

**2014-15**  
ANNUAL REPORT





The cover of this annual report has been printed on Cocoon Offset paper which has been manufactured using a totally chlorine free process, 100% post consumer waste and is certified FSC Recycled.

By using Cocoon Offset rather than a non-recycled paper, the environmental impact was reduced by:



Source: Carbon footprint data evaluated by Labelia Conseil in accordance with the Bilan Carbone® methodology. Calculations are based on a comparison between the recycled paper used versus a virgin fibre paper according to the latest European BREF data (virgin fibre paper) available. Results are obtained according to technical information and subject to modification.

## BY FARMERS. FOR FARMERS

Level 4, Wellington Chambers,  
154 Featherston Street,  
PO Box 121, Wellington 6011, NZ  
0800 BEEFLAMB (0800 233 352)  
[www.beeflambnz.com](http://www.beeflambnz.com)





# WORKING HERE

---

## *Contents*

**2**

BOARD OF  
DIRECTORS

**4**

CEO AND  
CHAIRMAN'S  
REPORT

**6**

HOW WE'RE  
TRACKING

**8**

METRICS  
DASHBOARD

**10**

2015-16  
INVESTMENT BY  
PROGRAMME

**12**

WORKING  
HERE

**38**

OUR  
PEOPLE

**40**

STATISTICAL  
HIGHLIGHTS

**46**

FINANCIAL  
STATEMENTS

## BOARD OF DIRECTORS

*Farmers elect six of the Beef + Lamb New Zealand Directors, representing three electorates in the North Island and three in the South Island. Their terms are for three years, and elections are rotated. Two directors are also appointed from the meat industry.*

3



4



1



2



5



6



beef+lamb  
new zealand



**1 JAMES PARSONS**

*Farmer-elected Director,  
Northern North Island*

Served since: 2009  
Term expires: 2018  
09 439 4057 | 021 206 3208  
james.parsons@beeflambnz.com

James farms a 478 hectare hill country farm in Tangowahine, Northland, running a Coopworth sheep stud, commercial ewes, bulls and breeding cows.

**4 PHIL SMITH**

*Farmer-elected Director,  
Northern South Island*

Served since: 2015  
Term expires: 2018  
03 3158 677 | 027 2227 927  
balmoral@amuri.net

Phil farms a 958ha property at Culverden, running 2000 Coopdale ewes, 600 hoggets, and 100 Angus beef cows plus replacements, and grazing dairy heifers and carry-over cows.

**2 GEORGE TATHAM**

*Farmer-elected Director,  
Eastern North Island*

Served since: 2014  
Term expires: 2017  
06 372 3609 | 027 244 4900  
georgetatham@gmail.com

George farms a coastal Wairarapa sheep and beef breeding and finishing property running 20,000 stock units.

**5 ANNE MUNRO**

*Farmer-elected Director,  
Central South Island*

Served since: 2010  
Term expires: 2016  
03 685 5772 | 027 228 9627  
munropa@farmside.co.nz

Anne farms a 1037 hectare hill country property in the Mackenzie district. The farm runs a diversity of livestock - currently 3500 Romney-cross sheep, 240 breeding cows, 60 goats and 345 grazing dairy stock.

**3 MARK CLARKSON**

*Processor-Exporter Appointee*

Served since: 2012  
Term expires: 2018  
03 358 2200 | 027 432 8896  
mark.clarkson@anzcofoods.com

Mark has been managing director of ANZCO Foods Ltd since 2004, and is an Meat Industry Association (MIA) Council member.

**6 SAM LEWIS**

*Processor-Exporter Appointee*

Served since: 2014  
Term expires: 2017  
07 870 2425 | 021 815 658  
samuel.lewis@xtra.co.nz

Sam, who comes from a farming background, is chairman of Affco New Zealand. He was previously a member of the MIA Council and has been involved with Federated Farmers for 40 years.

**7 KIRSTEN BRYANT**

*Farmer-elected Director,  
Western North Island*

Served since: 2010  
Term expires: 2016  
06 342 7755 | 027 275 1690  
oneida.hills@xtra.co.nz

Kirsten farms three sheep and beef properties in the Taumarunui and Wanganui districts: 1174 hectares at Kirikau, 410 hectares at Piriaka and 485 hectares at Fordell.

**8 ANDREW MORRISON**

*Farmer-elected Director,  
Southern South Island*

Served since: 2014  
Term expires: 2017  
03 207 1856 | 027 664 4620  
beak.lisa@gmail.com

Andrew farms sheep and beef properties comprising 1033 hectares in Southland and Otago.

## CEO'S REPORT

**DURING MY TIME AS CEO OF BEEF + LAMB NEW ZEALAND, A REAL FOCUS FOR US HAS BEEN TO DEVELOP WAYS TO KEEP AN EYE ON HOW THE ORGANISATION IS TRACKING – WHAT WE'RE DOING WELL AND WHERE WE CAN IMPROVE OUR SERVICE AND OFFERING TO FARMERS.**

So for the last six years – since the previous Sheepmeat and Beef Levy Referendum in 2009 – Beef + Lamb New Zealand has done regular research to identify what's important to farmers, track awareness of the organisation and our activities, how farmers rate the importance of B+LNZ's different programmes and activities, and how satisfied farmers are with the job we're doing. Every month the independent market research company UMR calls a random group of farmers from the B+LNZ database to get their views on these areas and the responses have helped to shape activity to ensure B+LNZ's information and tools and services are of value for farmers.

This is one way that B+LNZ has ensured it's on track and delivering what sheep and beef farmers want, so it was great to receive such a strong mandate from farmers this year when they voted to continue levies for another six year cycle. We don't take your support lightly, and are committed to continuing to improve the organisation, what it delivers and how it generates value for sheep and beef farmers. We will also continue to be a strong and positive voice for the sheep and beef sector and ensuring this strong 'voice' will be an increasing focus for us through the next six year cycle, alongside other organisations such as Federated Farmers.

A significant and positive influence for the organisation over the past six years has been the Beef + Lamb New Zealand Farmer Council. Seven Farmer Councils, made up of

a dedicated bunch of farmers who volunteer their time, act as a vital link between grass-roots farmers throughout the country, and B+LNZ.

The Farmer Councils advise B+LNZ on research investment and they guide the organisation's work within their own regions. They work with their local B+LNZ Extension Managers and B+LNZ Farmer-elected Director to develop an annual Region Delivery Plan that maps what will be delivered in the region for that year.

Each Farmer Council chooses from a range of options and allocates funds to build an annual programme of events and other activities that meets local needs and priorities. This puts the decision-making in the hands of those who best understand the needs of local farmers.



*Scott Champion*

We coined the organisational tagline 'By Farmers. For Farmers' several years back and it's come to embody the essence of Beef + Lamb New Zealand and is one of the guiding principles of the organisation and its staff. Beef + Lamb New Zealand is owned by farmers, governed by farmers and guided by farmers. It's where farmers invest together for collective and individual benefit.

Finally, many of you will be aware that I signalled my resignation following the conclusion of the Sheepmeat and Beef Levy

Referendum in September 2015. It's been an absolute privilege to work for sheep and beef farmers for the past 10 years and it's time now to hand over to the next B+LNZ CEO to take your organisation onwards and build on the focus and foundation so many have worked hard to build.

Scott Champion  
Chief Executive Officer  
Beef + Lamb New Zealand

## CHAIRMAN'S REPORT

**I AM PLEASED TO PRESENT THE 2014-15 ANNUAL REPORT TO FARMERS.**

It was a busy year for Beef + Lamb New Zealand, most notably the renewed mandate courtesy of the 2015 Sheepmeat and Beef Levy Referendum. Receiving a circa 85% 'yes' vote, contrasted with the 2009 referendum's 51.5%, was a pleasing improvement and very humbling. The work of course never stops as our sector has plenty of headwinds and opportunities to exploit ahead and Beef + Lamb New Zealand must play its part on behalf of farmers.

The meat industry has always had its politics and 2015 was no exception with the structural debate. Beef + Lamb New Zealand contributed funding towards the Meat Industry Excellence 'Pathways To Long Term Sustainability' report. This provided some valuable discussion and debate, however Silver Fern Farms 50% sale to Shanghai Maling, strongly supported by their shareholders has established a different direction. At Beef + Lamb New Zealand we have always offered to support farmers through good information, however as a matter of principle have stopped short of telling commercial boards and their shareholders what they must do regarding the ownership of their assets. I strongly

refute any claims that this is a lack of leadership. Rather it is a matter of principle and a line that we will not cross, given Beef + Lamb New Zealand is not a subject matter expert, governor or shareholder in any meat companies.

My call to farmers, commentators, politicians and media is that the meat industry structure has been keenly debated, now it is time to move on, heal the wounds and work together as one sector. The opportunities are enormous and New Zealand's red meat sector is incredibly well positioned to exploit our unique strengths. We will never achieve greatness however, if we continue to fight and argue.

As a nation we were incredibly proud of the All Blacks in 2015, not just because they won the Rugby World Cup, but the way in which they won it. They possessed this unshakeable confidence and self-belief in their ability as a team to bring the cup home. Whilst fully acknowledging the magnitude of the task and the challenges they needed to overcome. As a sector we need to adopt the same attitude. We need to steadily but surely build our confidence and self-belief, while tackling head-on the road blocks that undermine our success. At Beef + Lamb New Zealand we are keen to play our part by ensuring farmers have the facts in front of them through the provision of robust information.

In order to keep Beef + Lamb New Zealand 'match fit' and focused on how we lift our performance, we have conducted two reviews throughout 2015 and are kicking off a constitutional review this year. We have looked closely at Research & Development and Market Development. Each are significant programmes we invest farmer funds in. Both reviews have shown areas where Beef + Lamb New Zealand has done good work but also areas where we can improve as we pursue top outcomes for farmers. Before committing too heavily to any new initiatives in 2016, we will be testing the recommendations with farmers and stakeholders.

Market Development in particular is an area we want to have a full and frank discussion with farmers so farmers can be more informed and have an opportunity to tell us what you want to see in this area.

The constitutional review is well overdue, with the Beef + Lamb New Zealand constitution established in 2004 and still retaining many references to wool and establishing the organisation as a result of the wind up of the old producer boards. In the Annual Meeting pack we have a timeline laying out how we plan to run the constitutional review over the coming 12 months.

Please take time to read through the following pages of the Annual Report. The Beef + Lamb New Zealand team have put together some great stories about projects and fantastic kiwi farmers your organisation has worked with on your behalf.

Finally I want to acknowledge the efforts of Scott Champion as the outgoing CEO. Scott has been a great ambassador for New Zealand farmers, working tirelessly on their behalf. At his core Scott has had a deep sense of purpose about making the New Zealand sheep and beef sector and our heartland rural communities strong and vibrant. It has been a pleasure to see Scott grow in his time with Beef + Lamb New Zealand. He will leave us highly respected by the board, his team of staff and numerous stakeholders.

Thank you also to my fellow directors, our staff and you as farmers. It is an honour to represent you as the Chair of your farmer organisation, Beef + Lamb New Zealand. We have a wonderful sector with a rich culture and it is the people that make it so special.

James Parsons  
Chairman  
Beef + Lamb New Zealand



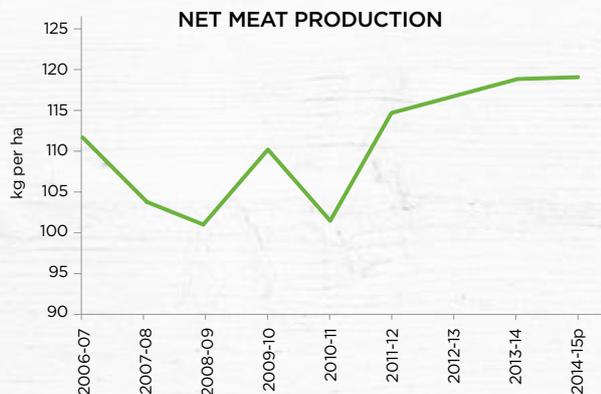
James Parsons

# HOW WE'RE TRACKING

We have identified some key indicators to get a sense of how we are tracking as an organisation. These performance indicators and their associated goals are a combination of on-farm productivity and profitability, confidence in the future of the sector, and farmer satisfaction and awareness of our activities. Collectively they provide a snapshot of sheep and beef sector health and of how well we are achieving a core principle of being genuinely 'By Farmers, For Farmers.'

## GOAL 1

Sheep and beef farmers are maintaining and improving productivity



Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

**NO CHANGE  
FOR 2014-15**

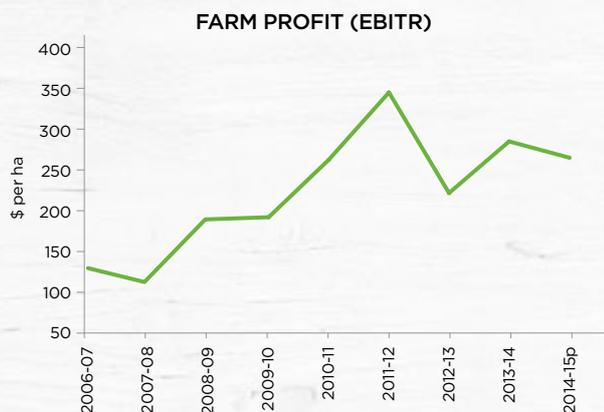


**DESIRED  
TREND**

Meat production for the All Classes Average sheep and beef farm is forecast to remain steady at 119kg of meat per hectare. Overall there is a trend of improving meat yields per hectare albeit with some fluctuation due to season/climate.

