

## New Zealand Society of Animal Production online archive

This paper is from the New Zealand Society for Animal Production online archive. NZSAP holds a regular annual conference in June or July each year for the presentation of technical and applied topics in animal production. NZSAP plays an important role as a forum fostering research in all areas of animal production including production systems, nutrition, meat science, animal welfare, wool science, animal breeding and genetics.

An invitation is extended to all those involved in the field of animal production to apply for membership of the New Zealand Society of Animal Production at our website [www.nzsap.org.nz](http://www.nzsap.org.nz)

[View All Proceedings](#)

[Next Conference](#)

[Join NZSAP](#)

The New Zealand Society of Animal Production in publishing the conference proceedings is engaged in disseminating information, not rendering professional advice or services. The views expressed herein do not necessarily represent the views of the New Zealand Society of Animal Production and the New Zealand Society of Animal Production expressly disclaims any form of liability with respect to anything done or omitted to be done in reliance upon the contents of these proceedings.

This work is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](http://creativecommons.org/licenses/by-nc-nd/4.0/).



You are free to:

**Share**— copy and redistribute the material in any medium or format

Under the following terms:

**Attribution** — You must give [appropriate credit](#), provide a link to the license, and [indicate if changes were made](#). You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

**NonCommercial** — You may not use the material for [commercial purposes](#).

**NoDerivatives** — If you [remix, transform, or build upon](#) the material, you may not distribute the modified material.

<http://creativecommons.org.nz/licences/licences-explained/>

## Livestock exports: past present future

A. V. CALLOW

Animal Enterprises Ltd  
Te Awamutu

I propose to review only briefly the past history of livestock exports from New Zealand and concentrate on the present and future. In doing so I will refer to exports of livestock for breeding and exclude comment on exports of livestock for slaughter (which are prohibited).

There was a considerable international livestock trade from the end of World War II and through the fifties when herd and flock numbers were being re-established in the countries ravaged by the war. In the sixties and seventies, the so-called developing countries began showing some interest in agricultural development projects, particularly those for livestock. Many of these were assisted and funded by international agencies such as the World Bank and F.A.O. This international livestock trade has been going on with virtually zero New Zealand involvement until relatively recently.

I have found it almost impossible to get accurate data on the volume and value of breeding livestock exports. Therefore the figures given are approximate only, but are adequate to show trends. In the early seventies cattle exports were in the tens or at the most hundreds and it was not until around 1977 that they reached thousands. By mid 1983 this figure is expected to climb to around 25000 annually. A similar trend is apparent with sheep exports, although the annual numbers fluctuate more. It is interesting to consider the factors which have led to this increase and the reasons why, in earlier years, numbers exported were relatively small.

The major factor in the lack of New Zealand involvement in the past was a lack of marketing effort. There were no specialist export companies, the activity was a sideline and the marketing effort tended to be half-hearted. There was also a lack of awareness of the export potential, and some very muddled thinking as to the merits or demerits of exporting our breeding livestock. Some sections of the farming industry think that assisting other countries to establish livestock production systems is not in our best interest and could jeopardise our markets for meat, wool or dairy produce. If we were the only country selling livestock and know-how the argument might hold water, but we are not. It is also true that getting countries which currently only buy livestock

produce involved in their own livestock systems has a very beneficial effect on expanding the total market for livestock produce in that country.

An important factor which played a part in limiting numbers exported was New Zealand's distance from the major markets, and high freight rates for livestock carried by sea or air. Other features of New Zealand livestock production systems, which although totally justifiable, lead to major problems when trying to convince prospective overseas buyers to buy livestock from us. These are our low cost, high output per man systems, as opposed to those of many of our competitors where the objective is high output per animal, virtually regardless of cost.

Canada and the United States, for example, are good marketers not only of their livestock but also of their production systems. Their philosophy is, if you feed it well, it produces well. In dairy cattle production that means intensive feeding of high amounts of grain—6 to 8 tonnes of grain per cow per lactation are not uncommon. High levels of feeding ensure high production, albeit at high cost. These intensive feeding systems enable cows to produce at around 7000 litres of milk, compared to our low-cost system of all-grass feeding, in which our cows produce around 4000 litres. This is purely the result of intake and not of the genetic merit of the cows. Under these circumstances it is very difficult to convince prospective buyers that cattle producing 4000 litres are genetically as good or better than those producing 7000 plus litres.

It is only recently that this problem could be met with well-based and objective trial data such as that from the Polish-FAO Friesian comparison trials which emphasised the claim that per head performance of New Zealand livestock was limited by our low cost production system and not by the inherent genetic ability of our dairy cattle. These trials, in which our cattle have done outstandingly well, have placed them much higher in the minds of potential importers.

The marked seasonal pattern of New Zealand production is another problem which is difficult for overseas buyers to comprehend particularly if they are accustomed to buying dairy cattle from Europe or North America where cows are calving throughout the year to meet year-round demands for fresh milk.

