

FEBRUARY 2020

VET NEWS

YEAR WRAP UP

FACIAL ECZEMA

REDUCTION TESTING



Some photos by Richard Hilson

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2020 — THE YEAR OF THE RAT?

BRENDAN JAMES BBS CA

2019, on the face of it, was a consolidation year for on-farm returns from previous years. Dairy, sheep, beef and deer all enjoyed strong and improved prices on the back of strong global demand, and the feeling is that those improved returns are likely to be sustainable. We're glass-half-full kind of people at VSHB and don't want to dwell too much on the macro factors (Coronavirus excepted- wow that has gathered some momentum over the last week and it's scary!) affecting the farming industry for the purposes of this article- there are also plenty of intelligent people out there that know way more than I about regulations affecting farmers from an environmental, compliance, plant based protein and social point of view. Those challenges are massive and farmers seem to be the whipping boys (I'm a townie by the way), but let's bask in the glory of what looks like another year of solid returns, particularly for sheep, beef and deer.

What we won't bask in is the World Cup trophies in the cupboard from 2019. I think most will agree that RWC Japan was a great tournament, not the right result but not surprising from a NZ point of view. The cricket World Cup was just plain cruel and I'm sure will be fodder for many sports quizzes for eternity! Anyway, that's history now.....

The sheep industry is delivering better returns than ever (imagine how good it would be if the world reached out to wool again) and it looks like demand is continuing for sheep meat protein globally. The overall outlook continues to be a really positive story assuming that the bottom doesn't fall out of Asian demand with Coronavirus appearing in the last couple of weeks. Beef looks like it will hold its own and we appear to have left the commodity price volatility of dairy behind- touch wood. If you own deer you're definitely in the money and based on overseas market demand there is no reason to think it won't continue in the short term.

Exchange rates are one of the key drivers over which we have little control outside of consumer demand that dictate what farmers are paid at the gate. The outlook for 2020 given Coronavirus, Brexit, and Donald Trump are as unpredictable as ever, but;

- The NZ dollar is picked to level out at USD\$0.66 as an average for the year. It's a slight rise from the 2019 average but the predictions are it won't move too much higher- good news as the effect on farm-gate prices will be minimal. The Euro and GBP are expected to strengthen slightly as we get through the remainder of the year, however Brexit, European markets and the uncertainty regarding access will be a bigger driver than a slight strengthening of those exchange rates
- The availability of credit and banks' appetite for risk has certainly grabbed a lot of press in 2019 and the tightening of lending belts looks set to continue- some banks more than others. It's a big issue for the rural sector, a bigger issue for the dairy sector and one wonders what effect it may ultimately have on economic growth through stifling investment. If you can get your hand on credit though, the cost to borrow is still cheap and not likely to get any dearer. The interest line in the P&L on a like-for-like basis will have some downside as opposed to upside- a good thing!
- Economic growth has slowed over the last couple of quarters but is expected to pick up in the second half of 2020 (before Coronavirus came out of left field). Tourism continues to do its bit in terms of growth (although at what cost?), but the Ag and Hort sectors are still big contributors.
- The Hawkes Bay and wider East Coast region continues to hum. Population shift, house prices, tourism, horticulture, construction and sheep, beef and deer all point to the next twelve months being as good as the last. Dairy will also play

its part assuming commodity prices hold up. It appears that the Bay is the new Tauranga??

SHEEP, BEEF AND DEER SECTOR



We love sheep and we don't think there are any better places in NZ to farm them. It's great to see some positivity in that market alongside cattle and deer.

The latest beef and lamb NZ forecasts highlight the following;

- The number of breeding ewes looks to have levelled out albeit with an ageing ewe flock- the good thing is demand for mutton from Asia is still strong so changing that age structure may not be as big a challenge as it once might have been
 - The lamb crop which was down for 2019 is expected to be similar in 2020 which helps the supply v demand model
 - EBIT performance on farm is expected to level out in 2020 v 2019. Increased revenue is more than matched by increased overheads and compliance costs
 - The average \$130 lamb in 2019 looks like \$140 in 2020
 - Wool is a sad, sad story with no real positive end in sight! Maybe all of the rental properties in NZ should be insulated with wool and not synthetic fibre material
 - Beef returns as in 2019 continue to look like the steady ship. The recent bush fire disasters in Australia, African Swine Fever and Donald Trump all point to potential upside in this market
- Deer continues to deliver strong returns but for the first time in a while we're beginning to hear the odd comment around market softening, particularly with venison. It doesn't seem to be denting confidence too much given the sale prices of some stags- \$380k wow!

