



MARKET REPORT

Key Points

Census data confirms the falling national flock

Cattle kill space getting mildly easier to find

Dairy production and exports up in April

Good-quality wools sought after



WHOLE MILK POWDER
VS. MONTH AGO
(US\$/TONNE)
3300



NZ P2 STEER
(\$/KG)
5.88



NZ LAMB SCHEDULE
(\$/KG)
7.58



NZ DOLLAR
(US/\$)
0.619

LAMB

Census data confirms the falling national flock



Reece Brick

Results from last year's agricultural census have been released. Nationally, the number of ewes mated (2-tooth and over) fell for the sixteenth consecutive year to 15.5 million as of June 2022, down another 2.3 million or 13% since the previous census in 2017. The national breeding flock peaked in 1982-1984 at 50.8-51.2 million.

More hoggets mated and improvements in fertility meant the number of lambs docked in spring 2021 wasn't back quite as harshly, down 9% or 2.2 million over those five years.

The number of lambs docked in the North Island fell 7% or 802,000 from the 2017 census to 10.4 million. Though only 1.8 million of these were in the Northland/Auckland/Waikato/BoP regions.

Lamb tallies in the South Island were down 11% or 1.39 million head versus five years earlier to 10.6 million.

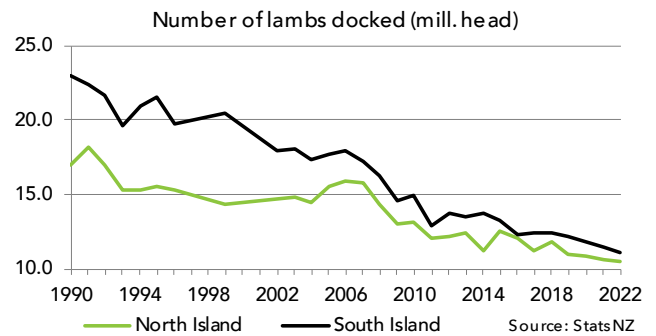
The number of non-mated lambs carried into winter rose 279,000 or 4% versus five years earlier. Therefore 33% of the lambs remained on-farm for finishing going into winter, having never fallen outside of 26-30% in the 20 years prior.

high lights

Ewe flock down 13% in five years

Number of lambs docked down 9% in five years

A third of the lambs docked carried into winter for finishing



BEEF

Kill space getting mildly easier to find



Hayley O'Driscoll

Cattle backlogs continued in the North Island last week with up to a month's wait for prime at some plants. Processors are getting through the cows now though.

Northland and Hawkes Bay seemed to miss the large rain tallies lately, but all other regions are now very wet underfoot. This weather has brought more cattle out of the woodwork, particularly in Bay of Plenty and Taranaki. Some farmers that had been holding back cattle because they had a lot of grass are now choosing to offload. But slaughter prices have remained largely steady.

These wet conditions have pushed some more cattle onto the store market too and has prompted some buyers to pause for now. Adding to this is long wait times for cattle processing space, limiting buyers looking for replacements. This put downward pressure on prices for some classes last week.

Upwards pressure persists on South Island slaughter prices owing to the early appearance of kill shortages this year. Though the move to colder temperatures has pulled a few extra bookings forward lately.

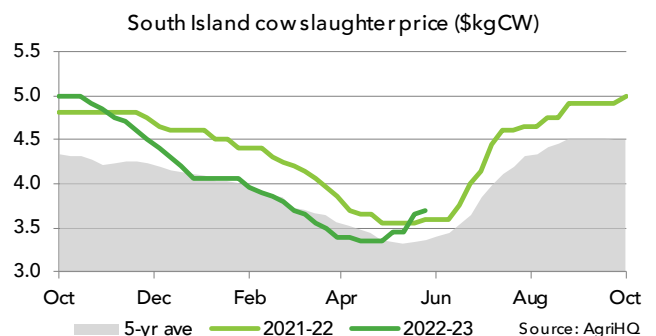
The store market in the South Island remains sound, if anything tracking upwards a little.

high lights

Big backlogs remain for export prime in the North Island

Cow bookings slowing

Supply shortages in the South Island persist



DAIRY

Production and exports up in April



Alex Winning

NZ April milk production increased 7.3% on a milk solids basis, at 154,060,000kgMS. On a tonnage basis, production increased 6.7%, with 1,526,000 mt produced. Season to date production decline has shortened to 0.2% on a kgMS basis, equivalent to 1,772,326kgMS and 0.8% on a tonnage basis.

New Zealand's April total dairy export volumes increased 27% YoY, up 4% YTD. From a value perspective, exports increased 14% YoY. Whole milk

powder, skim milk powder, anhydrous milkfat, butter, cheese, and infant formula all increased, up 35%, 75%, 23%, 40%, 25%, 49% YoY respectively. Whey declined 2% YoY.