How very different from our New Zealand scene where 90% of our dairy cows calve in the 10 or 12 weeks from July to September each year and we can only supply large numbers of 12-month-old cattle in that period. Consequently, if an overseas buyer wants large numbers of 12-month-old cattle in January or March for example, we cannot supply them.

Nevertheless, we are now selling more livestock overseas because of a dramatic change in the export marketing sphere. There is now a very positive, professional approach in a number of New Zealand companies. They have met the challenge to breed specific cattle to meet the requirements of a number of overseas countries and have gone out into the market place and told prospective buyers just how good New Zealand livestock are. This has been a very capital intensive exercise, with large sums of money being invested with no guarantee of a return.

For example, over the past 5 or so years New Zealand has been developing the world's largest specialist cattle breeding programme, that is the breeding of Sahiwal cross heifers and bulls to establish dairy industries in tropical countries. First in Malaysia and then in a number of other tropical countries governments began to place greater emphasis on the welfare of their rural and agricultural populations. This arose from political considerations which aimed at establishing small scale agricultural production systems in rural communities to improve living standards and prevent social unrest.

After it was decided to establish small scale dairying operations, the Sahiwal cross was chosen as being the most suitable for the tropical conditions. The *Bos indicus* Sahiwal originates from Pakistan, but was established in small numbers in the Northern Territories of Australia in the early 1950s. This meant that both Australia and New Zealand could have access to Sahiwal bulls and semen for crossing with *Bos taurus* Friesian and Jersey to produce the Sahiwal cross for export.

Malaysia was the first country to let international tenders for the supply of Sahiwal cross cattle and a number of Australian and New Zealand companies bid for this business. The Australian dairying system however, did not lend itself to the production of Sahiwal crosses in large numbers and virtually all of them have been supplied from New Zealand.

From its single market in Malaysia, the Sahiwal programme has now extended to Thailand, Indonesia and Mexico while the Phillipines and South American countries are now showing very positive interest. Currently around 70000 Sahiwal inseminations are carried out annually in New Zealand, resulting in around 14000 heifers being available for export annually. The size of the programme and the number of years it has run has now prompted research in New Zealand into a number of aspects of the Sahiwal cross. Because the heifers only are exported with the

vast majority of the Sahiwal cross bulls remaining in New Zealand, it is important to have objective and unbiased assessments of the worth of the latter to the New Zealand farmer.

The development of this Sahiwal breeding programme has required a large amount of dollars and steel nerves in the companies involved to enable investment in what was regarded by many as a very high risk business. With it has come a marked increase in the sophistication, professionalism and technical standing of the companies involved.

As well as the increasing demand for Sahiwal cross heifers there has been over recent years a marked increase in demand for purebred Friesians, many for development programmes in the higher tropical areas mainly over 3000 feet above sea level. Here the humidity is lower and with reasonably good management dairying is possible even with pure Friesian cattle. Other markets for the pure Friesian include South Korea, China, Saudi Arabia. Fortunately large numbers of dairy cattle are available for export from New Zealand, as shown by the very large number of female dairy bobby calves available.

Beef cattle, primarily Angus and Hereford, have been exported mainly to South Korea, some years in large numbers, but the demand has not to date been as consistent as that for dairy cattle.

The dramatic increase over the last few years in cattle sales has been matched by a large increase in sheep exports mainly to Eastern European countries, with lesser numbers of sheep being exported to Mexico, Canada, USA and South America. The potential for sheep exports from New Zealand is large but unfortunately the countries expressing greatest interest are currently facing major problems in funding the importations. But the potential is there and their current interest in improving their agricultural systems will hopefully mean that these funding problems will be overcome.

The deer farming operations within New Zealand have expanded rapidly over the last few years and there has been limited interest from overseas buyers and small numbers of deer have been exported, but the numbers, I feel, will never be large.

Although they are not strictly livestock I would like to comment on the export of semen and ova. The export of semen is in a much more advanced and viable state than ova transplantation. There is potential for a marked increase in the export of semen from New Zealand and I am sure this will be developed. With ova transplantation requiring a high technical input in the buying country, I feel the demand in the developing countries will be relatively small. Further technical breakthroughs could result in large exports of ova from New Zealand.

The future of livestock exporting from New Zealand is not going to be easy. The doubt is not in New Zealand's ability to supply but to sell. The

potential lies in countries which, have either instability in their political systems and/or major balance of payments problems. However, if they are approached with a combination of good positive marketing, technical and financial skills backed by substantial financial investment, the potential will be realised. Major exports in the near future will be for dairy cattle and sheep, with an increasing emphasis on informing the buyer of the true genetic worth of the animals. They are therefore dependent on the development of systems which will ensure replacements of high genetic merit for our herds and flocks, whilst at the same time providing adequate numbers for export.

There is a need for a more positive attitude by all concerned, not only the exporters but in the farming industry at large, advisors, farmers, industry authorities, researchers. Industry attitudes may need to change to agree to a shift of resources to capitalise on export opportunities. Continued research interest and input will be required. The future of livestock exports from New Zealand is largely dependent on the amount of effort, capital, wise financial management, technical knowledge and marketing skills put into them. The potential is there for New Zealand to develop.