## GOAL 2

Sheep and beef farming is profitable



Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

**7%  
DECREASE  
FOR 2014-15**

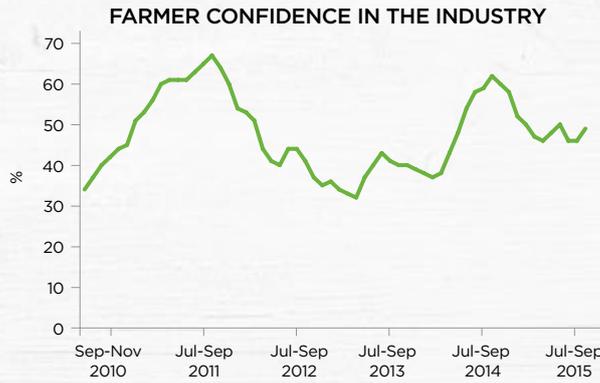


**DESIRED  
TREND**

Earnings before Interest, Tax and Rent (EBITR) for the All Classes Average sheep and beef farm is provisionally 7% lower at \$263 per hectare for 2014-15. This reduction is driven by a forecast reduction in lamb farm-gate prices in 2014-15 in part offset by increased beef farm-gate prices. The trend line is positive however farm-gate prices are the key determinant of the variability over the review period with 2010-11 and 2011-12 having lamb prices averaging in excess of \$110 per head (\$6.10 per kg carcase weight).

**GOAL 3**

Farmers are confident in the future of the sheep and beef sector



Source: UMR Research

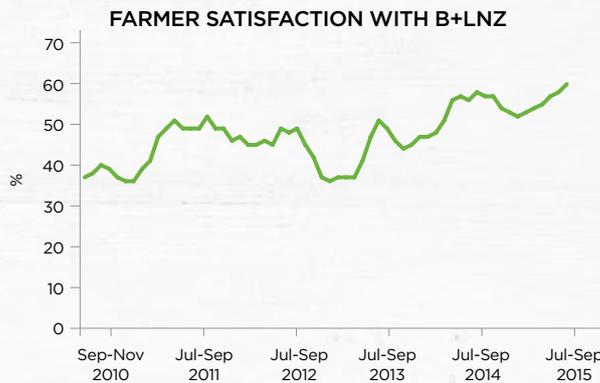
**10%**  
POINT DECREASE



Farmer confidence trended steadily lower for the first half of 2014-15 from a peak in late 2014. From mid-winter 2015, confidence began to recover on firming beef prices.

**GOAL 4**

Farmers are satisfied with their investment in B+LNZ



Source: UMR Research

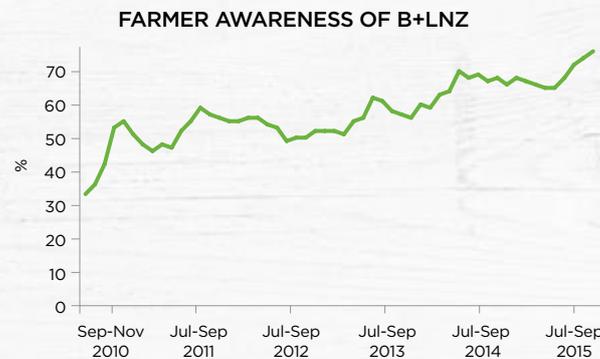
**4%**  
POINT INCREASE



Farmer satisfaction with B+LNZ eased in the early part of 2014-15 but recovered strongly to a record high 60% by the year-end.

**GOAL 5**

Farmers are aware of B+LNZ and its activities



Source: UMR Research

**7%**  
POINT INCREASE



Farmer awareness of B+LNZ increased 7% points during 2014-15 to finish at a record high 76%.

# METRICS DASHBOARD

At Beef + Lamb New Zealand we are committed to the vision of a confident and profitable sheep and beef industry. To help us drive towards that vision, we have seven strategic priorities, each of which contains a number of operational programmes and activities. We have identified high level measures for each strategic priority. The dashboard below shows results for the 2014-15 operating year and targets for 2015-16.

## Strategic priorities



**Investing in R&D that meets the needs of farmers and the sector**



SEE PAGE 16



**Delivering knowledge that drives farm performance**



SEE PAGES 14, 18, 19, 22



**Developing farm and farmer capability**



SEE PAGES 14, 18, 19, 20, 22, 29



**Attract and retain talent for the sector**



SEE PAGES 26, 27, 34



**Supporting the sector's market opportunities**



SEE PAGES 28, 36, 37



**Advocating for farmers' ability to operate**



SEE PAGES 20, 23



**Building our sector's confidence and profile within communities**



SEE PAGES 26, 28, 30, 34, 37

## Measures

	TARGET 2014-15	RESULT 2014-15	TREND YR/YR	TARGET 2015-16	COMMENT
Number of farmers advising on research priorities	200	150	⬆️	250	Increasing engagement through new Farmer Research Advisory Group (FRAG)
Farmer satisfaction with R&D activities	55%	57%	⬆️	60%	
Leverage of farmer research investment (other dollars for every farmer dollar)	3:1	5.3:1	⬆️	5:1	
Number of B+LNZ farmer events held	330	331	➡️	350	
Total attendees at B+LNZ events	17,000	15,033	⬇️	16,500	Smaller, more targeted events were the focus this year
Farmer satisfaction with B+LNZ extension	65%	70%	⬆️	70%	
Website sessions per month	10,000	19,338	⬆️	20,000	
Media volume per quarter	300	693	⬆️	300	Significant media volume associated with the 2015 levy referendum
Number of active project farm sites	125	125	➡️	125	
Number participating in agri-leadership programmes funded by B+LNZ	310	286	⬇️	300	A drop from previous year as 'Understanding your farming business' is now funded through RMPP
Number participating in Maori agribusiness leadership and management training	new*	267	-	350	Partnered initiative with Federation of Maori Authorities (FOMA)
Farmer satisfaction with programmes to attract and retain more talented young New Zealanders in the sector	35%	32%	⬆️	35%	Improving trend from a low level of farmer awareness of this programme
Retention of B+LNZ agriculture scholars within the sector	85%	100%	⬆️	85%	
Market access cost c/kg lamb	new*	12c/kg	-	8c/kg	
Market access cost c/kg beef	new*	38c/kg	-	37c/kg	
Tariff savings to the sector (annual)	new*	\$161m	-	\$186m	
Farmer satisfaction with market access activity	50%	43%	➡️	50%	This remains one of the highest priority activities identified by farmers for B+LNZ focus
Farmer satisfaction with global promotion	60%	44%	➡️	60%	
Farmer satisfaction with domestic promotion	60%	53%	⬆️	60%	
Farmer satisfaction with B+LNZ advocacy/leadership	60%	48%	⬆️	60%	Improving trend as B+LNZ lifted advocacy on health and safety and environment issues
Farmer awareness of B+LNZ	75%	76%	⬆️	80%	A steady trend of increasing farmer awareness of B+LNZ and its activity
Farmer satisfaction with B+LNZ	60%	60%	⬆️	60%	Satisfaction with B+LNZ increased to the highest levels recorded

\*New measure applied during 2014-15 year

## 2015-16 INVESTMENT BY PROGRAMME FOR EACH LEVY



	Per Head	Cents Per Kilo <sup>1</sup>
<b>Farmer levy received</b>	<b>\$0.60</b>	<b>3.3</b>
NZMB Funding	\$0.08	0.5
	<b>\$0.68</b>	<b>3.8</b>
<b>Expenditure</b>		
Extension	0.21	1.2
Market Development	0.09	0.5
Research & Development	0.14	0.8
Administration	0.06	0.3
Information & Analysis	0.06	0.4
Market Access	0.06	0.3
Environment	0.05	0.3
People & Capability	0.02	0.1
	<b>\$0.69</b>	<b>3.9</b>
Deficit from levies	(\$0.01)	(0.1)

1. Sheepmeat "Cents Per Kilo" based on an 18kg carcass weight.

### GOVERNANCE STATEMENT

The Board of Directors is committed to a governance framework for Beef + Lamb New Zealand Limited that ensures the strategic guidance of the company, the effective monitoring of Management by the Board, and the Board's accountability to the Company and the stakeholders (New Zealand farmers).

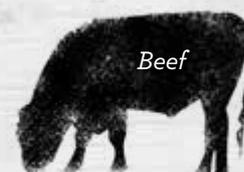
The principal functions of the Board of Directors are:

- setting the governance framework
- strategic planning and risk management
- monitoring
- authorisation
- fiscal control.

The Board has adopted the following governance objectives (which are in line with best practice principles recommended by the Securities Commission of New Zealand):

The Board will:

- lay solid foundations for management and oversight
- structure itself to add value
- promote ethical and responsible decision making
- use committees where this enhances its effectiveness in key areas, while retaining Board responsibility
- foster constructive relationships with livestock farmers that encourage them to engage with Beef + Lamb New Zealand
- encourage enhanced performance
- safeguard the integrity of its reporting (both financial and business performance) and make timely disclosures on Beef + Lamb New Zealand's affairs
- ensure that the Company has appropriate processes to recognise and manage risk
- remunerate fairly and responsibly.



	Per Head	Cents Per Kilo <sup>1</sup>
<b>Farmer levy received</b>	<b>\$4.40</b>	<b>1.6</b>
NZMB Funding	\$0.18	0.0
	<b>\$4.58</b>	<b>1.6</b>
<b>Expenditure</b>		
Extension	1.03	0.4
Market Development	1.39	0.5
Research & Development	0.45	0.2
Administration	0.50	0.2
Information & Analysis	0.32	0.1
Market Access	0.32	0.1
Environment	0.44	0.2
People & Capability	0.14	0.0
	<b>\$4.59</b>	<b>1.6</b>
Surplus from levies	\$0.01	0.0

1. Beef "Cents Per Kilo" based on a 280kg carcass weight.

The Board has two standing committees to assist it in discharging its responsibilities:

- Audit & Risk Committee
- Honoraria, Remuneration & Expense Committee.

Each committee operates in accordance with its Board-approved charter, which is annually reviewed by the Board. Special ad hoc project committees are formed as required. All committees make recommendations to the Board.

The Board also maintains a formal set of delegated authorities that clearly define the responsibilities which are delegated to Management and those which are retained by the Board. These delegated authorities are approved by the Board and are subject to formal review by the Board on a regular basis.

An aerial photograph of a vast, rolling green landscape under a cloudy sky. In the foreground, a large flock of sheep is gathered in a field. A tractor is visible near a fence line. The background shows rolling hills and distant mountains.

BEEF + LAMB  
NEW ZEALAND  
HELPS FARMERS  
TO TEST AND  
TRIAL DIFFERENT  
TECHNIQUES  
AND ACTIVITIES  
TO SUPPORT  
THEIR FARMING  
BUSINESSES.



Otupae Station



*Developing farm and farmer capability*



*Delivering knowledge that drives farm performance*

# PUSHING PRODUCTION BOUNDARIES

## INCREASING SHEEP PRODUCTIVITY BY 15% OVER THREE YEARS IS NO MEAN FEAT BUT 10 FARMERS IN A SHEEP PROFIT PARTNERSHIP PROGRAMME HAVE DONE JUST THAT.

Run by Beef + Lamb New Zealand and facilitated by farm consultant Wayne Allan, the partnership programme took 10 high-performing farms in Canterbury and Marlborough and challenged them to lift productivity by 5% year-on-year for three years with a one-year lead in.

The programme winds up early next year and all participating farmers have progressed towards their individual production goals. Several have exceeded their 15% target.

While the farms represent a wide range of property types, from flat

land to steep hill country, the farmers had remarkably consistent messages about what they had learnt through the programme and where they now focus their management decisions. Feeding and maintaining ewes at optimum body condition scores was an over-riding theme, but within that all the farmers are looking to legumes to drive production, particularly lamb growth rates.

Speaking at the programme's final field day, Wayne says the group identified three key drivers of their sheep operations; conception rates, lamb survivability and high pre-weaning growth rates.

Some drivers were easier to influence than others and feed has the greatest influence. Feeding at tugging influences scanning. Optimal nutrition during the late winter period has a direct impact on lamb survival and early lamb growth rates. Channelling feed into ewes and lambs in mid and late lactation will drive lamb growth rates and lift ewe body condition.

Two farmers saw late lactation as being the easiest and cheapest time to put body condition back on their ewes.

Wayne says pastures with herbs, high clover content or pure legume forages (such as lucerne or red clover) are hugely beneficial in increasing lamb weaning weights.

"The farmers had put some effort in this area and have been well rewarded. Each had used species suited to their environment."

The group made the most progress in lifting lamb weaning weights with the average lifting from 31.1kg to 34.2kg LW. This meant the weaning draft lifted from an average of 31% to 41%. Wayne expected the lift to be higher, but some farms have changed their drafting policy in response to higher lamb growth rates.

