New Zealand suffering biggest drought in 30 years (Update)
14 March 2013, by Nick Perry

Parts of the North Island are drier than they've been in 70 years and some scientists say the unusual weather could be a harbinger of climate change. There has been little significant rainfall in the northern and eastern parts of the country since October.

Still, some are finding the dry, sun soaked days a boon. Vintners call the conditions perfect. And city dwellers are reveling in eating lunch outdoors or spending evenings at the beach in a Southern Hemisphere summer that never seems to end.

Farmers estimate the drought has so far cost them about 1 billion New Zealand dollars ($820 million) in lost export earnings with the damage rising daily as they reduce their herds, which in turn reduces milk production.

Farming, and dairy cows in particular, drives the economy in the island nation of 4.5 million and the drought is expected to shave about a percentage point off economic growth.

New Zealand's last significant drought was five years ago and also cost farmers billions of dollars.

Bruce Wills, president of farming association Federated Farmers, said North Island slaughterhouses are processing about 40 percent more cows and sheep this year as farmers reduce their herds. The increased numbers and lighter weight of the animals has resulted in plummeting prices, he said.

The drought is costing farmers millions of dollars each day and is beginning to take a toll on New Zealand's economy. On Friday, the government officially declared its most widespread drought in at least 30 years.

Dairy farmer John Rose has sent more than 100 of his cows to the slaughterhouse over recent weeks as a severe drought browned pastures in New Zealand's normally verdant North Island.

He had to thin his herd so the remaining 550 cows have enough to eat, and he's supplementing their diet with ground palm kernel as the grass in his fields withers.

"We try and make sure they've got water and shade during the day and do the best we can for them," he said. "It's very hard to remember when the last rainfall was."

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This photo from Feb. 26, 2013 shows dry cracked land near a water reservoir in Kiwitahi, New Zealand. A drought in New Zealand's North Island is costing farmers millions of dollars each day and is beginning to take a toll on the country's economy. (AP Photo/New Zealand Herald, Christine Cornege)

North Island farmers are also sending stock to the South Island, which hasn't been so affected. Wills said farmers have sent 1.5 million lambs and other stock on ferries to the South Island to graze or be slaughtered there.

"One of the challenges with a drought is that the impact can go on for a number of years," he said. "We'll have a lower lambing percentage next year because there hasn't been enough feed this year," he said of the impact on animal fertility.

The official government designation of a drought provides farmers some financial relief through increased government funding of rural groups and tax breaks. Farmers facing serious financial hardship will also be eligible to apply for temporary unemployment benefits.

"It's a very serious problem," said lawmaker David Shearer. "It's obviously affecting farmers, but the other part is it's also going to flow through to our rural communities—the retail shops and the businesses."

Bill English, the country's finance minister, said that despite the economic difficulties caused by the drought, he believes the government can still maintain its goal of returning the national budget to surplus by the year beginning July 2014. The country was sent into the red after the 2008 global financial crisis.

James Renwick, a climate scientist at Victoria University of Wellington, said New Zealanders should expect more summers like the current one due to global warming. He said the dry subtropical weather that helps forms deserts in places like Africa and Australia is expanding toward the world's poles.

He said the risk of drought in New Zealand will keep increasing and water resources will become more stretched. He said that in certain places, dairy cows, with their reliance on abundant water, may not be as viable in years to come but that other more drought-resistant crops and species could replace them.

"We may need to change our approach to farming," Renwick said. "Whatever the climate is, there's always something you can do."

In this photo from March 11, 2013, farmer Peter Brown walks on the dry ground on his dairy farm near Ohinewai, New Zealand. A drought in New Zealand's North Island is costing farmers millions of dollars each day and is beginning to take a toll on the country's economy. (AP Photo/New Zealand Herald, Brett Phibbs)
Like, perhaps, growing grapes.

"The weather for us is stunningly good," said Philip Gregan, the chief executive of New Zealand Wine, an association representing grape growers and winemakers. "We're getting warm, dry, cooler nights. It's the perfect recipe for fully ripe fruit with fabulous flavors."

Gregan said winemakers across the country are expecting an excellent vintage as the annual grape harvest begins.

New Zealand's sauvignon blanc is well-regarded internationally, but the industry remains small when compared to farming. Winemaking accounts for about 1.2 billion New Zealand dollars ($1 billion) in exports while farming accounts for about 25 billion New Zealand dollars ($20.6 billion).

The sunny weather in the capital city Wellington has been drawing thousands of tourists and office workers to the waterfront.

Simon Edmonds, who owns the waterfront cafe Tuatua, said late summer business is up 30 to 40 percent over the same time last year. But, he said, locals seem to have become so accustomed to sunny days this year that they're not arriving in the same numbers as they did on fine days in previous years.

"People can't go out and buy lunch every single day," he said.

Some relief may come with rain in the forecast on Sunday—although one dousing won't be nearly enough to undo the drought.

For Rose, the dairy farmer, the end of the golden weather can't come quick enough.

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