DAIRY SECTOR



The latest forecasts from all of the big banks has the milk pay-out at around the \$8.00 mark which is good news. Of all the Ag sectors, however, this still attracts plenty of attention and largely not positive which for the most part is unfair. Given the export earnings revenue it delivers however it's a hugely important part of NZ's national economy but also countless smaller Cont'd pg 5

BEEF SCANNING — HOW DID WE DO?

CAMILLE FLACK

With the cattle scanning season upon us it is an opportune time to review how we went last year. Here at Vet Services we have a long history of recording sheep scanning data for all our clients. On the back of this we have developed a beef cow scanning database for our beef cattle scanning clients. It's a great way to review the progress of your herd and allow some regional benchmarking.

The following is a summary of what we saw last year. As we continue to gather data, it will be interesting to see over the years, the trends our database will highlight.

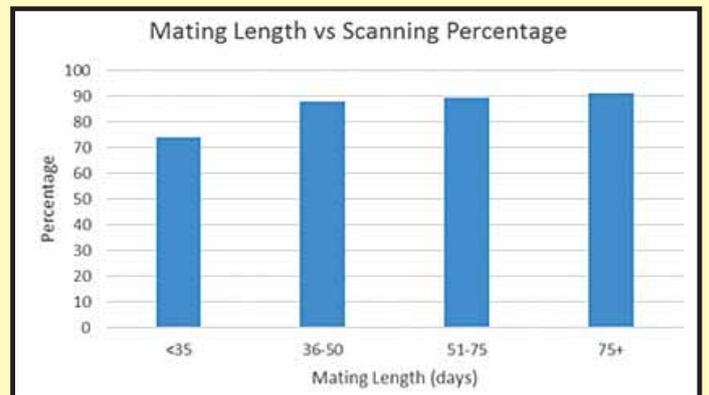


This graph shows the average incalf rate for MA cows, R3s and R2s in Waipukurau and Hastings for 2019. Interestingly, I have found some historical data from a 2013 newsletter. This shows 2019 cows are behind par for Waipukurau and heifers are doing slightly better.

	2019 Hastings	2019 Waipukurau	2013 Waipukurau	2006-2012 Waipukurau
MA Cows	91.8	89.2	90.5	89.9
R2s	85.4	89.6	85.4	84.6
R3s	88.4	83.2		

This graph shows overall scanning percentage against mating length for the 2019 season. This highlights that by having an extended mating season you are only gaining 1 calf per 100 cows for that extra 20 days plus – are they worth the wait? They create another mob and take an extra year to fatten.

Review these district averages, where does your herd sit? Don't forget to book in your cattle scanning for this season to see how you have performed this year. If you want to optimise the performance of your herd discuss this with your vet at scanning time.



STATEMENT CHANGES

We will be revamping our format for our monthly statements. This should make them easier to read and understand. If you have any questions regarding the new layout, please don't hesitate to give us a call and we can work through it with you.

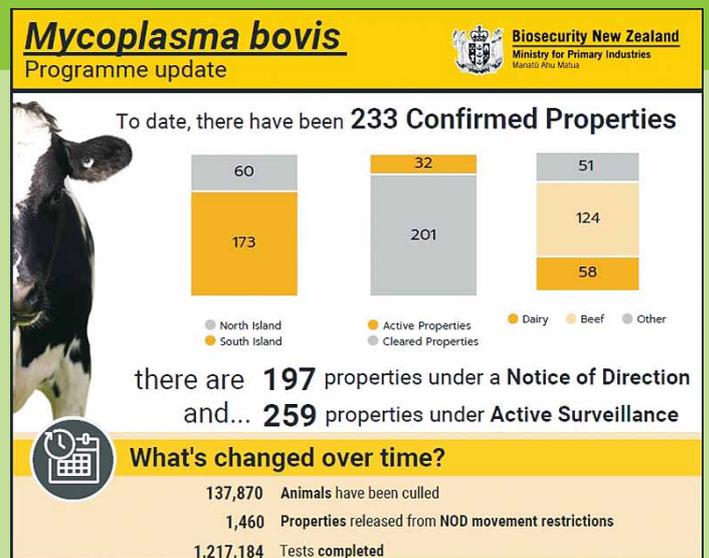
MYCOPLASMA BOVIS UPDATE

STUART BRUERE

Have any of you been wondering how the M bovis programme is going? Below you can see the infographic presented by MPI and published on their website on 14th February, 2020.

