

How good was 2011 for you?

THERE'S BEEN a lot of talk about 2011 being the near-perfect year for New Zealand's farmers.

There is little doubt our key export markets – growing nations with expanding middle classes hungry for our produce – tightening supplies and even the weather gods all



COMMENT
DAVID ANDERSON

smiled upon the agricultural sector – making 2011

There is little doubt the dairy sector went from strength to strength during 2011. Fonterra's record payout of \$8.25/kgMS was more or less mirrored by the smaller dairy companies and sent total revenue for the sector north of \$20 billion.

a year most farmers will look back on with a smile. Dairy's good run con-

tinued as the payout rose by \$1.30 during the season, ending up at \$8.25 – the

highest in Fonterra's 10-year history. Red meat producers

also made good money with the ambitious \$150 a lamb – demanded by Federated Farmers a few years back – becoming a reality for many in 2011.

Rising returns also spilled over into beef and deer farming. Beef prices were up on a year ago and the venison price at about \$9/kg for a 55-60kg stag was a healthy increase on the five-year average of \$7.39/kg.

Meanwhile, the strong wool sector – pretty much flat-lining for the past decade or so – saw prices hit about \$5.50/kg during 2011, well up on previous years.

However, 2011 was not all nirvana for the agricultural sector, as many excitable and ill-informed

of Kiwi apples to be given clearance to enter the lucky country.

Kiwifruit's on-going annus horribilis, as the devastating Psa disease all but wipes out the once profitable gold variety, goes on. Almost 1000 – or about 30% of kiwifruit orchards – have now been impacted by disease.

MAF predicts the loss of vines could take production of gold kiwifruit from about 30 million trays in the 2011/12 season down to as low as 10 million trays in the 2012/13 season.

Strong wool's performance may have been good during 2011, but it was off a terribly uneconomical low base. Meanwhile, nothing has changed in the sector's

FONTERRA FARMER BUSINESS UPDATE MEETINGS 30 January - 03 February 2012



Next week Fonterra is holding a round of 50 business update meetings across the country for the Co-operative's 10,500 farmers. The meetings will provide an update on Trading Among Farmers, the market and general business. The meetings are open to all Fonterra farmers, so if that's you, check out the schedule below to see whether the meetings are being held in your area and get along.

