

Why renew?
A sheep farm example
Renew pasture
Sow

Renewing under-performing or weedy paddocks with high quality cultivars can give significant financial gains. In this example an investment of $1585 can give a net return of $8130 - one few other investments can match!

Typical costs of renewal

In this example after a crop, herbicide is sprayed to kill weeds prior to cultivation. Full costs are presented, but these should be partly attributed to the cost of the crop.

Direct costs/ha	$ (inc. GST)
Appropriate herbicide(s) applied	100
Primary cultivation (plough)[1]	280
Light cultivation[1]	150
Roller drill[1]	180
Rohan SPR 18 kg/ha, *Apex* 2 kg/ha, *Ruru* 2 kg/ha roll[2]	315
Establishment fertiliser including spreading[2]	400
Broadleaf herbicide[2]	150
Total cost	$1585

[1] Average price for North and South Island-based contractors, July 2026.

[2] Estimated retail prices, July 2026.

Cost benefit example

This financial returns from renewal in this example come in two ways. First, the new pasture increases growth by 4 t DM/ha, which is often achievable, but depends on the situation. The extra yield increases carrying capacity by 2.8 ewes/ha in year one, while the new pasture is still establishing, and by 4.5 ewes/ha once the pasture is established.

Farm type	Unproductive pasture	Productive pasture
Summer dry	6-10 t DM/ha/yr	10-14 t DM/ha/yr
Summer safe	10-14 t DM/ha/yr	14-18 t DM/ha/yr

Second, new pastures typically have higher feed value, as you replace weeds with quality forage. This means lambs grow faster than on old pasture (e.g. 200 g/day vs 120 g/day). This sets up the opportunity to trade and finish an extra 15 lambs/ha. This would vary year to year depending on rainfall and availability of store lambs.



Productive, high quality pastures drive stock performance.

Gross margin from extra productivity

Return/ha from extra ewes run	$	Return/ha from lamb finishing	$
First year increase[1] 2.8 ewe/ha x $370/ewe	1035	First year increase[3] 15 lambs/ha @ $35/lamb	525
Second year increase[2] 4.5 ewes/ha @ $370/ewe	1665	Second year increase[3] 15 lambs/ha @ $35/lamb	525
Third year increase[2] 4.5 ewes/ha @ $370/ewe	1665	Third year increase[3] 15 lambs/ha @ $35/lamb	525
Fourth year increase[2] 4.5 ewes/ha @ $370/ewe	1665	Fourth year increase[3] 15 lambs/ha @ $35/lamb	525
Total benefit/ha extra ewes (over 4 years)	$6030/ha	Total benefit lamb finishing (over 4 years)	$2100/ha
		Total benefit ewes + lamb finishing	$8130/ha

[1] Loss of growth of 1500 kg DM/ha with renewal. This is subtracted from 4000 kg DM/ha benefit first year, to give a net gain of 2500 kg DM/ha. A ewe intake requirement of 660 kg DM/year allows an extra 2.8 ewes/ha, each returning a gross margin of $370. (This is based on income: 1.2 lambs @ $200/lamb, plus cull ewe income @ $145, plus 5 kg wool @ $3/kg. Less expenses: freight $2.50, animal health $7, shearing expenses $6, ram purchase 20% of rams (1:50 service) @ $1000 (=$5), interest 5% on capital (=$10).

[2] 4000 kg DM/ha/year increased pasture with 75% utilisation. A ewe intake requirement of 660 kg DM/year allows an extra 4.5 ewes/ha.

[3] Assuming average lamb LWG on old pasture 120 g/day (i.e. 100 days to gain 12 kg), on new pasture 200 g/day (i.e. 60 days to gain 12 kg). Allowing for an extra 15 lambs/ha from 40 days extra grazing at a gross margin of $35/lamb. (This is based on lambs growing at 200 g/day, for 40 days, gain 8 kg LW; at 46% yield gives an extra 3.7 kg CCWT @ $11/kg CCWT ($40) plus 1 kg wool @ 3/kg ($3). Less expenses: freight ($2), animal health ($2) shearing ($3), interest ($1) gives a gross margin of $35/lamb).