It's pretty easy to see that the majority of the cases have occurred in the South Island. You can also see that over half of the cases have occurred on beef properties – the vast majority of these are bull beef cases where the calves have been born on dairy farms. It is encouraging to see that at the moment there are only 32 infected properties. We are aware that there are some further cases not shown here where farms are on NOD (notice of direction). MPI use the NOD status to allow time to gather information, carry out testing and make decisions about whether a property is infected or not. This process is dynamic – we are the first country in the world to decide to try and eradicate this disease. MPI are aware of the stress this programme is causing farmers caught up in it and are making sure farmers are aware that they can use the Rural Support Trust to act as a sounding board and farmer advocacy role. You can enrol for weekly updates by clicking on this link <https://www.mpi.govt.nz/protection-and-response/mycoplasma-bovis/>

I have carried out a significant number of the EDIR reports for MPI



and the things that are most important to emphasise to farmers caught up in this eradication process are:

1. They are not to blame
2. They have been "caught up" in the tracing process and
3. They are not guilty.

FAECAL EGG COUNT REDUCTION TESTS 2020 – WELL UNDER WAY

CAMILLE FLACK

A reduction test is a good way to evaluate your current on farm drench resistance status. It is ideal to test lambs that have never seen a drench in their life. However sometimes we may carry this out on lambs that have received a drench already as long as parasite burdens can get high enough.

Normally parasite counts are not high enough for this test to start until March/April. In recent years we have been finding that counts have been adequate much earlier in the season than normal. This year, considering the dry spell we have been experiencing, we have still been reporting average counts of 800+ in undrenched lambs in January on many properties. When the rain finally does come it will be important to stay on top of parasite burdens.

Once average precounts are reached with no zero's we undertake the FECRT. This consists of two visits. On visit one, lambs are individually weighed and drenched with several different



drenches and a number of faecal samples taken. Then on visit two further faecal sampling occurs to allow us to see the percentage reduction in the worm egg counts and efficacy of the different drenches used on visit one. This information is invaluable to help make future drenching decisions and form an "on farm parasite management plan". If you don't currently know your status or have not checked it in a while consider a FECRT before it is too late. From recent Gribbles Laboratory Data on FECRT's being carried out nationwide, there is approximately 10-15% of those properties where there is resistance to a triple combination drench.

If you haven't completed a FECRT, or want further information regarding this process, feel free to contact one of our vets. Also let us know if you want to carry out a test in 2021 and we will contact you before the pre-weaning period to remind you to set aside some lambs.

2019 Winners



Congratulations to Neil & Linda Paulsen for winning the Waipukurau quad bike.

Congratulations to Pat Barrett for winning the Waipukurau spray unit and to Mrs Herries of Taramoa Farms for winning the other spray unit.



**A reminder that we have matingmark
crayons / harnesses in stock.
These are now also available at our
Hastings/Napier clinics.**

OUR VET TEAM

**Napier &
Hastings:**

Clare Ryan, Dave Kruger, Dave Warburton, Greg Tattersfield, Helen Crawford, Joao Dib, Neil Stuttle, Rachel Griffiths, Rachel Muir, Richard McKenzie, Roger McKinley, Sharné Boys, Siobhan Ellis, Stuart Badger, Tim Batchelor, Veronika Pipe and Vicki Gilchrist.

Waipukurau:

Annelise Enslin, Anyika Scotland, Anne Gelling, Camille Flack, Caroline Robertson, Gabby Muschamp, Geert Gelling, Harry Whiteside, Kathryn Sigvertsen, Lucy Dowsett, Mike Fitzgerald, Nicolette Adamson, Richard Hilson and Victor Sanders.

