

THE VALUE

OF PASTURE TO THE NEW ZEALAND ECONOMY

Pasture is a crop which delivers over \$20 billion to New Zealand's total GDP, and as a country we need to continue to invest in its development.

THIS VITAL FACT HAS BEEN HIGHLIGHTED BY THE recent release of the Business and Economic Research Limited (BERL) report "An economic analysis of the value of pasture to the NZ economy".

Commissioned by the Pasture Renewal Charitable Trust (PRCT) the data presents a compelling argument for an increased investment in pasture renewal by New Zealand farmers, says Trust chairman Murray Willlocks.

"All our dairy operations are dependent on our pastures and as a country we cannot afford to take them for granted. Every dairy farmer can play a part in this opportunity by undertaking more frequent pasture renewal on their properties."

Total GDP contribution from the major pastoral industries, dairy, and sheep and beef farming, is estimated at \$20.5 billion (12.1% of GDP), with farm-gate value of \$10.2 billion. The study concludes that increased pasture renewal would increase farm-gate value by 16.4% per annum, injecting an additional \$1.6 billion a year into the national economy and farmer incomes.

Current annual pasture renewal rates are estimated at approximately 6.1% for dairy farms. The increase in farm gate value of \$1.6 billion estimated by BERL is based on annual



pasture renewal rates rising from 6.1% to 12% for dairy farms, annual pasture renewal rates rising from 2% to 8% (an average response rate of 20%).

"To put the \$1.6 billion into perspective, New Zealand needs to attract approximately 460,000 international tourists additional to the present 2.4 million that visit annually to generate this level of expenditure.

"So as we look to economic growth, we need to look to investment in pasture as a key contributor," says PRCT's pastures manager Nicola Holmes.

"This is clearly an area in which further investment in research should be considered to provide region and industry specific advice on pasture renewal to farmers," Nicola says.

"Pastoral farming will be a cornerstone of the New Zealand economy for generations to come, so maintaining the long term health and productivity of pasture needs to be a national priority. The challenge now, the PRCT says is to increase overall production through the genetic gains made in the breeding of both ryegrass and white clover cultivars, coupled with improved pasture management.

As one of the Trust's sponsors, RD1 encourages individual farmers to see themselves as part of building a more productive sector, with quality underpinning their operations.

Each farmer contributes to the whole outcome of the New Zealand economy and it's vital to keep it in mind.

Still unsure about the benefits of regressing your decisions easier, talk to your RD1 Technical Sales Representative.

MURRAY WILLOCKS, PRCT CHAIRMAN KNOWS QUALITY PASTURE WHEN HE SEES ONE. Here's a six month old ryegrass clover mix that's well suited for grazing by dairy cows. Careful management of grazing will help to maintain quality.