison this week is \$8.10, up from \$5.07 a year ago. Demand is strong for all red meats at the moment and venison is riding that wave to some degree but low numbers and strong promotion over the last few years is also playing it's part. The Euro going from .55 a year ago to .46 now is not hurting either.

The kill has actually been higher than expected up until a few weeks ago but that is probably due to people still getting out of the industry because of the high prices allowing them to get their capital out, the change to dairy in the S.I. and the very high number of dries nation wide due to last summer's drought. The kill for the last year is around 600k. but projections are for it to be down to around 450k. next year. This will probably go even lower the following year due to herds rebuilding and the poor conceptions this year.

Lower kill numbers should mean strong prices back to the producer but big drops in production are very disruptive to the market and in the longer term do us more harm than good. At the moment indicators from the market are that the present price could be maintained with a 700k. kill, which is what we recently had, so to go down to 450k will cause some real marketing challenges. Product is moving away from the German game trade which is certainly the way to go as we sure don't want loose those hard won new markets that have been established over the last couple of years.

Velvet is not looking so bright. A depressed Korean economy and stocks held over from last year are making life difficult for velvet sellers. Stag numbers haven't dropped much this year so production will probably be over 450 tonnes which while not high is still a lot with current market conditions. With high venison and low velvet prices one would expect quite a number of stags to find their way to German dinner tables in the next year.

On farm has been tough as with all the sectors. Deer can take a certain amount of under feeding but if it's during summer they tend to not get pregnant and if it's during prolonged bad weather they tend to die. With the drought last summer and the poor autumn we had up in the hills the winter has been a real test. With spring just around the corner and good prices looking likely it's not too hard to remain positive. Eight weeks from now no grass and lots of mud will just be a memory.



Well done CHORUS

After 2004 the issue of generators being used to power up flat batteries in Telecom boxes was a point of lobbying by Manawatu Rangitikei FFNZ. It is great to now see this lobbying coming to fruition.

CHORUS (ex Telecom) has installed external power plugs at 53 rural cabinet sites in the Taranaki/ Wanganui, Manawatu. Wairapa and Hawkes Bay regions. The installation of these plugs will allow portable generators to be attached when the power is off for long lengths of time.

It is envisaged that a local farmer could plug his own generator in to one of these sockets if road access is blocked and CHORUS staff can't get to the site.

The sites we chose to fit with plugs in this initial project are key sites for groups of communities and in most cases they are repeater radios. (CMAR)

This is an on going project and more sites will be fitted with an external power plugs

The sites that are fitted with these plugs.

BAU	Black Hill Taihape East
BHI	Bald Hill rd Moawhango Rangitikei District.
EGP	Ridge Pohonui-Porewa Rangitikei District
TKS	Wanganui Valley Rd Fordell Kakatahi Wanganui District
TUR	Mangahowai Rd Fordell- Kakatahi Wanganui District
FAS	The Falls Waitotara Valley
AP	Oroua Valley Rd Pohangina Manawatu District
KIM	Peep-a-day Kimbolten SMA
RGW	Rangiwhahia radio



Don Scott Agricultural Education Trust

Scholarships awarded each year for students residing in the Manawatu/Wanganui Regions

Please phone the Office for more information
Phone 06 3574026

FMG Insurance

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