

# STATE OF GRAIN

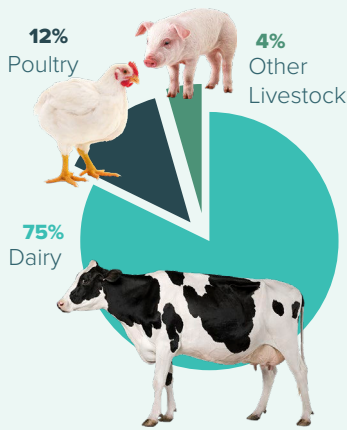
## Impacts & Risks for Dairy Farmers

International grain markets – risks, supply & demand for imported feed in New Zealand

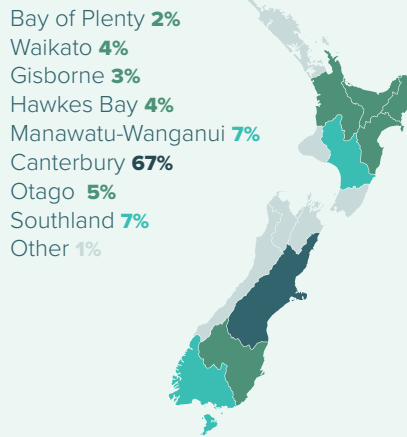
### New Zealand is Reliant on Imported Feed

Aotearoa's livestock sectors are dependent on imported grain & PKE

#### Who uses the imported feed?



#### Grain production by region

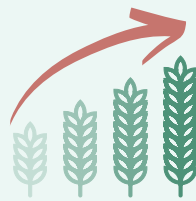


#### PKE in Dairy Systems

6% of total feed (including pasture) in dairy systems



#### Predicted demand



### Prices Fluctuate

Global grain prices have increased due to Covid, transport costs, geopolitical factors and weather events.



### Six Risk Factors for the Supply of Imported Feed

Six potential risks to supply have serious implications for farmers using imported feed in the future



#### Weather Impacts

Climate change impacting grain production



#### National Stockpiling

70% of global maize held in China



#### Geopolitical Instability

Unpredictable supply shocks



#### Shipping & Logistics

Shipping price increases



#### Bioethanol Production

6x higher than in 2000



#### PKE Supply

Stable, but impacted by palm oil demand

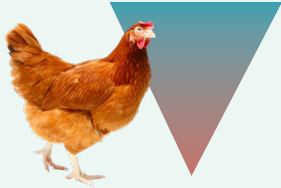
# Implications for NZ's Livestock Farmers

## 1. Impact of Supply Shortages

Feed importers are confident of future supplies, but the implications of unexpected shortages are severe



**Supply constraints would cause high prices**



**Poultry is critically exposed**  
Shortages would severely curtail production



**Dairy cows would be culled**  
If no imported feed is available up to 11% of the national herd would need to be culled


## 2. Impact of Cost Increases

Supplementary feed can increase yields and returns, but if prices increase, importing feed may be less viable

### Example:

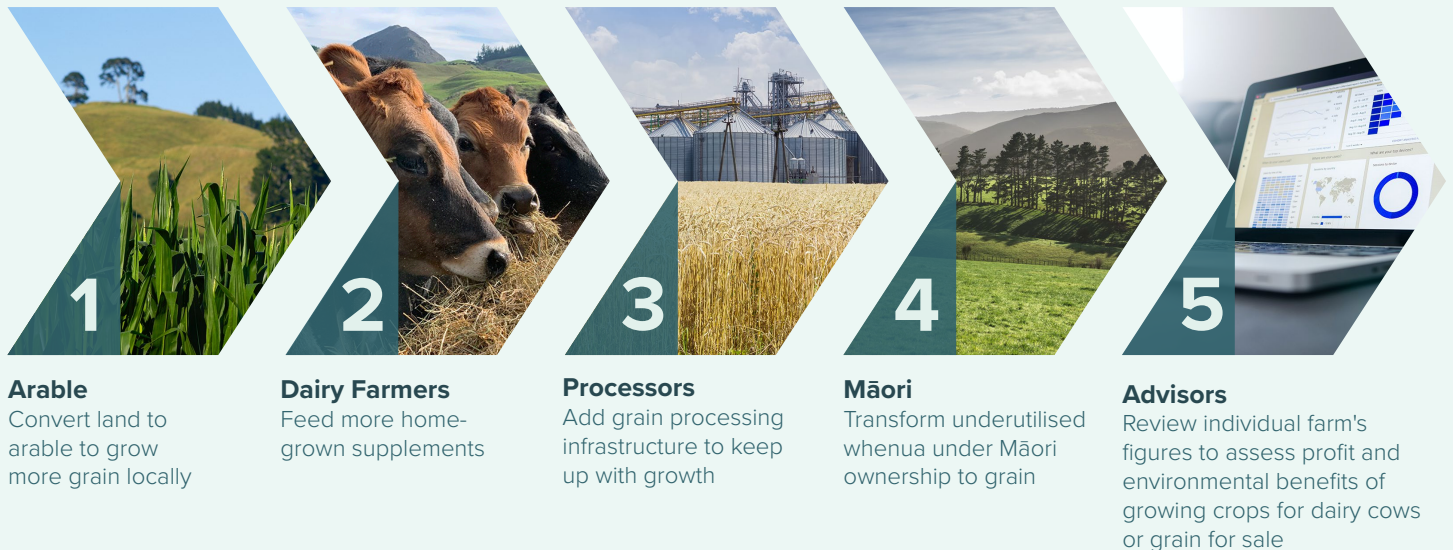
Supplementary feed to milk solids conversion = 100 g MS/kg DM fed  
Milk solids price (payout to farmers) = \$7/kg  
Return generated on each kg of supplementary feed = \$0.70

Imported Concentrate Cost	Return after feed cost
\$0.50/kg DM (\$500/tDM)	\$0.20
\$0.60/kg DM (\$600/tDM)	\$0.10



## Resilient Feed Supply is Achievable

Actions to improve feed resilience for Aotearoa



This infographic is a summary of the following report:

Densley, R.; Hunt, J.; Reti Kaukau, J.; McEldowney, L.; Journeaux, P. 2023. *Implications of global price and supply of supplementary feeds on the New Zealand agricultural sector*. Report prepared by AgFirst Waikato for Our Land and Water Contestable Fund. June 2023.

Available at <https://ourlandandwater.nz/project/impact-of-imported-feed-shortages/>