Within this range, every kilogram increase in the weaning weight can potentially increase weaning drafts by 10-15%. "This is a very powerful tool particularly in a drought."

The average carcase weight remained at 16.2kg CW (including store sales). More lambs have been sold earlier (at weaning), but dry summers have disrupted the rest of the lamb finishing season.

An unexpected outcome of the programme was a lift in stocking rate from 5.7 stock units/ha to 6.2/ha-an increase of 10%. "This has been a by-product of growing and utilising more feed throughout the programme," Wayne says.

Most significantly the group has achieved an average 21% increase in the quantity of lamb meat/hectare sold from the farm gate.

*Participating farmers summarised what they had learnt:*

**"We are concentrating on body condition and ensuring pre-lambing pasture covers are there. We don't overstock so we can drive lactation and lamb growth rates."**

*Richard Gorman, 780ha in Marlborough*

**"We are now monitoring, being pro-active and looking forward. You've got to have a plan and keep working towards what you want to achieve."**

*Tim Le Pine, 258ha flat land near Waiau*

**"It is important to grow the right pastures for our climate, so we will continue to look for pasture options that give us quality and longevity."**

*Tom Costello, 540ha of flat land at Hawarden*

**"You have to work to your strengths and minimise your weaknesses."**

*Mark Zino, 1000ha flat land at Hawarden*



#### LESSONS LEARNT

- Liveweight and body condition drives production. It's important to manage the bottom end of the flock.
- The importance of lamb weaning weights and their impact on drafting strategies.
- Weaning weight is relatively easy to improve if farmers are prepared to provide feed in late winter and late lactation.
- Legumes are a powerful tool.

#### CHALLENGES ACCOMPANYING A SIGNIFICANT LIFT IN PRODUCTIVITY

- As flock productivity increases per head production becomes more variable. This may require a renewed focus on animal health issues.
- It was difficult to get reliable lifts in lambing percentages over 155%.
- A heavy focus on finishing lambs and grazing dairy heifers can compromise the following year's production from capital stock.
- It is difficult to improve lamb survival.



*Investing in R&D that meets the needs of farmers and the sector*

## PUTTING A DOLLAR VALUE ON USING GOOD BEEF GENETICS

**BEEF + LAMB NEW ZEALAND GENETICS HAS A NEW PROGENY TEST TO PUT A DOLLAR VALUE ON THE EXTRA PROFIT THAT CAN BE ADDED TO THE DAIRY-BEEF SUPPLY CHAIN BY USING GOOD BEEF GENETICS.**

At its core, the four-year test is calculating the additional value that can be added by using high-genetic-merit beef bulls, compared to the unrecorded bulls traditionally used as “follow-on bulls” in most New Zealand dairy systems. What are the financial advantages for the dairy farmer, calf rearer and beef finisher?

Limestone Downs, near Port Waikato, is a high-profile trust-owned property, covering 3,200 ha and wintering about 27,000 stock units. It has a long-standing relationship with Massey University and is often used to trial research projects in a commercial setting. The operation converted 350ha to a dairy milking platform two years ago and runs 610 Friesian cows and 190 heifers.

Beef + Lamb New Zealand chief executive Dr Scott Champion says the inclusion of a dairy herd and dairy-beef progeny in the test is significant for both the dairy and the beef sectors. “A 2015 analysis indicates there is up to \$61 million worth of economic potential annually for the beef sector, if better quality beef bulls are used over dairy cows.

“But we realise that dairy farmers, calf rearers and beef finishers all need more information and/or financial incentive to change practices and value better quality young beef animals. The hope is that adding a dairy-beef component to this highly-commercial test will provide robust,

comparative information that will help all parties recognise exactly what better genetics will add to their bottom lines.”

Dr Champion says that one of the project’s objectives is to introduce a dairy-beef genetic index, that clearly quantifies the economic benefit of recorded bulls.

Supported by Massey University, Limestone Downs’ management is encouraged to constantly question policies and number crunch all cost-benefit equations. The dairy operation is no different. Therefore it may be less surprising to learn that all of the dairy operation’s cows and heifers are being used in the trial.

Limestone Downs manager Alf Harwood says dairy manager Aaron Frazer first raised the possibility of using beef bulls across the entire dairy herd and instead buying in dairy replacements.

**“WE ARE IN A SLIGHTLY UNUSUAL POSITION, IN THAT WE ARE THE BEEF FINISHER AND THE DAIRY FARMER.”**

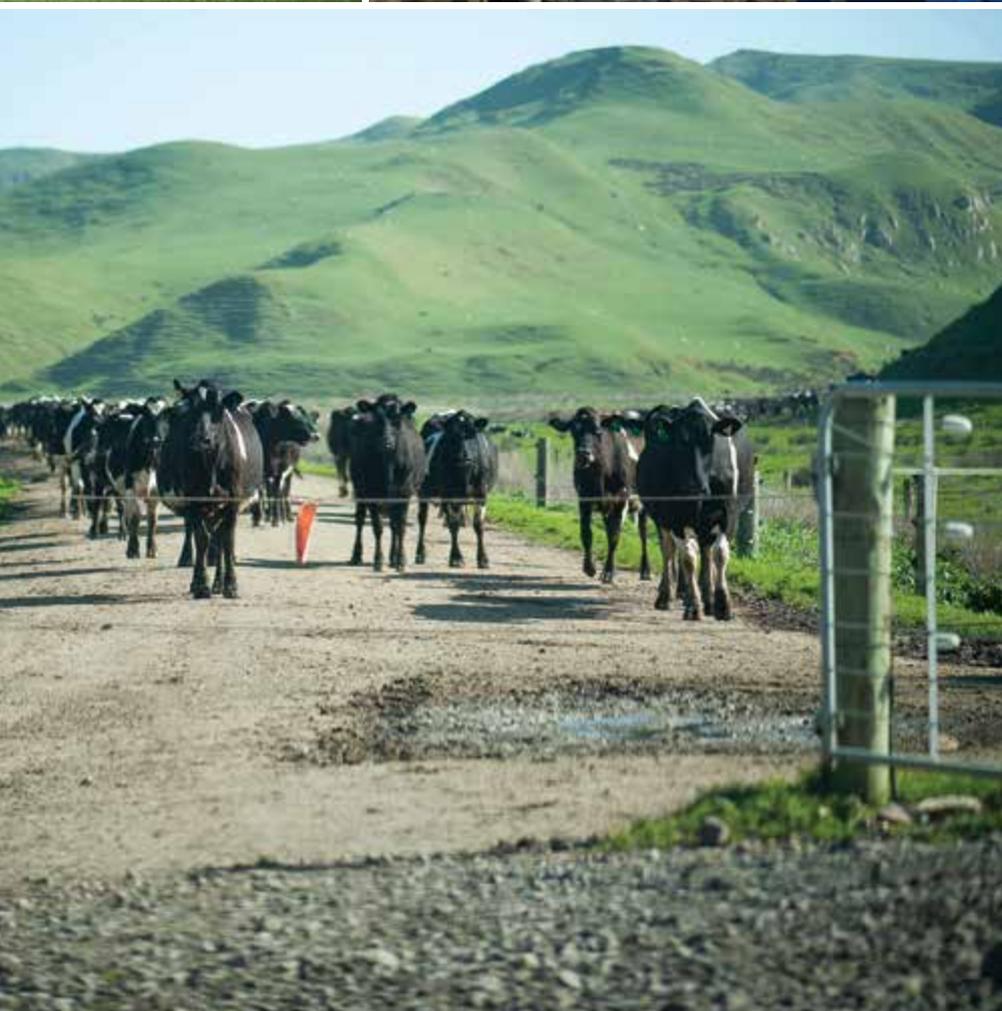
“Without the need to breed replacements, all we need from our dairy herd is to get in calf and calve easily. Then, from a beef finishing perspective, for calves to grow as fast as possible.”



*Limestone Downs*



*Alf Harwood & Aaron Frazer*



He speaks from experience. Limestone Downs sold the last of its 1300 Angus-Hereford beef cow herd 17 years ago, when the figures simply did not stack up and the lack of flexibility became frustrating to the system. The dairy industry has been the source of their beef stock ever since.

The dairy platform - including maize crops and dairy support for replacement heifers - occupies about 500ha in total. A move to buying in replacements on the open market ticked a lot of "benefit" boxes.

Ninety-four bulls will be used in total. The cows are being mated by AI to Angus and Hereford bulls that are either:

- a. high merit - that is top performers within their breed for calving ease, gestation length and 400-day calf weight, or
- b. equivalent in genetic merit to the average commercial bulls available this year.

Heifers will run with Jersey, Angus and Hereford bulls. The Jersey bulls used will represent the breed average for liveweight, while the Angus and Hereford bulls will be of low birth-weight and short gestation length.

Next season - when calves are on the ground - measurements will be made for gestation length, calving ease and calf birth weight. At processing, steers and heifers will be assessed on their carcass traits. The success rate of cows to get in calf again will also be recorded. The test will involve two cohorts of calves, born in 2016 and 2017.

While this is a stand-alone progeny test, it will be genetically linked to the Beef + Lamb New Zealand Genetics beef progeny test already underway on five large commercial properties throughout New Zealand - by using selected sires across operations. This will provide comparisons around how the bulls perform in two different systems.



*Developing farm and farmer capability*



*Delivering knowledge that drives farm performance*



*Julie and Barry Crawford*

## REGULAR PASTURE MEASURING

**WEEKLY PASTURE MEASUREMENTS ARE ENABLING SOUTHLAND FARMERS BARRY AND JULIE CRAWFORD TO MAKE TIMELY MANAGEMENT DECISIONS AND BETTER USE OF THEIR FEED RESOURCES.**

The couple had been measuring pasture covers monthly for several years, but two years ago they embarked on a B+LNZ Farmer-Initiated Technology Transfer (FITT) project to investigate the feasibility of weekly pasture monitoring.

They contracted GrassCo to measure pasture covers over their 510ha farm near Gore every Friday morning. Following GPS coordinates, the pasture sled gathered data which was entered into a feed calculator.

The Crawfords used this information to make decisions around feeding, stock trading and the application of nitrogen.

The couple say they began to feed their sheep what they actually required, especially through the winter months.

Julie says “feeding correctly has solved a lot of our problems. Bearings in our triplet ewes dropping from 8.7% to 1.7%.”

While it costs \$130 per week for 45 weeks of the year (they don't measure over lambing) the Crawfords see real value in the practice and have continued to measure pastures weekly.

## FARMERS LEADING THE SCIENCE

**A NORTHERN NORTHLAND BEEF + LAMB NEW ZEALAND FARMING FOR PROFIT GROUP IS EVALUATING THE IMPACT IMPROVED PASTURE MANAGEMENT HAS ON PRODUCTIVITY AND PROFITABILITY.**

The group of predominately beef farmers is looking at how simple management factors – such as extending the rotation length and retaining higher average pasture covers – can help them grow and harvest more grass.

Facilitator and farm consultant, Gareth Baynham of AgFirst, says a dairy farmer invited to speak about pasture management piqued the group's interest.

“It really struck a chord with the people that day and gave them insight as to how pasture management impacted on performance and profitability – without spending any more money.”

Working on the principle that ‘grass grows grass’, increasing average pasture covers from 1200-1300kg DM/ha to 1800-1900kg DM/ha could make a five-fold difference in daily pasture growth.

Gareth says the farming for profit group aims to answer questions about pasture management and its impact on the profitability of beef farming systems.



*Anna and Blair Nelson*

## DRIVING PROFITABILITY

**KING COUNTRY FARMERS ANNA AND BLAIR NELSON ARE STRIVING TO INCREASE FARM PROFIT BY \$200/HA, SO THAT THEIR RETURN ON CAPITAL IS COMPETITIVE WITH DAIRYING.**

The couple are part of Beef + Lamb New Zealand's Demonstration Farm programme, which means their farm is one of eight around the country showcasing and testing innovative farm practices. To help achieve their financial goals, the Nelsons have created a "high performance area" on cultivatable land within their 1100ha predominately hill country farm. They are using this area to grow specialist forages, primarily for finishing stock.

Three years ago—at the start of the demonstration farm project—the Nelsons thought plantain would be an ideal option, but found it did not work in their system. Instead they are growing stands of pure red clover, which is producing 4-6 tonnes more dry matter per hectare than their previous pasture. They are also experimenting with fodder beet.

## A FOCUS ON FEEDING

**A FOCUS ON EWE BODY CONDITION SCORING AND IMPROVING PASTURE QUALITY HAS SEEN GISBORNE'S RAUKURA STATION MAKE SIGNIFICANT PRODUCTION GAINS OVER THE PAST THREE YEARS.**

This recent B+LNZ Monitor Farm is 1353ha of predominately hard hill country south of Gisborne. At the start of the programme, the station's ewes were scanning 130% and lambing 103%. A focus on condition scoring and strategic feeding saw scanning percentages lift dramatically, to 171% and lambing percentages increase to 137%.

Beef + Lamb New Zealand Extension Manager Mark Harris says this translated into 34%— or 1000— more lambs at weaning, which injected around \$67,000 into the business.

An investment in fences and tracks, and the introduction of 400 grazing cows, has also helped improve pasture quality which in turn lifted ewe condition.

