

Newsletter 82 9 December 2012, Australia versus New Zealand, Communicating problems, More about living in Australia or New Zealand, Aussies in NZ, Kiwis in Oz, Dairying in Tasmania, Causes of NZ high exchange rate, Dairying in USA, Investing profitably, Ryegrass Bealey NEA2 & Trojan NEA2, Sheep Farmers, Kiwifruit PSA, Leasing farm land, Remembering passwords.

Poisoning cows

You might have read about

Interest rates

These In and Out from all banks were published in the NZ Herald of 15 December

Causes of NZ's high exchange rate

Some dairy farmers in New Zealand have followed the failing USA bought-feed dairy farmers and some non-profitable Australasian ones by buying feed at 40 cents per kg of dry matter, at twice the cost of growing pasture, which is a much healthier and a more profitable feed for ruminants.

Those who produce milk from bought feed in Australasia are only massaging their egos by milking more cows and producing more milk for no profit, which makes more surplus milk that reduces the milk payout to all dairy farmers, and increases our already too high exchange rate. You would have noticed over the years that when the ego boasting Fonterra announces that milk production is up, which they love doing as if it is their good doing, more overseas people invest in New Zealand, so our already high exchange rate rises further.

USA dairy farmers have farmed on bought feed for decades, but get away with it because their main animal feeds are government subsidised by 50% and their milk payout is nearly double ours. USA pays around US\$20 billion a year to farmers in direct subsidies such as 50 cents a kg for growing maize. In 2009, Japan paid USD\$46 billion in subsidies to its farmers.

We bought a 106 ha bankrupt maize growing farm and soon found why. The NZ maize grain buyers set their maximum price on the cost of the landed USA price which was 50% subsidised. We regressed it for beef, grazing heifers and goats.

In the 1930s about 25% of USA's population lived on the nation's 6,000,000 small farms and by 1997, the then 157,000 larger farms had only 2% of USA population.

The large number of farmer voters gave them lobbying power for subsidies, but as shown, this is now decreasing to where ours is, so ineffective.

Australasia's artificially boosted milk production helps create the oversupply which lowers the auction price and reduces the payout to all, causing an even higher exchange rate.

You'll ask how to produce more pasture off the same area. Do everything in GrazingInfo, starting with taking five minutes to enter your figures into the 'Dairy cow numbers for max profit' spreadsheet. Lincoln University, this year, 20 years after I gave them the spreadsheet, promoted it as if their idea, and Ruakura in October 1991 stated that if stocking rate is decreased, production per cow will increase by even greater amounts than those I have used in 'Dairy cow numbers for max profit'.

Over-stocking is a soil and pasture growth killer and weed encourager, all of which reduce production. When dry spells strike, which they do in summer, farmers affected justify buying feed at about 40 cents per kg, so causes losses which makes their hard working a dead loss. Good bare dairying land at \$35,000, grows pasture for about 20 cents a kg of dry matter, but is seldom available. Read Investing.

Dairying in USA

USA dairy cow numbers have dropped from 12 million in 1970 to about 8 million now, while milk production per cow has nearly doubled - as has ours. When I first consulted in USA in 1980 there were only a handful using controlled grazing, now there are thousands and growing rapidly.

They produce less milk, but more profit, and very few go broke.

Confinement dairy farming is the wrong thing to do, and would not survive in USA without the subsidy to maize growers. USA confinement dairy cow numbers have dropped from 12 million in 1970 to about 330,000 in 1980 to 50,000 bigger ones now, which is only five times more than in NZ.

More about farming in Australia or New Zealand

When the first dairy farmers moved to Australia most did well because land was a third the price it is now, and people didn't know about other differences such as in Newsletter 81 and this below is partly from <http://www.stuff.co.nz/waikato-times/> which allows reading the Waikato Times.

Aussies in NZ

Australians do not need a visa to live permanently in New Zealand.

All Australians who intend to live in New Zealand for more than two years are eligible for the same health and disability services as New Zealanders, and can receive all social welfare benefits after two years.

Kiwis in Oz

New Zealanders are issued with an automatic 'special category visa', which is indefinite, but they are classified as temporary residents.

New Zealanders on this visa system don't receive social welfare payments, other than superannuation and severe disability benefits.

Some Australian states also refuse disability support and public housing.

More than 280,000 New Zealanders in Australia are technically on these temporary visas and many will never be eligible for citizenship or even permanent residency.

The restrictions have been blamed for an increase in crime and homelessness among young New Zealanders in Australia, particularly in southern Queensland.

End of the Waikato Times article.

Tasmania

Matthew & Pip Gunningham, 500 cow dairy farmers in Tasmania wrote, "Lots of farmers feed one to two tonnes of grain per cow per annum, which in our view gives away the competitive advantage Australasia has over the rest of the world, i.e., clover based pastures.

"Our payout this season is about A\$5 or NZ\$6."

The similarity in weather in the last year between northern Tasmania and the Waikato is amazing.

Investing profitably

Would I go from NZ to dairy farm in Australia now? No. When land was a third of what it is now, Yes, and I'd be back in NZ by now. Would I buy a dairy farm in New Zealand now, No. Read Investing. After we changed from dairying to investing in 49 flats (small apartments) with the same funds, buying them at 12% of income in Hamilton, our net income more than doubled, so did our capital gain. Read Investing for more information on profit making.

