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# Japan raises tariffs for beef imports, NZ to lose out to Australia

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Beef prices have slipped slightly from a year ago but tight supply will mean falls will not be significant.

Japan will be a less lucrative beef market for New Zealand after it lifted its tariff rates on frozen product from 38.5 to 50 per cent.

The rates were raised because of an increase in the amount of beef being imported by Japan for the first half of this year.

Japan is New Zealand's fourth most valuable beef market, with sales of \$146 million for the year to the end of June. Rabobank said in its latest Agribusiness Monthly that New Zealand was now at a disadvantage to Australia, which through its free trade agreement with Japan was paying only a 27 per cent tariff.

Beef which had been destined for Japan would probably be diverted to other markets.

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Meanwhile, cattle prices which now sit at about \$5.50 per kg for bulls, have fallen by 3 per cent from a year ago. The beef slaughter this year is down 6.4 per cent on last year.

Facial eczema has had a significant impact on lamb supply in the North Island, where it is down on the same time a year ago. However in the South Island, supply is tracking along at the same level.

Anecdotally, farmers were indicating scanning was ahead on last year's results, but Rabobank said lambing success would come down to the weather.

While the Chinese have dropped out of the coarse crossbred wool market to an extent, India surprised by lifting the amount it bought in the last year to 8000 tonnes of clean crossbred fibre - an increase of 25 per cent on the year before. This was the biggest amount India has bought since 2009-10.

This year's smaller wine vintage will be reflected in lower export returns next year, but exporters are profiting from last year's big harvest. Export volumes grew by 16 per cent to June, and value was up by 10 per cent.

Rabobank noted 18 wine regions filed to register their areas on the new list of geographical indications, which could protect the investment wineries have made in developing regional provenance.

Bad weather in autumn had resulted in vegetable prices rising by 19 per cent in the June quarter, the highest since 2013. Conversely, prices for fruit fell by 5 per cent over the same period.

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