Raukura owners Anne, Debbie and Vicky Hewetson could not be happier with the results. "We've been very lucky to have the input of the Monitor Farm committee who really know what they're doing. When the first group went out on the farm, it was pretty obvious what was wrong and a lot of that came down to pasture management," says Debbie.



*Raukura owners Anne, Debbie and Vicky Hewetson with Mark and Chris Harris*



*Developing farm and farmer capability*



*Advocating for farmers' ability to operate*

# PROJECT HIGHLIGHTS THE UPSIDE OF ENVIRONMENTAL COMPLIANCE

*Mt Aspiring Station*

## FRONT FOOTING ENVIRONMENTAL COMPLIANCE IS LESS DAUNTING THAN MANY FARMERS REALISE.

That was the key message from a B+LNZ "Farming in a challenging environment" field day at Mt Aspiring in October. The day was the final in a series of three, presenting findings of the B+LNZ High Country Lake Catchments Environment Project. The three-year project began last year and initially involves three high country stations: 18,000ha Rees Valley Station at the head of Lake Wakatipu and Wanaka's 10,000ha Mt Burke and 2400ha Mt Aspiring Stations.

B+LNZ, environmental consultant Chris Arbuckle of Aspiring

Environmental and Ballance Agri-Nutrients Science Extension Officer Jim Risk, worked alongside the three runholders to develop detailed environmental resource information for each property. A year later, the runholders are now sharing their experiences, as part of the project's goal - to grow awareness of environmental management among other farmers.

### B+LNZ LEP PLANS

B+LNZ's Land and Environment Plans (LEP's) provided a structure for the development of each property's resource information. There are three levels of the LEP. Levels 1 and 2 are free workshop-based approaches, where 10-15 farmers come together with the support of a facilitator and develop plans for their own properties. Level 3 is the 'gold standard' and currently requires one-

on-one specialist support. The three stations all completed level 3 plans, as part of the project.

### OVERSEER™ ROLE

Mr Arbuckle says using the nutrient monitoring tool OVERSEER™ on a high country deer, sheep and beef property - with up to 24 different classes of stock - is not without its challenges. "At this stage in its development the model is most comfortable assessing the nutrient use on simpler farm systems such as dairying and we are pushing the envelope with such large farms, with such variable nutrient use." That said in the hands of experts, it still plays an important role in providing an indicator of what is happening to nutrient inputs and outputs on these farms. Its key role is farm decision support, and it does that well for any farm.

## THE FARMERS' VIEWPOINT

"The main benefit was from the discussions throughout the process, rather than the final result: making environmental awareness more prominent in your thinking, helping to prioritise where you can get the best results relative to cost/effort and discussing problems with others to get different ideas on how to fix them."

*Randall Aspinall,  
Mt Aspiring Station*

## SEE THE FULL STORY



[www.youtube.com/beeflambnz](http://www.youtube.com/beeflambnz)

## OUTCOME

So what is the end result? Each property now has a level 3 LEP, which include a series of maps detailing paddocks, soils, fertiliser and irrigation/drainage and OVERSEER assessment. The maps will provide an ongoing information source and management tool - which helps farmers plan towards meeting the Regional Council's water quality requirements - and, crucially, the process of developing the material influences the farmer's thinking about future management.

Mr Arbuckle: "Until we map this stuff out, talk it through, write it down and account for our decision making, we can't cut it environmentally with the person walking through the gate; be it a council officer, a tourist or a member of our community."

## CHRIS ARBUCKLE'S TOP TWO MESSAGES:

1. Focus on the low-hanging fruit that occurs on every farm. The things which make your own gut churn when you look at them - cows in a creek, dead stock in a pond and soil washing off paddocks. You usually don't need fancy modelling to identify what those are and the solutions are often simpler than most think.
2. When you're ready, get on the front foot. Use tools like the LEP and OVERSEER to inform your decision making ahead of any regulation needs. Don't be afraid of it. Use it to fine tune your farm management and it will ultimately save you money and, in turn, lessen environmental impacts.

## NEXT STEPS

The next stage involves moving discussion and written plans into action. Now the properties have detailed resource information to hand, the first step is some scenario modelling via OVERSEER and other tools to gauge the impact of farm system changes on the environment.

Some properties may also introduce Farmax into the equation, so financial implications are projected.

Mr Arbuckle plans to bring a couple of new properties on board, to keep the momentum going.

For more information on B+LNZ Land and Environment Plans and workshops, visit [beeflambnz.com/lep](http://beeflambnz.com/lep) If you would like copies of any of the booklets produced for the project's field days, call 0800 BEEFLAMB.



*Developing farm and farmer capability*



*Delivering knowledge that drives farm performance*

## DATA COLLECTION AIDS DROUGHT MANAGEMENT

**DATA GATHERED FROM FIVE DROUGHT-AFFECTED NORTH CANTERBURY FARMS WILL BE USED TO HELP OTHER FARMERS IN THE REGION DEVELOP MANAGEMENT STRATEGIES.**

Initiated by B+LNZ, the two-year project is co-sponsored by farm systems software company Farmax, which is acting as a service provider in the collation and analysis of the farmer-collected data.

The five “monitor” farms are spread across North Canterbury and participating farmers are required to measure variables such as pasture covers, fertiliser inputs and record stock movements and performance.

This data will be entered into Farmax software and monthly reports will be generated for each farm. These reports will be reviewed by farm consultant Jansen Travis and made available to sheep and beef farmers in North Canterbury and throughout the country.

Farmax Product Manager Victoria Hamlin says the freely available reports will be based around actual and forecasted pasture growth rates and drymatter supply and demand.



They will include a summary of monitor farmers’ management decisions, made in response to the data.

Gavin McEwen, the General Manager of Farmax, says this data will also be saved for historical benchmarking. “If a drought like this does reoccur then we have a document of the strategies used and therefore the knowledge to farm out of these situations.”

Waiiau-based sheep and beef farmers Tim and Jen Le Pine are participating in the project because they see it as a great opportunity to gather data that will add value to their business. “It’s important to be looking forward,” says Jen.



*Gavin McEwen (left) from Farmax explains how it is done to Tom Costello.*



*Advocating for farmers' ability to operate*

## FARM-SPECIFIC HEALTH + SAFETY SYSTEM LAUNCHED

### RESPONDING TO IMPENDING CHANGES TO HEALTH AND SAFETY LEGISLATION, BEEF + LAMB NEW ZEALAND HAS DEVELOPED A FARM SAFETY MANAGEMENT SYSTEM TO SIMPLIFY COMPLIANCE.

Developed in conjunction with Quality Services International and endorsed by Worksafe New Zealand and ACC, the System has been designed specifically for sheep and beef farmers. It was tested with 160 East Coast farmers through a series of pilot workshops late last year.

Beef + Lamb New Zealand Eastern North Island Extension Manager Mark Harris says farmer feedback from the pilot workshops was overwhelmingly positive.

"Farmers found them very informative and they helped debunk a lot of myths and misinformation about the legislative changes."

He says most farmers left the workshops with 90-100% of their Farm Safety Management Plan in place. "The system is simple, to-the-point, and gives farmers exactly what they need to comply with the upcoming legislation."

Harris says attending farmers also helped refine the product, which is being made available to all B+LNZ levy payers from February 1 2016.

Hastings farmers Anne and Ralph Yule attended one of the pilot workshops and found it to be

enjoyable and informative. "It gave us a plan to start off with and we've continued to build on it," says Anne.

She admits the process was not nearly as onerous as she had imagined and the workshops sorted fact from fiction.

Anne says she was pleased the system and workshops were developed and run by B+LNZ rather than commercial entities. She will be encouraging farming friends and neighbours to attend workshops next year. Anne adds that they are now more aware of health and safety on their farm. For example, they now make a point of meeting visitors as they enter the property, rather than directing them to a paddock.

Hawkes Bay farmer Harvey Nelson described the workshop he attended as being very good. "It put my mind at ease over the whole deal. I didn't know what to expect as there has been quite a bit of talk about the legislation, but it's refreshing to know it's not going to be as stringent as I thought."

He says the system has certainly helped him implement changes on his farm, such as ensuring everyone is wearing helmets while on motorbikes and taking the time to ensure contractors, such as helicopter pilots, are aware of farm hazards.



*Will Morrison*

BEEF + LAMB  
NEW ZEALAND  
CELEBRATES SUCCESS  
IN THE SECTOR,  
ACKNOWLEDGING  
EMERGING TALENT  
AND THOSE WHO  
HAVE MADE A BIG  
CONTRIBUTION.





*Duncan (left) and Owen Scott with 14-month-old Thomas*



Attract and retain talent for the sector



Building our sector's confidence and profile within communities

## A YOUNG ACHIEVER

**WHEN HAMISH AND AMY BIELSKI BECAME EQUITY PARTNERS IN A 300HA SOUTH OTAGO SHEEP, BEEF AND CROPPING FARM LAST YEAR THEY REALISED A LONG-TERM GOAL.**

The young couple have been unerring in their desire to own a sheep and beef farm and they achieved this through hard-work, focus and taking opportunities whenever they arose.

While building his own business Hamish has also found time to contribute to the wider sheep and beef industry and is Deputy Chair of Beef + Lamb New Zealand's Southern South Island Farmer Council and the Southern Texel Society. It's this commitment to the sheep industry that won Hamish this year's emerging talent award in the Beef + Lamb New Zealand Sheep Industry Awards. But for Hamish, industry involvement is simply something he is drawn to.

"Instead of complaining I like trying to be part of the solution. It's easy to say you can't be bothered but I can't help myself, I just gravitate toward that sort of thing, I find it stimulating; it's what I'm wired to do."

Hamish says he thrives on trying to be part of the solution to the challenges and obstacles facing the red meat industry- and he certainly has the credentials for the job having spent a number of years overcoming challenges and obstacles within his own business.

While Hamish grew up on a sheep and beef farm in the shadow of the Ruahine Ranges just north of Feilding, it was never a given that he would go farming. It wasn't until he heard a senior student talking about Smedley Training farm that the 16 year-old Hamish thought that farming might be a good career option. "It sounded like an amazing place to be trained."



Hamish Bielski

NZX Agri

Smedley lived up to all expectations and taught Hamish the fundamentals of farming. More importantly it confirmed to Hamish that the sheep and beef industry was where he wanted to be. "Once you find that passion you can't help but have a ball and do well in your chosen field."

While shepherding jobs followed, Hamish knew that deep-down he either wanted to own his own farm or be a farm manager. He also realised that to be able to compete for the best jobs he would need a tertiary education and so went to Lincoln University where he gained a Diploma of Farm Management.

While at Lincoln he met his future wife Amy who was finishing her Bachelor of Agricultural Science.

"When we were married we decided that farm ownership was an absolute goal and we were going to go for it."

The pair worked at various jobs, building their skill base and saving as much money as they could.

Hamish took on the role of genetics manager at Mt Linton Station in Southland. This meant he was responsible for producing 700 stud rams to service the station's 40,000 ewes and then marketing these rams as two-tooths.

It was a chance phone-call from a meat company director candidate that proved to be life changing for

Hamish and Amy. Southland farmer Neil Gardyne was ringing farmers in the region to garner support for his candidacy when he got chatting to Hamish. The pair discovered they shared the same values and beliefs and Neil and his equity partners were looking for a farm and people to invest in.

The Bielskis, including their children Maddie (8) and Tuvia (4) spent time with Neil and his family as they got to know each other and to ensure they would all be the right fit as equity partners. It then took two years to find a suitable farm, but Hamish says they still keep pinching themselves that it has actually happened.

Hamish and Amy have a 33% share of their 300ha farm in South Otago with several other parties, including the Gardynes, owning the balance.

However, all the other partners are happy for Hamish and Amy to gain a greater share if that opportunity arises in the future as any partners choose to exit.

While Hamish and Amy have reporting systems and specific accountability to shareholders in place, they are given autonomy to run the farm. In return the other equity partners have a couple striving to provide them with the best possible return on their investment.



*Attract and retain talent for the sector*

# TEENAG CLUBS GUIDING THE NEXT GENERATION

## **OPENING TEENAGE EYES TO THE NUMEROUS CAREER AND PERSONAL OPPORTUNITIES WITHIN THE AGRICULTURAL SECTOR IS A PRIMARY OBJECTIVE OF THE SECONDARY-SCHOOL BASED TEENAG CLUB PROGRAMME.**

Run by students for students, the TeenAg network offers young people the opportunity to develop their personal and practical agricultural skills and knowledge by engaging in a range of activities within their club and region. TeenAg is a New Zealand Young Farmers programme.

Teaghan Lourie is the Tasman Field Officer for New Zealand Young Farmers (NZYF) and looks after the TeenAg clubs in the region. She says the TeenAg clubs create the opportunity to interact with like-minded students with an interest in the primary sector while they learn, compete, network and have fun.

Funded by the Red Meat Profit Partnership (RMPP) with significant sheep and farmer investment through Beef + Lamb New Zealand, the TeenAg Clubs are part of the RMPP strategy to attract and build people capability in the sector and to help avert a looming skill shortage. They have been running for five years but an injection of funding through the RMPP has seen the clubs and membership grow significantly. There are now 72 clubs throughout the country with the aim of having 75 up and running by the end of the year.