The demand for residential properties snowballed because small investors had lost money in shares and in finance companies, so flats buying prices increased to only a 5% return. This made us sell all ours and buy retail shops (stores) in Waikato main streets returning 10 to 13%, and our income increased again, helped by lower maintenance costs. Shops now sell at 7% of income, so ours have doubled in value.

Are you making a profit from investing in profitable ventures? Fonterra shares earning about 5% on what most paid for them, are not. Good retail shops can be, and good ones increase their return from about 7% to buy now, to 17% on costs for ours after ten years. Read Investing.

Are your children investing their savings wisely. Banks, finance companies and shares are not wise. Tax, devaluing and no capital gain (tax free) make them a dead loss.

If you can help your children and grand-children by borrowing at 6% or less and earn 7% or more, buy shops in main or good streets of country towns and ones that have a 99.9% occupancy. Please read Investing before doing a thing.

If you don't and your decedents don't, most will retire poor. Many jobs now have no pension, so lots will retire poorly.

Problems between farm owners & staff, fathers and sons

I get many requests for help from people on both sides of the above having problems of not communicating or not agreeing. Some are occurring between GrazingInfo subscribers and non-subscribers, because one has read about and experienced the success of GrazingInfo, while the other hasn't.

My first suggestion is to join the person to GrazingInfo and email them their ID and password that you make and email to them.

After that, ask the person what they think of the Testimonial by Tony Ashford about improving animal health without using a vet at all for nine months, until calf injections in October?

Then ask what they think of milking fewer cows to make more profit, as described in the 'Dairy cow numbers for max profit' spreadsheet? Fill yours in and give them a copy. On paper is easier for many to digest.

If there is a point that you are not winning and can't find proof, email me.

If you are 50% sharemilking and planning to buy a farm next season, you may want to build up your numbers which is fair enough. I told our sharemilker, Lynton Simmons, that he could rear as many calves as he'd like in his last (12th) season. He then bought a farm.

You will do an even better job, if you encourage your vets, scientists, researchers and agricultural advisers to join and read GrazingInfo. What is in it is up-to-date natural farming without chemicals and is farmer proved, not theory, taught as science perhaps decades ago when current scientists were learning, and now is out of date. I don't read or hear of scientists controlling facial eczema, weeds, dags, and internal worm, as part of natural good farming, not extra cost or work.

The 150 chapters show that it is also the biggest eBook (or book) ever written on natural farming of pastures and animals. It never will be a book, because of size, photos and cost.

Kiwifruit PSA

I'd like to contact a Waikato Kiwifruit grower, who has or might get PSA, to try natural preventative control. I was corresponding with one Kiwifruit grower and going well when he cut off things because he had a Kiwifruit variety that he thought would not be affected by PSA, and wanted to sell plants, so didn't want to help the others! Sad. Some NZ dairy farmers are also like that.

Human health

Peanut poisoning
fridge
gluten

Ryegrasses Bealey NEA2 & Trojan NEA2

Do any of you in the Waikato have Bealey NEA2 and/or Trojan NEA2 ryegrasses? I'd like to hear about how they are doing. My cutting trials of Bealey NEA2 sown before Trojan was available, are interesting. I don't like long rotations because pastures, especially clovers don't, and clover management is important. So without grazing, I cut half the Bealey NEA2 every two weeks and half every four weeks. After five years my two weekly area is excellent in every way, while the four weekly area is the opposite - dreadful.

This will not be surprising to experienced pasture growers who will know that ryegrasses and clovers don't like long rotations, despite some farmers being on long ones in summer and winter (half each year).

Sheep Farmers

If you would like your lambs to grow faster and finish sooner for the UK Christmas high-price market, ensure that you have the best clovers and ryegrass for your area and that your pasture minerals are all at optimum. See the 'Pasture Analysis' spreadsheet in Free Items which is free because it is so essential to use, and to apply which shows that Ca is low 99% of the time, while the useless pH figures do not. Read pH.

Leasing farm land

This is common in USA because of very high land prices (Hawaii \$500,000 an acre for grazing land on the 'Big Island' Kauai), and some wealthy people wanting to keep owning land and wanting 'share farmers' to own the grazing animals.

In NZ leasing is rare, but a client is leasing 1,900 acres for 15 years, and leasing will increase, as land keeps going up in price.

Remembering passwords, don't rely on memory

We get frequent requests for forgotten passwords. Don't rely on your memory. Not many can remember all their passwords for decades. Enter them in your computer Address Book under 'Passwords' or open a document and name it 'Passwords' to record the clues in a camouflaged form.

Write new ones down in a camouflaged form and file them before entering the password in GrazingInfo or in any other program.

Never write your ID and passwords anywhere. Use a camouflaged form.

You can use your first friend's or favourite cousin's mother's name and her year born, for example JanE1930

You can add a number to make it harder for someone who knows you and her, to be JanE193011 so the camouflage would be cousMuMyreleven The caps can be the same as in the password.

ID can be your name, cow, beef, dog or cat and no more, so if you forget, you only have a few to try.

If only numbers are required use 193011

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