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**GREATER WELLINGTON REGIONAL  
COUNCIL  
CASE STUDY – SHEEP MILKING  
UNDER IRRIGATION**

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# Introduction

- Background of the Wairarapa Water Use Project (WWUP)
- The project brief
- Farm systems
- Financial discussion
- Management changes
- Market connections and industry support



- The WWUP is investigating a multi-purpose water scheme for Wairarapa to collect and store water then distribute it for a variety of economic and community uses.
- This will be done in a way that promotes sustainable management of land and water and creates regional prosperity.



# Project brief

- To develop detailed land use conversion plans for their component of the operation.
- Management and lifestyle changes
- Market connections and industry support



# Farm systems – Easterbo farm

Milking numbers Replacement policy  Irrigated area  Pasture mix  Lamb policy  Ewe Housing  Stocking rate	2,000
	500 sent to grazing 1 December annually, 400 retained to enter flock
	180.7 ha total  175 ha eff  97ha irrigated
	1/3 each of Pasture, Plantain, Lucerne under irrigation. Either forage or pasture outside irrigation
	Male lambs and surplus ewe lambs finished on area outside irrigation. Target all sold pre Xmas
	No additional housing. If required during year lambing sheds will be available to house ewes
	12.3 ewes per hectare



# Easterbo





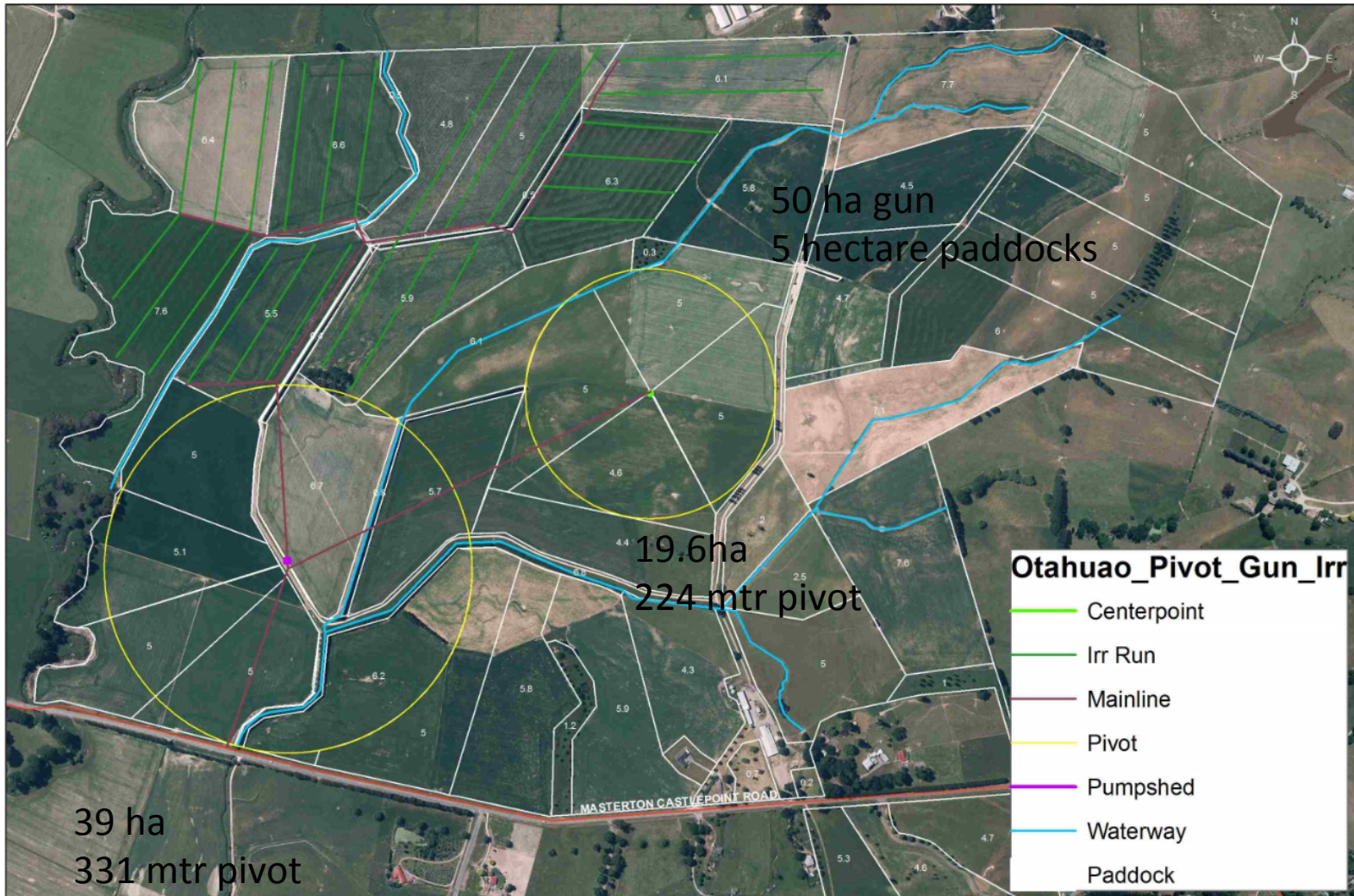
# Farm System – Otahuaao farm

Milking numbers	3,000
Replacement policy	Replacement ewe lambs run on hill block with 600 entering flock annually
Areas	336.8 ha Total 331 ha eff 223 ha milking area 100 ha run off 108 ha irrigated
Pasture mix	1/3 each of Pasture, Plantain, Lucerne under irrigation. Either forage or pasture outside irrigation
Lamb policy	Male lambs and surplus ewe lambs finished on area outside irrigation. Target all sold pre Xmas
Ewe Housing	Additional housing for 1,000 ewes. This will allow the entire flock to be housed in sheds if required by utilising the lambing sheds
Stocking rate	13.45 ewes per hectare (milking platform)





# Otahuao





# Capital Investment

Cost	Easterbo	Otahuaio
Total Capital	\$4,050,836	\$5,754,010
Conversion Cost/ha	\$22,504.64	\$25,460.22
Conversion cost per ewe	\$2,025.42	\$1,918.00

# Financial Workings - Easterbo

	Year 1	Year 3	Year 5
Income	\$1,446,410	\$1,761,610	\$2,076,810
Expenditure	\$1,561,561	\$1,594,726	\$1,650,850
Effective Farm Surplus (EFS)	-\$115,151	\$166,884	\$425,960
EFS/ha	-\$658	\$954	\$2,434

# Financial Workings - Otahuaao

	Year 1	Year 3	Year 5
Income	\$2,189,290	\$2,650,810	\$3,112,410
Expenditure	\$2,118,826	\$2,192,229	\$2,269,349
Effective Surplus	\$70,464	\$458,581	\$843,061
EFS/ha	\$213	\$1,385	\$2,547



# **Management and labour requirements**

- Pasture management
- Stock management
- People management
- Lifestyle changes



# Market connections

- Market connections
  - Asia
  - USA
  - NZ
  - Australia
  - Who is the target consumer?



# Industry support

- No formal industry body
- Industry development
- Steering committee
- Little interest from DairyNZ and Beef and Lamb
- Sheep dairy associations in USA and UK





# Summary

- Sheep milking is viable
- Return on Capital invested in year 5 of 9 – 12%
- Management change required
- Markets are available
- No industry body
- Acknowledgements