TeenAg is seen as the first stage of the career and personal development pipeline run by New Zealand Young Farmers. After finishing school TeenAg members can go on to join New Zealand Young Farmers and later the Rural Business Network. The pipeline is designed to provide a seamless support and career development network with participants moving from one stage to the next, each subsequent stage focuses on and connects to what has gone before.

Beef + Lamb New Zealand's Chief Executive Dr Scott Champion says recent analysis supported by B+LNZ, DairyNZ and MPI showed that we need to increase the flow of people coming into the primary sector otherwise there will be a skills shortage. "Through our investment in RMPP we have been able to create a pathway from school through tertiary education and into the early stages of an individual's career. This attracts new people into the sector and also supports their early career development so they stay in the sector."

Teaghan says while the clubs tend to be based in schools where a number of students come from farming backgrounds, they are starting to see a strong uptake by young people

from urban backgrounds interested in what TeenAg has to offer.

While Teaghan acts as a support person for the clubs, they are essentially student-driven with regular meetings featuring speakers from within the agricultural industry. This approach helps students see what is possible if they choose a career in agriculture.

Most of TeenAg's skill-based activities occur over weekends and include competitions and stock-skill days, when students have the opportunity to develop their stock-handling ability on sheep, beef and dairy cattle.

The Tasman region runs an annual Skills Weekend in conjunction with the local New Zealand Young Farmers Clubs where participants work through skills-based modules, team building exercises and take part in regional meetings.

Local TeenAg clubs also take the initiative and run small, informal inter-club events such as sports tournaments and quiz nights.

Teaghan explains that potential leaders, identified through the TeenAg clubs, are given the opportunity to take part in leadership development courses such as the RMPP-funded Leadership Growth programme.



*TeenAg students*



Supporting the sector's  
market opportunities



Building our sector's confidence  
and profile within communities

## EWES HOGGET COMPETITION: WHERE ARE THEY NOW?

### 1996 WINNER: OWEN SCOTT, SOUTH CANTERBURY

Every year, the New Zealand Ewe Hogget competition celebrates farmers who are prepared to benchmark their operation and stock against their peers and this year Beef + Lamb New Zealand will increase its support of the event that encourages excellence. The competition has been running since 1996 and this story revisits the first event winners.

In its first year, the competition attracted more than 250 entries and the inaugural winners were Owen Scott and his late brother, Jim. The brothers farmed 204ha, 6km inland from Pareora, running Corriedale ewes, alongside a Border Leicester stud.

"We didn't really know the competition was on until the last minute. Our Corriedale hoggets had won a South Canterbury competition six of the eight years from 1982 and 1989, so we thought we'd see how we'd go. We won by nine points – scoring 95 out of a total 100 – a big margin."

The judges commented that the Scotts demonstrated the highest standards of animal husbandry. "Everything they do is special. The impression one gets is of a very well run operation, producing a top quality flock."

### FAST FORWARD TO 2015

The property remains in the family and is now farmed by Owen's son, Duncan. Owen and wife Barbara retired to town in 2012, but Owen still heads out to the farm five and a half days a week.

About 80ha of the 204ha are flat, with 55ha of those irrigated. The balance is typical South Canterbury "down lands" – gentle, rolling country.

The Corriedales have been bred out over the past 10 years, as the Scotts moved to the Dohne Merino – a relatively new dual purpose, fine wool breed, originating from South Africa.

"I was in Australia in 2004 and I heard a stock agent make a comment that 'the Dohne would do away with the Corriedale in Australia'. I pricked my ears up."

The Scotts bought their first three rams in 2004. Today, they use an AI programme and import semen from Australia to ensure good genetic diversity, given the small genetic base in New Zealand.

### THE COMPETITION: HOW IT MADE A DIFFERENCE

The winner's prize was a trip to the Royal Show in Warwickshire, England, and Owen and Barbara also had the opportunity to go through two wool manufacturing operations in Selkirk, Scotland. "It was a real eye opener. Even back then, the manufacturer was saying they'd like to do business direct with the wool grower."

They also visited the Wools of New Zealand headquarters in Ilkley, Yorkshire, and had a trip to Dusseldorf in Germany to look through a wool manufacturing business.

Scotts sell their clip to Mainland Wool and find it is an ideal arrangement for a producer of their scale.

Over the years, Owen has judged at National Ewe Hogget competitions at the semi-final level. "I've found it very enlightening to drive around the countryside and see what other sheep farmers are achieving."



South Canterbury farmers (from left)  
Amy, Duncan, Barbara and Owen Scott,  
with 14-month-old Thomas in foreground.



*Developing farm and farmer capability*

## FARMERS GET ONLINE

**USING A COMPUTER IS NOW AN ESSENTIAL PART OF RUNNING A FARM BUSINESS SO A COURSE AIMED AT TEACHING FARMERS BASIC COMPUTER SKILLS IS PROVING POPULAR.**

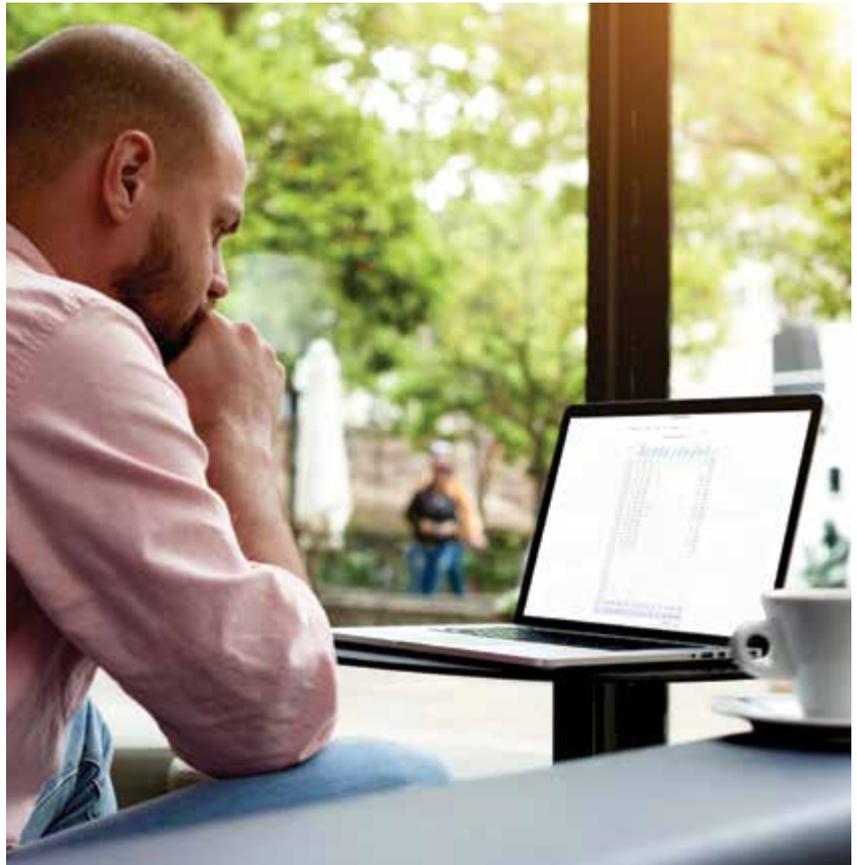
Two years ago Pongaroa-based farm consultant Rachel Joblin ran the first computer skills course to meet demand from members of her local community. She explains that she was approached by farmers within her community who wanted to develop basic computer skills. She investigated options but found no-one was available within her local area to teach these skills so decided to do it herself.

Rachel put an advertisement in the local pub and quickly had enough willing participants to run an evening course once a week for four weeks.

A survey Rachel carried out at the start of that first course showed that seven out of the 10 that had enrolled had not even turned a computer on. Somewhat surprisingly their ages ranged from mid 30s to mid 60s, so they certainly weren't just the older members of the community.

The course is very much aimed at developing the basic skills farmers need to run their business from turning the computer on and understanding what they are seeing to sending emails and using search engines.

Rachel says she gets the participants to send her a joke during the week just so she knows they are getting some screen-time in, and she suspects Trade Me



is also well-used as the course participants discover the on-line treasure trove.

Many farmers have been relying on family members to use the computer for them, but that is not sustainable in a world where communication is increasingly on-line. "It's how other people want to communicate with us," says Rachel.

But it's also how farmers can source the information they need to help run their businesses and make informed decisions. As she says, having a low level of computer skills hinders a farmer's ability to pick up other farm management tools such as Farmax.

Rachel has run two courses in Pongaroa and farm consultant Kate Wyeth from Baker & Associates has recently facilitated a course at Taratahi using the format developed by Rachel.

**"THERE ARE SO MANY AH-HA MOMENTS WHEN YOU SEE WHOLE NEW WORLDS OPENING UP TO THEM."**

There are also plans to roll out these courses in other parts of the country using RMPP funding.

Beef + Lamb New Zealand are the major investor in the Building People and Capability component of the RMPP, of which this course is a part. B+LNZ CEO Dr Scott Champion says the course fits with RMPP's philosophy of helping farmers develop skills to make use of the products and software that are already available, rather than inventing new products.



*Building our sector's confidence  
and profile within communities*

## INFLUENTIAL SHEEP BREEDER RECOGNISED

**WAIRARAPA FARMER, HOLMES WARREN IS HAPPY TO BE INVOLVED IN WORK BY THE SHEEP INDUSTRY TO IMPROVE THE TENDERNESS AND EATING QUALITY OF LAMB. AS HE SAYS, IMPROVING THE EATING QUALITY OF THE FINAL PRODUCT ALL HELPS TO LIFT ITS VALUE IN THE MARKET PLACE.**

It is with this willingness to see improvements that Holmes has approached every aspect of sheep breeding over a lifetime dedicated to lifting the productivity and profitability of this country's sheep flock.

Holmes was awarded the New Zealand Sheep Industry's Lifetime Achievement Award at this year's Beef + Lamb New Zealand Sheep Industry Awards. It was a fitting acknowledgement of the contribution Holmes has made to sheep farming over much of his 86 years.

Back in the 1970s Holmes was one of the founding members of the Wairarapa Romney Improvement Group. They were, and continue to be, an influential group of like-minded breeders determined to produce a sheep with improved genetics that would thrive and produce on hill country with minimal inputs. But Holmes' work in producing just such a sheep began back in the 1950s when he took over Turanganui, the Warren family's farm and Romney stud near Featherston.

As a young man Holmes had worked on a neighbouring sheep stud where the ewes were lambing an impressive 130%. This gave Holmes insight into what ewes were capable of doing at a time when a 90% lambing percentage on hill country was deemed perfectly respectable.

This was an era when wool made up 60% of a farmers' income so there was no real economic imperative to improve fertility, but Holmes always believed ewes were capable of rearing two good lambs as well as growing a decent fleece.

In a bid to improve fertility in the Turanganui flock, Holmes started out by selecting the two and four-tooth ewes that had reared twins. Out of a flock of 500 ewes this amounted to 40 ewes and these were run separately. When any of these ewes produced a single they were culled from the flock and this, says Holmes, proved to be a mistake. "I never got beyond having 40 ewes in that flock."

It wasn't until he met Professor Al Rae from Massey University (who was a pioneer in sheep production and genetics) that he began to make real progress. "He helped me get into a system of recording the lifetime production of a ewe flock." It was, Holmes admits, no easy task as everything was recorded on paper, but it gave him the information he needed to begin selecting the genetics that were more fertile than others.

His work in improving fertility captured the attention of commercial hill country farmers after Holmes gave a presentation to close to 300 farmers at a field day at Massey University.

Holmes explains that the wool price crashed in 1967 so farmers were desperate to lift their lambing percentages.

"It takes a while to prove these things genetically and even longer for people to accept them."

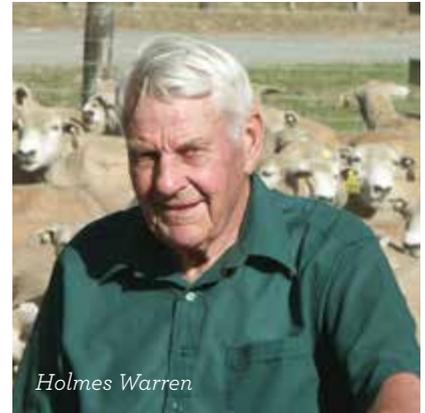
Having addressed the issue of fertility in the Turanganui flock, Holmes began to tackle the issue of mothering ability, which needed to improve to ensure the more fecund ewes could look after the extra lambs.

His work in improving genetics has certainly not been at the expense of physical structure and type.

Holmes remembers shifting his hoggets seven miles down the road to their hill block. He noted a number lagging behind after five miles and finding some raddle in his pocket he marked these sheep.



“NEW ZEALAND HAS SOME VERY CAPABLE FARMERS WHO KNOW HOW TO GET THE BEST OUT OF THEIR STOCK.”



*Holmes Warren*

Two months later, when he was moving them home again, it was the same hoggets which struggled to keep up.

Holmes puts great store in a sheep's ability to move freely on hill country in order to find feed and to do this they need to have structural soundness. The animal which is put together correctly requires less effort to move around, he says.