Dannevirke:

Johnny Atkins, Kate Matthews, Lucy Webster, Naomi Barrett, Simon Marshall, Sophie-Leigh Anderson and Tim Hogan.

Masterton:

Jacques Van Zyl, Louisa Broughton, Naya Brangenberg, Nicola Haglund, Sandy Redden, Sanneke Neal, Sara Sutherland, Sarah Wolland, Stuart Bruere and Urthe Engel.

FACIAL ECZEMA

CAMILLE FLACK

What is it?

Facial Eczema (FE) is caused by a fungus, *Pithomyces chartarum*, which grows on dead pasture litter. In the right conditions it multiplies rapidly ie. increased dead litter at the pasture base, high humidity and overnight grass min. temp. > 12-13°C. The fungus produces large numbers of spores which contain a toxin called sporidesmin. This toxin, once ingested, causes damage to the liver and bile ducts. The damaged liver cannot rid the body of wastes and a breakdown product of chlorophyll (the green pigment in grass) builds up in the blood causing sensitivity to sunlight, which in turn causes inflammation of the skin. By the time we see these visual signs of facial eczema in the skin it is too late. There is no treatment for this disease, only prevention.

Monitoring

To monitor spore levels at home you can have grass samples tested to determine the level of spores your animals are ingesting. Samples are taken of what the animals are eating, 1cm above the ground with no dirt in a paperbag (>60gms). Take multiple samples across the paddock and avoid under trees.

- If you want to monitor if your counts are rising, then repeat sampling from the same sites/areas each time. Then set a trigger level at which point you supplement stock with zinc.
- You can also use monitoring to identify the worst paddocks on farm and where to avoid during the peak of the season.
- Some people also sample ahead of their stock to determine levels the animals are being exposed to as they head round their rotation and whether zinc supplementation may be required.

Prevention (not Treatment)

FE is a disease that is **not treated**, it is best prevented. FE can be prevented:

- By using Zinc or Fungicides
- Oral zinc dosing susceptible stock weekly
- Slow release zinc bolus



- Spraying pasture with fungicides to reduce the development of the FE fungus, will not kill existing spores through grazing management
- Feed safe feed during periods of high risk such as crops, chicory, plantain etc
- Supplementary feed to reduce toxin intake
- Avoid grazing low levels and set stocking for long periods of time ie build up feed reserves and aim for light rotational grazing through risk period
- Quit stock early aiming to be lightly stocked through the danger period
- A combination of above
- Long term by breeding animals that are FE tolerant

Symptomatic support (not treatment)

For animals affected, symptomatic support can be offered. This includes offering shade, good food (although be aware fresh green feed as it may make the photosensitivity worse), oral tonics/injections and zinc creams.

2020 — THE YEAR OF THE RAT (cont'd from page 2)

regional areas of the country that helps drive those smaller local economies. Hopefully Fonterra have turned the corner with a change of leadership and greater accountability to their shareholders, time will tell though.

So, what does all of the mean for us in Hawkes Bay and the East Coast?

The outlook continues to be positive for the Hawkes Bay and southern Hawkes Bay areas.

- Sheep, beef and deer farmers look like they are in for a similar year to 2019- here's hoping the weather plays ball
- The dairy industry also looks positive (assuming that the China situation doesn't deteriorate too much)
- Farm working expenses look like they should be pretty stable (outside of increasing compliance costs). If you don't borrow more cash your interest number should be lower than last year



2020 looks like being another good year for you, our clients. We are here to help, on a number of different fronts, even if you want to chew the fat generally over a cup of coffee (Waipukurau even has it's own special area for such things!)

We know that animal health is a big part of your business and we have a great team of people here to help you be the best you can be. Our staff love the interaction with clients and it's in our best interest, as it is in yours, to make the right calls at the right

time whether it be service related, product related or both to enhance the success of your business.

2020 is a relatively quiet year on the sporting scene outside of the Olympics. Rugby traditionally enjoys a hangover post RWC year, and Super Rugby starts in the hottest month of the year which is just odd! Maybe 2020 will be the year that the Magpies, who we proudly sponsor, will make it into the premiership again! The Blackcaps need to find their mojo again, maybe they need Brendon McCallum as their coach. Have a great year!

Top to Bottom

We've got you covered



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