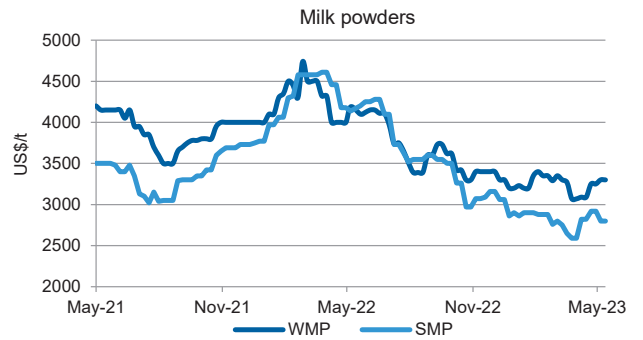
Fonterra reported Q3 earnings, with a profit after tax of \$1326 million, equivalent to 81 cents per share. Normalised earnings lifted to 65 - 80 cents per share. The Co-op is also brought forward the payment date of its proposed capital return of 50 cents/share and unit to August 2023.



Milk production up 7.3% in April

April exports up 27% y-o-y

Fonterra Q3 earnings worth 81c/share



WOOL

Good-quality wools sought after



Reece Brick

There's some positive news to report on wool. Auctions in both Islands have reported a meaningful increase in prices across the majority of the offerings in the past month. Though poorer-type wools, especially lamb's wool and oddments, have remained hard selling. The mid-micron market has been hard going too.

The improvement in the quality of wools coming forward has been a major driver, especially around colouring. This has been partly caused by growth in the amount of second-shear wool entering the market, as per usual for this time of the year.

It's thought that wool buyers have needed to replace bales ruined by flooding during Cyclone Gabrielle too, and the need to fulfil orders short-term has been part of the reason for the lift in the South Island specifically. India and Europe have been the more active markets lately, followed by China and local mills.

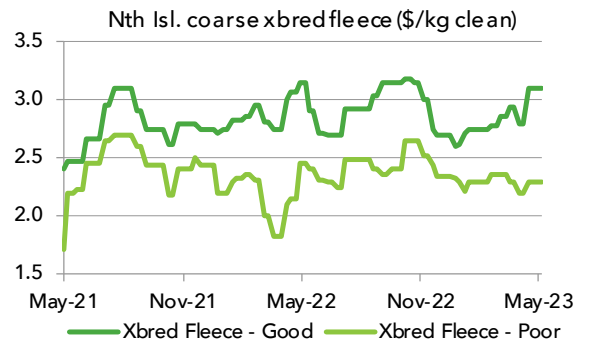
Clearance rates had improved significantly earlier in the month, but that reversed last week in the South Island, mainly on mid-micron and lambs wools. Considering the volume of mid-micron wool available usually grows from this point forward, there are concerns about how the coming weeks will pan out.



Well-presented coarse bales finding solid demand

Poorer lambs wool remains a battle

Mid-micron demand going forward a concern

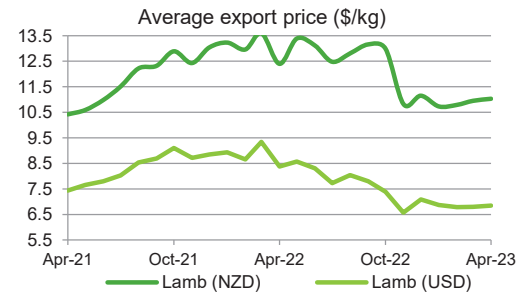


FINANCIAL MARKETS

Currency	LW	2WA	6M	LY	Yr %	Finance	TW	2WA	6M	LY	Yr %
NZD:USD	0.619	0.624	0.618	0.647	-4%	OCR	5.50	5.25	4.25	2.00	
NZD:AUD	0.939	0.937	0.925	0.912	+3%	90 Day Bill	5.69	5.80	4.40	2.42	+135%
NZD:EUR	0.574	0.575	0.598	0.605	-5%	2-yr Swap	5.26	5.49	5.23	3.80	+38%
NZD:GBP	0.499	0.500	0.517	0.514	-3%	5-yr Swap	4.58	4.61	4.63	3.74	+22%
AUD:USD	0.652	0.664	0.673	0.711	-8%	CPI	6.70	6.70	7.20	6.90	
EUR:USD	1.074	1.081	1.039	1.107	-3%	PPI	4.70	4.70	8.00	9.70	