There is no instant gratification in sheep breeding, but Holmes can look back and see the incremental gains he has made over years of breeding sheep actually represent a quantum leap.

Holmes talks enthusiastically about the progress this country's sheep industry has made in the past 50 years, encapsulated by the fact that while ewe numbers have declined significantly, production in terms of sheep meat has increased.

He credits these gains to a number of factors such as aerial topdressing, improved pasture and forage species and improved sheep genetics.

But he also talks about the people; the scientists, sheep breeders and farmers who have all played such a big part in his career and the wider sheep industry. "It's quite remarkable what's happening.

"New Zealand has some very capable farmers who know how to get the best out of their stock. That's the enjoyable part of it, meeting others who are going down the same path."



INVESTING TO IMPROVE  
OPPORTUNITIES FOR  
SHEEPMET AND BEEF IN  
EXPORT MARKETS AND  
AT HOME ARE PRIORITIES  
FOR THE BEEF + LAMB  
NEW ZEALAND TRADE  
POLICY AND MARKET  
DEVELOPMENT TEAMS.





*Building our sector's confidence and profile within communities*



*Attract and retain talent for the sector*

## INTERNATIONAL BEEF PRODUCERS WORKING TOGETHER

### AFTER TWO WEEKS IN MEXICO, MARIE TIMPERLEY VIEWS THIS COUNTRY'S BEEF INDUSTRY VERY DIFFERENTLY.

The 24 year-old North Canterbury farmer was awarded the 2015 Beef + Lamb New Zealand (B+LNZ) Young Leader scholarship which saw her join the B+LNZ contingent attending the Five Nations Beef Alliance conference held in Mazatlan, Mexico. The conference brought together the Alliance's five existing members; Australia, US, Canada, New Zealand and Mexico.

The conference opened Marie's eyes to what was happening in the beef industry globally, particularly around trade. She was particularly enthusiastic about the willingness of participating nations to work together to promote beef as a protein. "Sticking together as an industry is the key. We need to get better at telling our story."

Returning home, Marie is taking a broader view of both New Zealand's beef industry and what is happening within her own business.

"I'm thinking more collaboratively rather than just as an individual producer."

This year, Brazil and Paraguay joined the Five Nations Beef Alliance, which necessitated a name change to the International Beef Alliance. More significantly it means the organisation through its seven member countries, now represents 63% of global beef exports and 46% of the world's beef producers.

Marie says there was a focus on sustainability and animal care (animal welfare) throughout the conference and in both these areas New Zealand was right up with the play.

B+LNZ Chief Executive, Dr Scott Champion says, the Alliance has become a really important vehicle for B+LNZ to work collaboratively with other beef producers and beef producing countries on issues such as trade and sustainability.

"While we may compete in some markets, a collective and global beef industry voice is a powerful thing. This was especially noticeable through the collective advocacy of the Alliance around the recently concluded negotiations for the Trans Pacific Partnership (TPP). Fully immersing young beef producers in these discussions is important for the sector's future, and it's been great having Marie as part of the conference and the discussions."

Marie noted that not all producers were fortunate enough to have organisations such as B+LNZ advocating for them on their behalf in areas such as market access and policy development. She felt this gave New Zealand beef producers a real advantage.

But for Marie the highlight of the trip was meeting beef producers from other participating countries.

"I met so many fantastic people. Everyone was so open, knowledgeable and positive about the beef industry."

"That was the biggest highlight."

"I MET SO MANY FANTASTIC PEOPLE. EVERYONE WAS SO OPEN, KNOWLEDGEABLE AND POSITIVE ABOUT THE BEEF INDUSTRY."

*Marie Timperley*





Supporting the sector's  
market opportunities



*In-store tasting in Japan*

## ORIGIN OF BEEF INFORMS SHOPPER DECISIONS

**CONSUMER RESEARCH SHOWS 89 PER CENT OF SUPERMARKET SHOPPERS IN KEY INTERNATIONAL BEEF MARKETS CONSIDER "COUNTRY OF ORIGIN", WHEN DECIDING WHICH BEEF PRODUCT TO PURCHASE.**

Beef + Lamb New Zealand Chief Executive Dr Scott Champion says this insight informs how the organisation works on the ground to boost sales of New Zealand origin beef.

"We use a three-pronged approach that gives consumers reasons to buy New Zealand beef ahead of other countries. We tell the New Zealand story - including environment and animal welfare aspects - and highlight our food safety systems, as well as the health and wellbeing attributes of New Zealand beef."

Dr Champion says the approach is well illustrated in Japan's southern-most province of Okinawa - a region known for the longevity of its population and healthy diet. "It is little surprise to find that Okinawans seek out lean red meat and that New Zealand grass-fed beef is their preference."

For the past 12 years, B+LNZ and meat processor ANZCO have worked with popular Japanese retail and food chain San-A Co.

San-A Senior Managing Director Atsushi Nakanishi says Okinawans typically consume more meat than their compatriots in other parts of Japan. "They prefer lean meat to fatter items, such as grain-fed beef. Accordingly, good-quality New Zealand grass-fed beef, which can be supplied on a stable basis, suits Okinawans' preferences."

To meet that demand, San-A established an ongoing trade in chilled New Zealand grass-fed beef 12 years ago. Today, New Zealand beef sales account for about 85 per cent of San-A's total beef sales, with supply constraints during the New Zealand winter being the only inhibitor to further growth. "Okinawan consumers rate New Zealand beef highly - particularly its consistently good quality, its tenderness and its overall taste."

ANZCO Foods Japan President Makoto Kinjo says ANZCO had the technology to supply chilled beef to the Japanese market at that critical time. "It started with a very small volume, but sales have grown year-on-year and now ANZCO's supply of grass-fed chilled beef to San-A accounts for a big part of New Zealand's chilled exports to Japan."

Mr Kinjo says New Zealand beef has very strong support and brand loyalty in Okinawa, because of its consistently high quality and its promotion as healthy beef. "Beef + Lamb New Zealand was involved all the way along, branding the product as healthy New Zealand grass-fed beef. Beef + Lamb New Zealand and ANZCO have invested a lot in

building that brand – such as monthly promotions – and it has made the San-A business very formidable.”

He says consumers recognise the eating quality difference between New Zealand and Australian beef. “For example, every New Zealand winter, New Zealand production is down but demand is at a peak in Japan. From time to time, San-A has to fill the gap with Australian beef. Consumers immediately respond to that and recognise it is not the same beef. We have an obligation to deliver top product every week and ANZCO has been working with farmers to make sure they can secure cattle every week and month of the year.”

Beef + Lamb New Zealand Market Manager - Japan John Hundleby says the organisation’s promotional activity in Okinawa focuses on supporting retailers of New Zealand grass-fed beef.

For the past six years, Beef + Lamb New Zealand has also hosted a tasting booth at the Naha Marathon. The marathon attracts 30,000 runners annually and last year 400 kilograms of chilled New Zealand grass-fed beef was sampled by runners and spectators.

**“OKINAWAN CONSUMERS RATE NEW ZEALAND BEEF HIGHLY – PARTICULARLY ITS CONSISTENTLY GOOD QUALITY, ITS TENDERNESS AND ITS OVERALL TASTE.”**

Mr Hundleby says participation in the Naha Marathon is aimed at supporting San-A and other companies that handle New Zealand grass-fed beef in Okinawa.

Another Beef + Lamb New Zealand promotional activity involves hosting educational seminars. Three seminars have been held in Okinawa in recent years, each attracting 100 to 120 potential trade customers, chefs, food stylists and media. In many cases, it is the first opportunity attendees have had to sample New Zealand grass-fed beef, Mr Hundleby says.



*Supporting the sector’s market opportunities*



*Building our sector’s confidence and profile within communities*

## WAY TO GROW

### HERE AT HOME, BEEF + LAMB NEW ZEALAND HAS LAUNCHED A NEW ADVERTISING CAMPAIGN

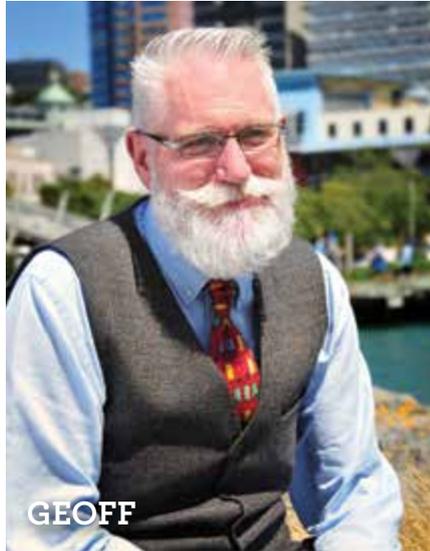
Focused on the importance of red meat in a healthy balanced diet, ‘Way to Grow’ was launched in February 2016 and its focus is on health, nutrition and wellbeing as told by young New Zealanders. You may recognise some of these youngsters. They are the sons and daughters of people in our industry – farmers, butchers and meat processors.



Check out the ads online at [www.youtube.com/beeflambnz](http://www.youtube.com/beeflambnz)

## OUR PEOPLE

THE TEAM WORKING FOR YOU AT BEEF + LAMB NEW ZEALAND CARRY OUT A RANGE OF WORK TO SUPPORT YOUR FARMING BUSINESS. HERE'S JUST A FEW OF THEM.



GEOFF



DIANE



ROB



JOANNE



SARAH



CHRIS



TURI



SIU-LIN

## GEOFF RIDLEY

*Beef + Lamb New Zealand  
Research Manager*

My job is connecting B+LNZ, farmers, and scientists for our investment research. The opportunity is to help farmers find new and innovative ways to meet the market and environmental demands of the future. It's a challenging and rewarding role.

## DIANE FALCONER

*Beef + Lamb New Zealand  
People + Capability Manager*

I helped write the business case for the Red Meat Sector's PGP - known as the Red Meat Profit Partnership. It's great to now have the opportunity to develop the people capability investment on behalf of farmers.

## ROB DAVISON

*Executive Director of the Beef + Lamb  
New Zealand Economic Service*

Agriculture is New Zealand's version of Silicon Valley. It's where the IP and the science are. It's an honour to have worked for the sheep and beef industry since 1973 collecting industry data and providing analysis to guide decisions and exploit opportunities.

## JOANNE CHAN-MASUN

*Beef + Lamb New Zealand  
Senior Accountant (Treasury)*

As part of the finance team I'm responsible for safeguarding the levy funds. I provide financial information that enables Management and the Board to make decisions that benefit sheep and beef farmers and the sector. Growing the future of farming is key and having the financial resources to do that is important.

## SARAH O'CONNELL

*Beef + Lamb New Zealand Northern  
South Island Extension Manager*

What I enjoy about working for B+LNZ is getting out and about across my region helping farmers and giving them opportunities to improve their business. I like seeing them go home from a workshop or field day with some information that will make a difference. We have some amazing connections across our business.

## CHRIS HOUSTON

*Manager - Technical Policy*

I share the values common among many farmers, despite having a background that is distinctly urban. I respect what farmers do, how hard they work and the wealth that farming creates for society. I am proud to participate in policy and advocacy work that helps promote and protect the industry's interests and enjoy the variation in the issues that I deal with.

## TURI MCFARLANE

*Beef + Lamb New Zealand Environment  
Extension Manager - South Island*

Working in environment extension with B+LNZ is an exciting space to be in. No doubt there are real challenges and frustrations that we all face every day, but ultimately environmental sustainability is an integral part of farming profitably, and challenging ourselves to continue to make the best choices to benefit future generations is a challenge I really enjoy being a part of. Working towards the long-term success and viability of our sector is reward in itself."

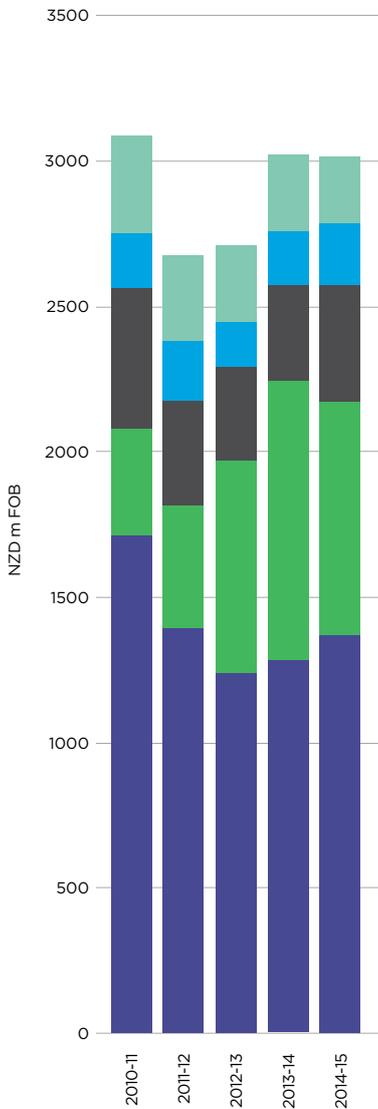
## SIU-LIN SHIM

*Beef + Lamb New Zealand Representative - China*

My role is helping farmers to promote New Zealand beef in China and Taiwan. I enjoy my work as I feel like I am a "bridge" connecting people that are more than 10,000km apart, bringing them joy, health and wealth! Waking up everyday knowing I have the opportunity to work with different kinds of amazing people makes me excited and energized!