| LOCATION | DATE | TIME | VENUE |
|------------------------------------------------|-----------------------|---------|--------------------------------------------------------------------------------------------|
| Northland | | | |
| Kaitia | Tuesday 31 January | 11.00am | Northerner Motor Inn, Corner North Road & Kohuhu Street, Kaitia |
| Kaikohe | Tuesday 31 January | 7.00pm | Mid-North Motor Inn, 158 Broadway, Kaikohe |
| Dargaville | Wednesday 01 February | 11.00am | Dargaville Museum, 32 Mount Wesley Coast Road, Dargaville |
| Whangarei | Wednesday 01 February | 7.00pm | Kingsgate Hotel, 9 Riverside Drive, Whangarei |
| Wellsford | Thursday 02 February | 11.00am | Wellsford Community Centre, 1 Matheson Road, Wellsford |
| Helensville | Thursday 02 February | 7.00pm | Helensville Catholic Church Hall, Corner Kowhai & Puriri Street, Helensville |
| South Auckland/Hauraki & Coromandel | | | |
| Morrinsville | Tuesday 31 January | 11.00am | Kereone Rugby Club, Campbell Park, Thames Street, Morrinsville |
| Gordonton | Tuesday 31 January | 7.00pm | Hukanui Golf Club, 1550 Gordonton Rd, Gordonton |
| Pukekohe | Wednesday 01 February | 11.00am | Counties Function Centre, 222-250 Manukau Road, Pukekohe |
| Auckland | Wednesday 01 February | 7.00pm | Novotel Ellerslie, 72-112 Greenlane East, Greenlane, Auckland |
| Waihi | Thursday 02 February | 11.00am | St John's Ambulance Hall, 25 Johnston St, Waihi |
| Ngatea | Thursday 02 February | 7.00pm | Ngatea War Memorial Hall, Orchard Road, Ngatea |
| Waikato / King Country | | | |
| Cambridge | Tuesday 31 January | 11.00am | Riverside Motor Lodge, 7 Williamson Street, Cambridge |
| Te Pahu | Tuesday 31 January | 7.00pm | Te Pahu Hall, Te Pahu Road, Te Pahu |
| Matamata | Wednesday 01 February | 11.00am | Daltons Plantation, 280 Hinuera Road West, Matamata |
| Waihou/Te Aroha | Wednesday 01 February | 7.00pm | Barkers Function Centre, 12 Ngutumanga Road, Te Aroha |
| Putaruru | Thursday 02 February | 11.00am | Putaruru Kindergarten Conference Centre, 6 Glenshea St, Putaruru |
| Te Awamutu | Thursday 02 February | 7.00pm | Te Awamutu Rugby Sports Club, 420 Albert Park Drive, Te Awamutu |
| Bay of Plenty / Central Plateau | | | |
| Otorohanga | Tuesday 31 January | 11.00am | Otorohanga Club, 107 Maniapoto Street, Otorohanga |
| Owhango | Tuesday 31 January | 7.00pm | Owhango Hotel, Main Road South, State Highway 4 |
| Tirohanga | Wednesday 01 February | 11.00am | Tirohanga Hall, 839 Tirohanga Road, RD1, Atiamuri |
| Reporoa | Wednesday 01 February | 7.00pm | The Woolshed Tavern, Broadlands Road, Reporoa |
| Opotiki | Thursday 02 February | 11.00am | Opotiki Golf Club, Fromow Road, Opotiki |
| Edgecumbe | Thursday 02 February | 7.00pm | Fonterra Edgecumbe Site, 520 Awakeri Road, Edgecumbe |
| Rotorua | Thursday 02 February | 7.00pm | Holiday Inn Rotorua, 10 Tyron Street, Rotorua |
| Te Puke | Friday 03 February | 11.00am | Pongakawa Hall (next to Pongakawa Primary School), Old Coach Road, Pongakawa |
| Taranaki | | | |
| New Plymouth | Tuesday 31 January | 7.00pm | Quality Hotel Plymouth International, Corner Courtenay Street & Leach Street, New Plymouth |
| Rahotu | Wednesday 01 February | 11.00am | Coastal Rugby Clubrooms, Rahotu Road, Rahotu |
| Hawera | Wednesday 01 February | 7.00pm | SouthGate, Corner South Road & Whareroa Road, Hawera |
| Kapuni | Thursday 02 February | 11.00am | Kapuni Hall, Manaia Road, Kapuni |
| Stratford | Thursday 02 February | 7.00pm | Stratford Memorial Hall, Miranda Street, Stratford |
| Lower North Island | | | |
| Levin | Monday 30 January | 11.00am | Murrayfield Café, Corner of Potts Hill & SH57, Levin |
| Palmerston North | Monday 30 January | 7.00pm | Awapuni Racecourse, Racecourse Road, Palmerston North |
| Pahiatua | Tuesday 31 January | 11.00am | Bush Stadium, Bush Sports Park, Huxley Street, Pahiatua |
| Featherston | Tuesday 31 January | 7.00pm | Kiwi Hall, Corner Bell & Birdwood Street, Featherston |
| Dannevirke | Wednesday 01 February | 11.00am | The Hub, Allardice Street, Dannevirke |
| Napier | Wednesday 01 February | 7.00pm | East Pier, Hardinge Road, Ahuriri |
| Top of the South / Canterbury | | | |
| Oamaru | Monday 30 January | 12:15pm | Kingsgate Hotel Brydone, 115 Thames Street, Oamaru |
| Waimate | Monday 30 January | 7:00pm | Criterion Steakhouse, 198 Queen Street, Waimate |
| Ashburton | Tuesday 31 January | 11:00am | Ashburton Trust Events Centre, 211A Wills Street, Ashburton |
| Christchurch | Tuesday 31 January | 7:00pm | Russley Golf Club, 428 Memorial Avenue, Burnside, Christchurch |
| Culverden | Wednesday 01 February | 11:00am | Culverden Rugby Club, School Road, Culverden |
| Kaikoura | Wednesday 01 February | 7:00pm | Donegal House, Schoolhouse Road, SH 1, Kaikoura |
| Havelock | Thursday 02 February | 11:00am | Slip Inn, 50 Main Road, Havelock Marina |
| Murchison | Thursday 02 February | 7:00pm | Murchison Sport, Recreation & Cultural Centre, Hampden Street |
| Takaka | Friday 03 February | 10:30am | Takaka Fire Station, 6 Motupipi Street, Takaka |
| Otago / Southland | | | |
| Mosgiel | Wednesday 01 February | 11.00am | Henley Hall, Centre Road, Henley |
| Balclutha | Wednesday 01 February | 7.00pm | Rosebank Lodge, 265 Clyde Street, Balclutha |
| Gore | Thursday 02 February | 11.00am | Croydon Hotel, Main Queenstown Highway, Gore |
| Invercargill | Thursday 02 February | 7.00pm | Ascot Park Hotel, Corner of Tay Street & Racecourse Road, Invercargill |



Nothing's changed in the wool industry set-up.

commentators have been claiming.

Sure, it will go down in record books as one of the better farming years. But some of the hyperbole needs to be put in perspective.

There is little doubt the dairy sector went from strength to strength during 2011. Fonterra's record payout of \$8.25/kgMS was more or less mirrored by the smaller dairy companies and sent total revenue for the sector north of \$20 billion.

However, mounting antagonism from an increasingly vociferous environmental lobby and growing pressure over local dairy prices will mean tougher times for the dairy sector in 2012.

Meantime, 2011 will not be a year looked back on favourably by the horticulture sector.

Apple growers struggled with a high New Zealand dollar. And while entry for New Zealand apples was finally gained into Australia – after 100 years of trying – our trans-Tasman cousins still make it difficult for shipments

set-up with decade long attempts to unify the much divided industry gone nowhere.

The capital raising plan by Wool Partners International to get farmers to commit half the country's wool clip to a grower-owned co-operative died a slow and painful death – like numerous other wool unifying proposals have before it.

While lamb and sheepmeat may have been good, wool prices farmers were getting in 2011 were similar to what they were getting in 1986. How many other businesses would be celebrating earning the same amount for their outputs today as they were 25 years ago? Very few successful ones!

Meanwhile, the costs of key inputs like fuel, fertiliser, machinery and labour have not stayed where they were quarter of a century ago.

So yes, 2011 was a good year for New Zealand's agricultural sector. But it has now gone and the challenge for farmers is the one ahead. Let's hope 2012 will be a truly great year!