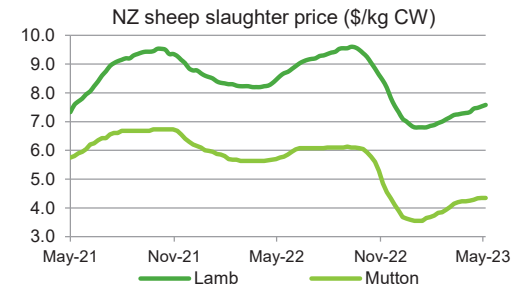
RED MEAT OVERSEAS PRICES

Beef	In-market				NZ\$/kg			
	LW	LM	LY	Yr %	LW	LM	LY	Yr %
US Imp. 95CL (US\$/lb)	2.75	2.85	2.96	-7%	9.80	10.23	10.09	-3%
US Imp. 90CL (US\$/lb)	2.35	2.50	2.82	-17%	8.38	8.97	9.61	-13%
US Dom. 90CL (US\$/lb)	2.81	2.79	2.75	+2%	10.02	10.00	9.36	+7%
US Dom. 50CL (US\$/lb)	1.81	1.92	1.05	+72%	6.46	6.89	3.59	+80%
Lamb	LW	LM	LY	Yr %	LW	LM	LY	Yr %
UK CKT Leg (GBP/kg)	4.80	5.00	6.55	-27%	9.62	10.14	12.73	-24%
EU ABO Leg (EUR/kg)	6.90	6.90	9.00	-23%	12.02	12.36	14.87	-19%
US Fr. Rack (USD/lb)	12.00	11.75	12.40	-3%	42.77	42.16	42.27	+1%
EU Fr. Rack (EUR/kg)	24.00	24.00	23.00	+4%	41.81	43.00	38.00	+10%
Five-Rib FQ (USD/kg)	5.00	5.10	6.30	-21%	8.08	8.30	9.74	-17%
Flaps (USD/kg)	6.90	7.25	8.55	-19%	11.16	11.80	13.22	-16%



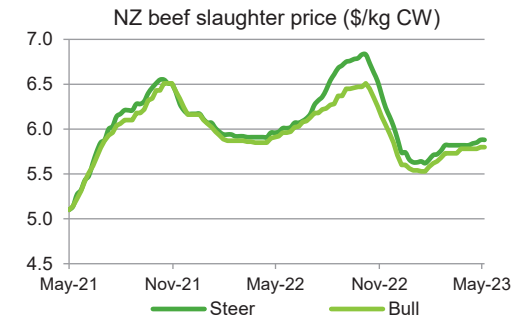
RED MEAT SLAUGHTER PRICES

Beef \$/kgCW	North Island			South Island			New Zealand			
	LW	LM	LY	LW	LM	LY	LW	LM	LY	Yr %
M2 Bull	5.90	5.90	5.95	5.40	5.30	5.80	5.80	5.78	5.92	-2%
P2 Steer	6.00	6.00	6.00	5.60	5.40	5.90	5.88	5.82	5.97	-2%
M Cow	3.75	3.80	3.80	3.70	3.35	3.60	3.73	3.64	3.73	+0%
Local Trade	5.85	5.90	5.80	5.60	5.40	5.90	5.78	5.75	5.83	-1%
Sheep \$/kgCW	LW	LM	LY	LW	LM	LY	LW	LM	LY	Yr %
Lamb	7.55	7.35	8.55	7.60	7.30	8.60	7.58	7.33	8.58	-12%
Mutton	4.30	4.25	5.85	4.40	4.25	5.65	4.35	4.25	5.75	-24%
Deer \$/kgCW	LW	LM	LY	LW	LM	LY	LW	LM	LY	Yr %
AP Stag	8.85	8.85	7.95	8.85	8.85	8.00	8.85	8.85	7.99	+11%



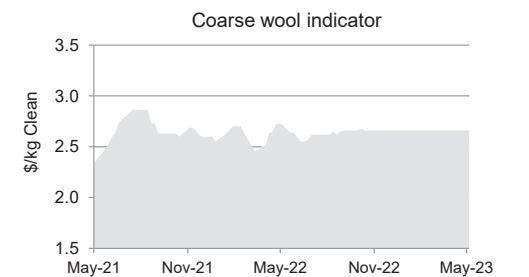
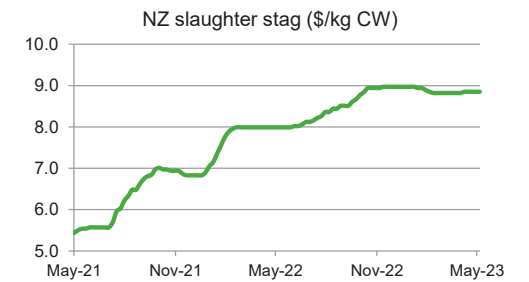
RED MEAT STORE STOCK PRICES