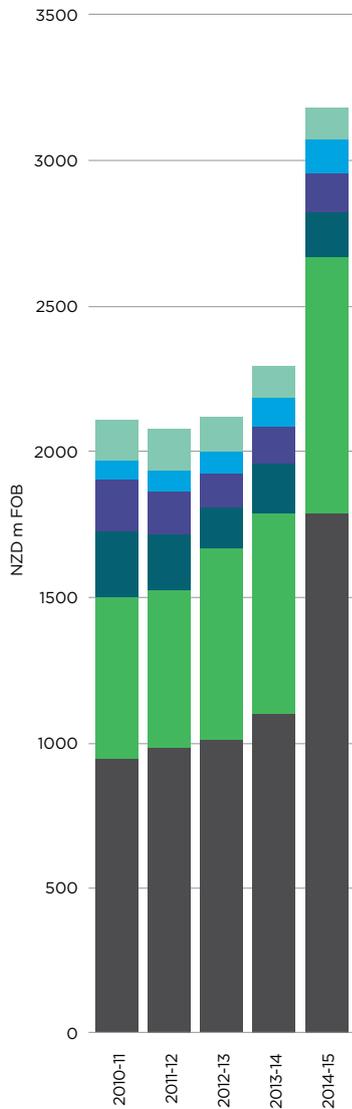
# STATISTICAL HIGHLIGHTS

*Value of Lamb and Mutton Exports*  
Year ended 30 September



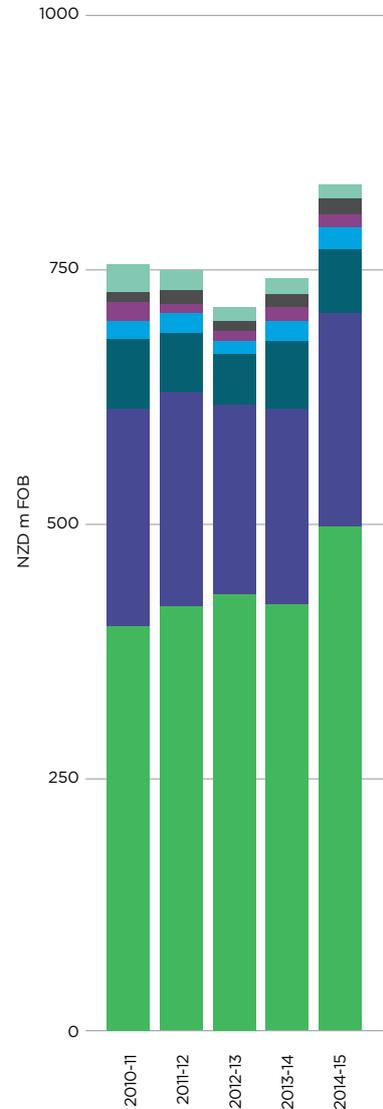
Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

*Value of Beef and Veal Exports*  
Year ended 30 September



Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

*Value of Wool Exports*  
Year ended 30 September

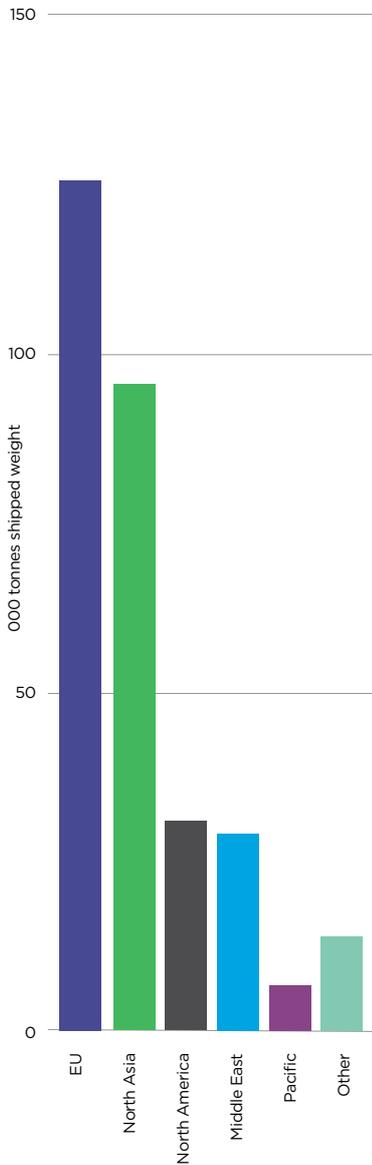


Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand



### Major New Zealand Lamb Markets

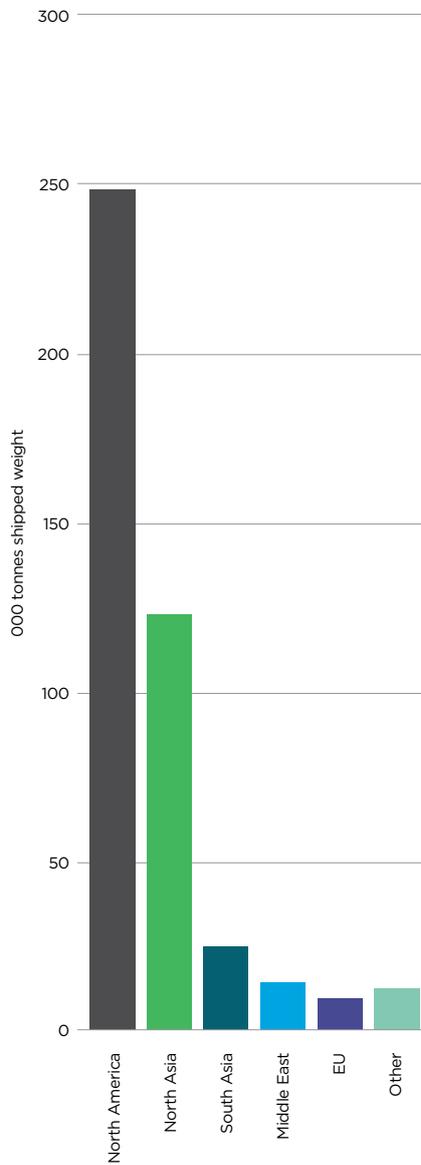
Year ended 30 September 2015



Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

### Major New Zealand Beef and Veal Markets

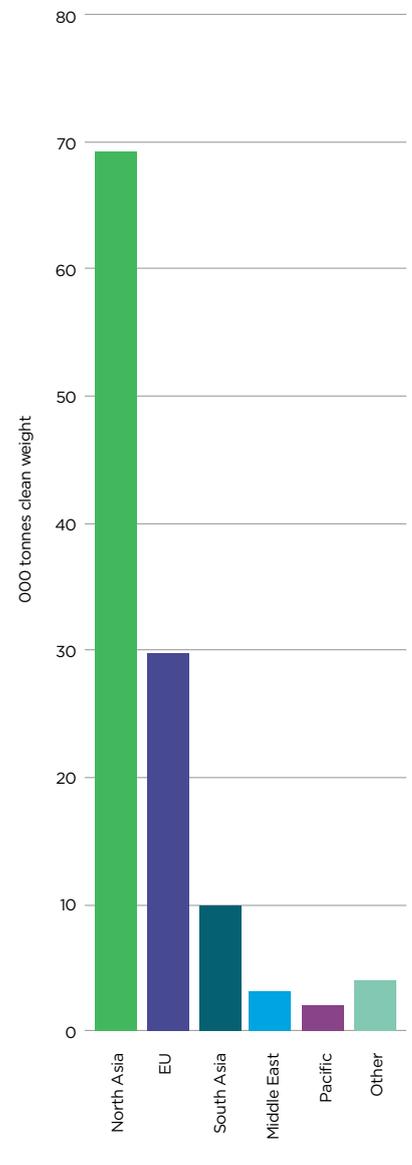
Year ended 30 September 2015



Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

### Major New Zealand Wool Markets

Year ended 30 September 2015



Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

### Meat Shipments by Destination (tonnes shipped weight)

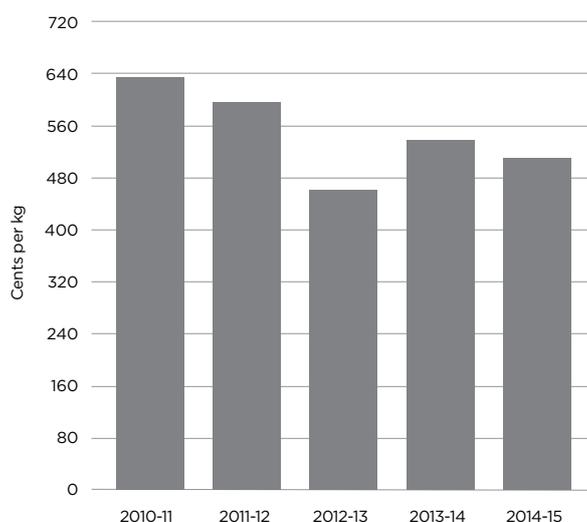
Year ended 30 September

Destination	Lamb		Mutton		Beef & Veal		Other		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Africa	6,100	3,324	1,036	790	341	353	9,265	8,502	16,741	12,969
Caribbean	3,001	3,018	954	937	1,346	1,085	761	699	6,063	5,739
European Union	118,217	125,514	10,375	12,965	11,524	9,104	10,637	8,693	150,753	156,276
Eastern Europe	1,398	609	1,122	600	1,364	824	6,962	6,447	10,846	8,481
Mediterranean	100	65	11	13	415	449	0	1	525	527
Middle East	26,320	29,175	1,571	1,709	13,954	13,989	4,427	9,919	46,272	54,791
North America	28,237	31,018	3,734	6,944	204,872	248,880	3,931	3,962	240,774	290,804
Northern Asia	106,849	95,615	72,032	56,261	113,239	122,934	22,163	19,949	314,284	294,759
Pacific	9,068	6,774	420	417	10,198	9,057	1,673	2,086	21,358	18,333
South America	185	91	60	4	0	0	191	810	436	905
Southern Asia	5,088	4,615	3,718	6,593	32,915	24,686	11,822	9,121	53,543	45,015
Western Europe	2,463	2,272	52	166	565	473	1	13	3,082	2,923
<b>Total Shipments</b>	<b>307,027</b>	<b>302,090</b>	<b>95,084</b>	<b>87,397</b>	<b>390,733</b>	<b>431,834</b>	<b>71,834</b>	<b>70,200</b>	<b>864,677</b>	<b>891,521</b>

Note: totals may not add due to rounding. Source: Beef + Lamb New Zealand Economic Service

### Export Lamb Farm-Gate Price<sup>1</sup>

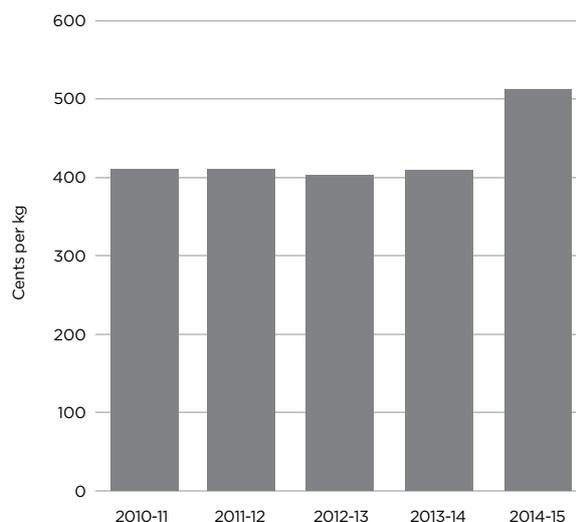
Year ended 30 September



1) All grades, incl. wool pull. Source: Beef + Lamb New Zealand Economic Service

### Export Steer and Heifer Farm-Gate Price<sup>1</sup>

Year ended 30 September



1) All weights. Source: Beef + Lamb New Zealand Economic Service

## Wool Shipments by Destination (tonnes clean)

Year ended 30 September

Destination	Fine Wool (< 24 micron)		Medium Wool (24 to 31 micron)		Fine Crossbred (31 to 35 micron)		Strong Crossbred (> 35 micron)		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Africa	56	107	338	370	39	15	349	246	782	738
European Union	1,917	2,408	6,952	4,772	8,668	8,328	13,020	14,285	30,557	29,793
Eastern Europe	0	0	58	0	156	19	19	0	234	19
Mediterranean	0	0	80	38	58	77	1,154	854	1,293	969
Middle East	0	53	10	38	673	747	2,398	2,374	3,080	3,213
North America	84	53	298	203	1,064	1,054	578	600	2,024	1,910
Northern Asia	4,718	4,664	10,858	16,931	25,158	28,689	22,176	18,984	62,910	69,268
Pacific	25	30	17	0	200	225	1,823	1,844	2,066	2,099
South America	13	0	13	0	15	92	0	15	41	107
Southern Asia	338	197	1,237	1,280	1,932	1,302	8,094	7,459	11,600	10,237
Western Europe	0	0	17	0	143	165	95	135	256	300
<b>Total</b>	<b>7,151</b>	<b>7,513</b>	<b>19,879</b>	<b>23,632</b>	<b>38,106</b>	<b>40,714</b>	<b>49,706</b>	<b>46,794</b>	<b>114,842</b>	<b>118,654</b>

