



THIS WILL BE A TELLING year

FOR THE RURAL SECTOR, 2022 IS SHAPING UP TO BE THE YEAR WHEN THE RUBBER HITS THE ROAD. RURAL NEW ZEALAND IS READY FOR WHAT IS AHEAD.



NICK HAWKEN,
NATIONAL DIRECTOR RURAL

FARMER CONSULTATIONS ARE underway around provincial New Zealand via He Waka Eke Noa – the industry partnership that’s putting two options to farmers for how on-farm emissions should be paid as an alternative to the New Zealand Emissions Trading Scheme.

He Waka Eke Noa is developing a practical framework to support farmers to measure, manage and reduce agricultural greenhouse gas emissions with the two options being: pay for net emissions recognised at the farm level, or pay at the processor level.

Rural landowners have commented to us that now is the time to take control or be controlled and say we have to have faith that our position as the best producers in the world will eventually be rewarded.

On balance, a reduction in our contribution to the food bowl worldwide

is said to be detrimental to the carbon footprint globally.

Targets and tax systems that eat into farmers’ productivity and profitability are overshadowing the potential that technology could play in reducing overall ag emissions.

What will the real cost of emissions reductions be for individual farmers and the New Zealand economy overall as the carbon price keeps growing...

That carbon horse has well and truly bolted, and without a change in policy settings, it’s difficult to see the price of carbon slowing in the absence of price caps being reinstated.

I once heard businessman and tech innovator Sir Ian Taylor say – and I paraphrase – sometimes you will need to paddle the waka as hard as you can, but other times you’ll need to lie down

in the hull and trust that the wind, the current, your instinct and your intuition will guide you safely to your destination.

And it seems that we are almost at a point where there are a few final crucial pieces of work to be completed in 2022, then it will be time to “lie down” and trust that all the hard work has been worthwhile.

The environmental side of the coin is also important when it comes to farm transactions with buyers, their lenders and their advisors looking closely at input/output data and wanting transparent record-keeping with evidence of good governance of a property.

Future maintainable production is now a very real consideration come transaction time for buyers and those vendors that are well-prepared are separated from the pack.

Such detail may provide a premium price in the market – something that we continuously seek for our vendors.

Moving on to commodity prices and outlooks for the year ahead.

Our primary sector exports have performed well on the global stage in recent years – have we reached the top of the cycle? Commodity markets are, after all, cyclical, and inevitably cycles bring volatility.

Maybe, maybe not. But, cautiously, inflation is stamping its mark on margins behind the farm and orchard gates.

Yes, Fonterra’s farmgate milk forecasts are up around \$9.50/kgMS currently, underpinned by global demand and supply dynamics, but on-farm costs have escalated, and this dilutes real returns significantly.

Fertiliser, electricity and labour costs are multiplying, and will potentially act as handbrakes for most primary industries.

ANZ and Rabobank are both foreseeing an up-and-down period over the next 12 months, with a mix of positivity, challenges and the ongoing uncertainty of pandemic-related impacts.

In the lifestyle market, country living is now well and truly embedded into the landscape of daily New Zealand life.

If the level of transactions concluded by Bayleys during the pandemic is anything

to go by, there are possibly more Kiwis living out in the country now than ever before, bringing new diversity to the rural landscape.

In this edition of Bayleys’ *Country* we bring you 84 new farm and lifestyle opportunities from around New Zealand – perhaps there’s a new direction for you between these pages.

In our commentary and insights pieces, we take a look at New Zealand Trade and Enterprise’s FernMark programme and how Kiwi businesses can leverage the New Zealand Story when marketing to the world.

We dip into the challenges and important decisions that need to be made around water as a resource to get the balance right for the primary sector and our communities’ futures, plus we explore options for keeping bees on a lifestyle block.

As we say goodbye to what has been an outstanding summer for many and settle into autumn, the Bayleys Country team is only a phone call or email away if property is on your mind.

Talk to us – being altogether better in the country is what we do.

WHO ARE WE?

Bayleys is proud to be New Zealand’s largest full service real estate agency.

With a presence in all major cities, provincial towns and regions, we have an unmatched buying power with key media, and a vast referral network – both of which help to optimise sales opportunities for our clients.

In just over 20 years, we have become this country’s number one rural real estate brand, with our dedicated team of country salespeople selling more farmland in New Zealand than any other agency.

BAYLEYS COUNTRY

#1
RURAL REAL ESTATE
BRAND IN NEW ZEALAND

100
SALESPEOPLE

1,700
SALES AND LEASING
TRANSACTIONS

\$2 billion

OF PROPERTY SOLD OR LEASED

*For the period 1st April 2020 - 31st March 2021

Country is published by Bayleys Realty Group. The information contained in this magazine is given in good faith and does not necessarily reflect the views of Bayleys Realty Group. It is derived from sources believed to be reliable and accurate. However, neither Bayleys Realty Group nor any person involved in the preparation of this magazine accepts any form of liability for its contents, including advertisements, editorials, property information, or any consequences. Copyright © 2022: Bayleys Realty Group. All real estate companies featured are members of the Bayleys Realty Group.

In all cases, interested parties should conduct their own verification of property information in this publication, as well as their own investigation and analysis of the property. All parties are urged to take legal advice before entering into any property contract or agreement.