Beef \$/kgLW	Wgt	North Island				South Island				
		LW	LM	LY	Yr %	LW	LM	LY	Yr %	
Wnr Fr Bull	200kg	3.95	3.90	3.30	+20%	200kg	3.60	3.60	2.70	+33%
Wnr Steer	270kg	4.00	4.00	3.70	+8%	250kg	3.85	3.80	3.65	+5%
Wnr Heifer	250kg	3.35	3.30	3.00	+12%	220kg	3.35	3.25	3.00	+12%
R2yr Fr Bull	470kg	3.10	3.10	3.00	+3%	420kg	3.00	2.95	2.55	+18%
R2yr Steer	470kg	3.30	3.35	3.05	+8%	420kg	3.30	3.30	3.05	+8%
R2yr Heifer	420kg	3.00	3.05	2.85	+5%	400kg	3.05	3.00	2.75	+11%
Lamb \$/kgLW	Wgt	LW	LM	LY	Yr %	Wgt	LW	LM	LY	Yr %
Male Lamb	40kg	3.70	3.70	4.05	-9%	35kg	3.80	3.80	4.10	-7%
Ewe Lamb	35kg	3.65	3.70	4.05	-10%	32kg	3.90	3.80	4.00	-3%



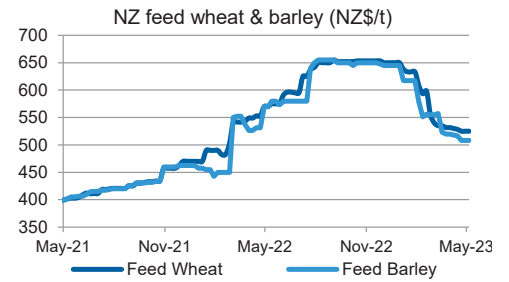
WOOL AUCTION PRICES

	Auction price (NZ\$/kg Clean)				US\$/kg			
	LW	LM	LY	Yr %	LW	LM	LY	Yr %
Merino (18m)	19.50	19.50	21.70	-10%	12.06	11.98	14.03	-14%
Mid-micron (28m)	3.90	3.90	4.58	-15%	2.41	2.40	2.96	-19%
Lamb (29m)	-	-	-	-	-	-	-	-
Lamb (30m)	-	-	-	-	-	-	-	-
Coarse (35m)	2.60	2.60	2.65	-2%	1.61	1.60	1.71	-6%
Coarse (37m)	3.56	3.15	3.08	+16%	2.20	1.94	1.99	+11%
Coarse (39m)	2.50	2.50	2.65	-6%	1.55	1.54	1.71	-9%



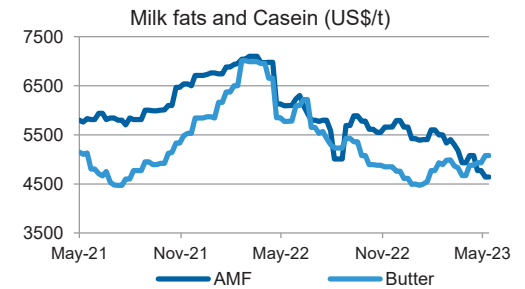
▶ NZX GRAIN PRICES

	US\$/bushel				NZ\$/tonne			
	LW	LM	LY	Yr %	LW	LM	LY	Yr %
NZ milling wheat					555	560	622	-11%
NZ feed wheat					525	530	570	-8%
NZ feed barley					508	518	570	-11%
CME corn nrst	571	641	786	-27%	363	411	479	-24%
CME wheat nrst	606	627	1190	-49%	360	375	676	-47%



▶ NZX DAIRY COMMODITY PRICES

	US\$/tonne					NZ\$/tonne				
	LW	LM	6MA	LY	Yr %	LW	LM	6MA	LY	Yr %
AMF	4640	5080	5500	6090	-24%	7500	8270	8880	9420	-20%
Butter	5080	4880	4890	5770	-12%	8210	7940	7890	8920	-8%
Casein	8350	10160	11980	14870	-44%	13500	16540	19340	22990	-41%
Cheddar	4450	4530	5010	5800	-23%	7190	7370	8090	8970	-20%
SMP	2800	2820	2880	4140	-32%	4530	4590	4650	6400	-29%
WMP	3300	3090	3350	4190	-21%	5340	5030	5410	6480	-18%
GDT TWI	1011	996	1095	1340	-25%					



▶ NZX DAIRY FUTURES PRICES

	US\$/tonne (NZ\$/kgMS for milk)				
	LW	LM	6MA	LY	Yr %
AMF nrst	4920	4850	5650	5800	-15%
Butter nrst	5150	4730	4960	5600	-8%
SMP nrst	2840	2810	3100	4150	-32%
WMP nrst	3240	3165	3330	4125	-21%
Milk (nrst)	8.23	8.27	8.92	9.36	-12%
Milk (2nd nrst)	8.25	8.25	9.10	9.80	-16%



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