

Farmers' Newsflash

The following are the 2010 National Standard Cost values to be applied to closing number of livestock for tax return purposes.

Livestock	Class Of Livestock	2010 NSC	Dollar Change	% Change
Sheep	Rising 1 Year	24.20	-1.80	-6.92%
	Rising 2 Year	16.10	-1.70	-9.55%
Beef Cattle	Rising 1 Year	242.20	-19.40	-7.42%
	Rising 2 Year	135.70	-14.30	-9.53%
	Rising 3 Year Male Non-Breeding	135.70	-14.30	-9.53%
Dairy Cattle	Purchased Bobby Calves	152.40	-24.50	-13.85%
	Rising 1 Year	428.00	-359.60	-45.66%
	Rising 2 Year	91.00	-51.60	-36.19%
Deer	Rising 1 Year	78.30	-13.50	-14.71%
	Rising 2 Year	39.40	-5.10	-11.46%
Goats	<i>Meat and Fibre</i>			
	Rising 1 Year	19.00	-1.90	-9.09%
	Rising 2 Year	13.00	-1.30	-9.09%
	<i>Dairy</i>			
	Rising 1 Year	124.70	-30.80	-19.81%
	Rising 2 Year	20.50	-4.70	-18.65%
Pigs	Weaners to 10 weeks of age	97.60	4.50	4.83%
	Growing pigs 10 to 17 weeks of age	81.20	6.00	7.98%





Farmers' Newsflash Commentary

As you will note the National Standard Cost values have all dropped for the 2010 year with the exception of the livestock pig values.

The most significant changes from previous years are the values in the Dairy Cattle category. In particular the Rising 1 Year and 2 Year Dairy Heifers values have dropped quite considerably. A change in the basis of the IRD calculation is the reason for this after they consulted with the Primary Sector Committee of the New Zealand Institute of Chartered Accountants.

The Primary Sector Committee have says they have had concerns for some years that “the methodology was not providing a result that appeared rational, taking into consideration the general knowledge we had of the Dairy Industry and our anecdotal evidence of what we believed it cost to breed dairy animals.”

Meat and Wool New Zealand (who assist with the calculation of the values) were also able to provide the Primary Sector Committee with further information this year from DairyBase. They suggested specific costs that could be excluded form the calculations that had little to do with raising livestock or did not accurately reflect the whole industry. The Primary Sector Committee believes that by taking this new information into account the calculations now produce more realistic values.