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Wool Production

Year ended 30 June

	Opening Sheep 000 head	Slip 000 t greasy	Shorn 000 t greasy	Total 000 t greasy	Shorn Wool kg greasy/ head
2005-06	39,880	25.5	199.0	224.5	5.63
2006-07	40,098	29.8	187.8	217.6	5.43
2007-08	38,460	30.6	175.2	205.8	5.35
2008-09	34,088	25.1	132.4	157.5	4.62
2009-10	32,384	23.0	162.8	185.8	5.74
2010-11	32,563	18.2	154.5	172.7	5.30
2011-12	31,132	18.3	146.6	164.9	5.30
2012-13	31,263	18.0	151.9	169.9	5.43
2013-14	30,787	17.2	140.8	158.0	5.13
2014-15p	29,803	17.1	137.5	154.6	5.19

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## New Zealand Wool Exports and Price

Year ended 30 June

	Wool Exports				Average Auction Price	
	000 t clean	Proportion Scoured	NZD m FOB	\$ per kg clean	\$ per kg clean	
2005-06	148.4	75%	688.8	4.64	4.01	
2006-07	143.5	79%	655.1	4.56	4.16	
2007-08	136.9	77%	612.7	4.48	4.21	
2008-09	115.4	72%	568.6	4.93	4.15	
2009-10	122.9	73%	552.6	4.50	4.21	
2010-11	113.7	72%	715.3	6.29	6.31	
2011-12	106.3	68%	777.1	7.31	6.69	
2012-13	122.1	69%	677.6	5.55	5.16	
2013-14	116.5	70%	732.8	6.29	5.79	
2014-15	118.0	70%	805.0	6.82	5.95	

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Value of New Zealand Exports<sup>1</sup>

Year ended 30 September

	\$ million FOB <sup>2</sup>	
	2014	2015
<b>Meat</b>		
Lamb	2,504.3	2,559.3
Mutton	471.8	447.0
Beef and Veal	2,274.4	3,197.3
Edible Offal	220.2	235.4
Other Meats	397.2	423.9
<b>Total Meat</b>	<b>5,867.9</b>	<b>6,862.8</b>
<b>Other animal products</b>		
Hides and Skins	292.9	264.2
Tallow	117.6	111.6
Animal Oils and Fats	9.5	8.8
Crude Animal Materials <sup>3</sup>	384.4	463.5
Deer Velvet	24.9	35.2
<b>Total Other Animal Products</b>	<b>829.3</b>	<b>883.3</b>
<b>Total Meat Sector</b>	<b>6,697.1</b>	<b>7,746.1</b>
<b>Wool Sector</b>		
Raw Wool	743.0	835.4
Tops, Yarns and Sliver	30.3	28.3
Carpets and Rugs	116.0	115.1
Other Final Woollen Products	18.7	18.5
<b>Total Wool Sector</b>	<b>908.0</b>	<b>997.4</b>
<b>Total Meat and Wool Sector</b>	<b>7,605.2</b>	<b>8,743.5</b>
Dairy	16,895.1	12,948.7
Livestock and Other	331.7	263.1
Total Horticulture and Arable	2,454.3	2,900.5
Processed Agriculture (Excluding Processed Wool)	2,291.5	2,420.5
Other Agricultural Exports	903.6	1,144.7
<b>Total Agriculture</b>	<b>30,481.3</b>	<b>28,420.9</b>

1) Excludes re-exports. 2) FOB: Free on Board. 3) Sausage casings, tripe, glands, bladders, etc. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Average Export Carcase Weights

Year ended 30 September

	Kilograms per head		
	2014	2015	% change
<b>Lamb</b>			
North Island	18.51	18.42	-0.5%
South Island	18.04	17.75	-1.6%
New Zealand	18.26	18.09	-0.9%
<b>Mutton</b>			
North Island	24.89	24.67	-0.9%
South Island	25.70	25.40	-1.2%
New Zealand	25.33	25.04	-1.1%
<b>Steer and Heifer</b>			
North Island	275.45	271.45	-1.5%
South Island	276.70	271.76	-1.8%
New Zealand	275.81	271.54	-1.5%
<b>Cow</b>			
North Island	197.58	195.62	-1.0%
South Island	203.16	199.87	-1.6%
New Zealand	199.40	197.04	-1.2%
<b>Bull</b>			
North Island	301.00	297.71	-1.1%
South Island	301.83	298.13	-1.2%
New Zealand	301.17	297.79	-1.1%

Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

## Sheep Numbers *At 30 June*

	thousand head	
	2014	2015p
Total Sheep	29,803	29,481
Breeding Ewes	19,779	19,229
Breeding Ewes as % of total	66	65
Number of Lambs Tailed <sup>1</sup>	26,114	24,307
Lambing % Breeding Ewes <sup>2</sup>	126.7	120.9

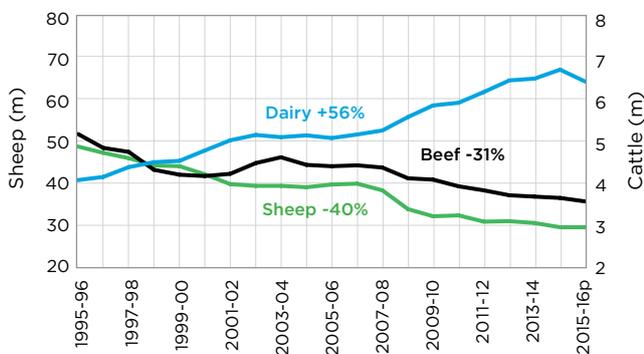
p: provisional. 1) Lambs tailed includes lambs from hoggets.  
2) Lambs born after 30 June. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Cattle Numbers *At 30 June*

	thousand head	
	2014	2015p
Dairy Cows and Heifers in Calf or Milk	5,176	5,003
Other Dairy Cattle	1,522	1,366
<b>Total Dairy Cattle</b>	<b>6,698</b>	<b>6,369</b>
Beef Breeding Cows	1,012	996
Other Beef Cattle	2,658	2,580
<b>Total Beef Cattle</b>	<b>3,670</b>	<b>3,576</b>
<b>Total Cattle</b>	<b>10,368</b>	<b>9,945</b>

p: provisional. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Sheep and Cattle Numbers



Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## Total Inspected Livestock Slaughtering<sup>1</sup>

*Year ended 30 September*

	thousand head	
	2014	2015
Lambs	20,650.7	21,301.0
Adult Sheep	4,321.1	4,170.1
Calves & Vealers	2,128.9	2,119.8
Adult Cattle	2,403.5	2,721.6
Pigs	672.1	625.9
Goats	116.5	122.5
<b>Total</b>	<b>30,292.8</b>	<b>31,060.9</b>

1) Slaughtering at meat export slaughterhouses and local market abattoirs only. Slaughtering include those of animals wholly condemned. Source: Ministry for Primary Industries

## Total Inspected Meat Production<sup>1</sup>

*Year ended 30 September*

	thousand tonnes, bone-in	
	2014	2015
Lamb	377.2	384.9
Mutton	108.6	103.5
Beef and Veal	633.3	694.7
Pigmeat	47.6	44.8
Goatmeat	1.2	1.3
<b>Total</b>	<b>1,168.0</b>	<b>1,229.2</b>

Note: Totals may not add due to rounding. 1) Bone-in or carcass weight. Meat production from livestock slaughterings at meat export and local market abattoirs only. Meat from horses is excluded. Source: Ministry for Primary Industries

## Meat Production Available for Export<sup>1</sup>

*Year ended 30 September*

	thousand tonnes, bone-in	
	2014	2015
Lamb	371.5	384.2
Mutton <sup>2</sup>	107.0	102.1
Beef and Veal	617.8	687.2
Goat	1.2	1.3
<b>Total</b>	<b>1,097.5</b>	<b>1,174.8</b>

Note: Totals may not add due to rounding. 1) Includes production withdrawn from export stocks for local consumption. 2) Mutton includes hogget. Source: New Zealand Meat Board

# FINANCIAL STATEMENTS

## Statement of Comprehensive Income

For the year ended 30 September 2015

In thousands of New Zealand dollars	Group 2015	Group 2014	Parent 2015	Parent 2014
Levies received	27,336	25,530	27,336	25,530
Other income	11,151	10,514	5,320	4,821
Operating expenses	(39,780)	(37,389)	(33,430)	(32,091)
<b>Net operating surplus/ (deficit) from operating activities</b>	<b>(1,293)</b>	<b>(1,345)</b>	<b>(774)</b>	<b>(1,740)</b>
Net finance income	1,338	987	1,278	936
Impairment of investment in associates	-	-	-	(540)
<b>Net operating surplus/ (deficit) for the year before income tax</b>	<b>45</b>	<b>(358)</b>	<b>504</b>	<b>(1,344)</b>
Income tax expense	-	-	-	-
<b>Net operating surplus/ (deficit) for the year</b>	<b>45</b>	<b>(358)</b>	<b>504</b>	<b>(1,344)</b>
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	81	-	81
<b>Total comprehensive income for the year</b>	<b>45</b>	<b>(277)</b>	<b>504</b>	<b>(1,263)</b>
Attributable to:				
Levy payers	2,024	1,423	2,483	437
Meat Education Fund	(384)	(281)	(384)	(281)
Special reserves	(1,595)	(1,419)	(1,595)	(1,419)
	<b>45</b>	<b>(277)</b>	<b>504</b>	<b>(1,263)</b>

## Statement of Changes in Equity

For the year ended 30 September 2015

In thousands of New Zealand dollars	Group			Parent		
	Fair Value Reserve	Retained Earnings	Total Equity	Fair Value Reserve	Retained Earnings	Total Equity
<b>Balance at 1 October 2014</b>	-	23,545	23,545	-	22,108	22,108
Total comprehensive income for the year						
Deficit for the year	-	45	45	-	504	504
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>45</b>	<b>45</b>	<b>-</b>	<b>504</b>	<b>504</b>
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
<b>Balance at 30 September 2015</b>	<b>-</b>	<b>23,590</b>	<b>23,590</b>	<b>-</b>	<b>22,612</b>	<b>22,612</b>

These statements are to be read in conjunction with the notes on page 48 and 49. A statement of levy stream performance and a statement of Comprehensive Income by levy stream are included in the notes on page 48 and 49. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

## Balance Sheet

As at 30 September 2015

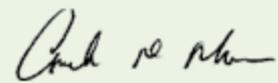
In thousands of New Zealand dollars	Group 2015	Group 2014	Parent 2015	Parent 2014
<b>EQUITY EMPLOYED</b>				
Retained earnings	23,590	23,545	22,612	22,108
<b>TOTAL EQUITY EMPLOYED</b>	<b>23,590</b>	<b>23,545</b>	<b>22,612</b>	<b>22,108</b>
Represented by:				
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	7,000	5,441	5,488	2,397
Trade and other receivables	2,588	4,804	2,216	3,556
Term deposits	19,140	20,000	19,000	20,000
Derivative financial instruments	222	179	222	179
Livestock	16	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>28,966</b>	<b>30,424</b>	<b>26,926</b>	<b>26,132</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	450	489	400	384
Intangible assets	132	379	132	75
Investments in subsidiary companies	-	-	78	78
Term receivables	90	75	90	75
<b>TOTAL NON-CURRENT ASSETS</b>	<b>672</b>	<b>943</b>	<b>700</b>	<b>612</b>
<b>TOTAL ASSETS</b>	<b>29,638</b>	<b>31,367</b>	<b>27,626</b>	<b>26,744</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	5,039	6,887	4,046	3,732
Derivative financial instruments	3	26	3	26
Employee entitlements	832	692	792	661
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,874</b>	<b>7,605</b>	<b>4,841</b>	<b>4,419</b>
<b>NON CURRENT LIABILITIES</b>				
Lease liabilities	109	143	108	143
Loans and borrowings	23	37	23	37
Employee entitlements	42	37	42	37
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>174</b>	<b>217</b>	<b>173</b>	<b>217</b>
<b>TOTAL LIABILITIES</b>	<b>6,048</b>	<b>7,822</b>	<b>5,014</b>	<b>4,636</b>
<b>NET ASSETS</b>	<b>23,590</b>	<b>23,545</b>	<b>22,612</b>	<b>22,108</b>

The Board of Directors authorised these financial statements for issue on 9 December 2015.

This statement is to be read in conjunction with the notes on page 48 and 49. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



J R Parsons  
Chairman



A Morrison  
Chairman Audit & Risk Committee

## Statement of Cash Flows

For the year ended 30 September 2015

In thousands of New Zealand dollars	Group 2015	Group 2014
Net cash flows from operating activities	1,070	(566)
Net cash flows from/ (to) investing activities	507	174
Net cash flows used in financing activities	(18)	(16)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>1,559</b>	<b>(408)</b>

This statement is to be read in conjunction with the notes below. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

**NOTE 1** These summary accounts have been prepared in accordance with NZGAAP for a public benefit entity as it relates to summary financial statements.

**NOTE 2** The specific disclosures included in the summary financial report have been extracted from the audited financial statements dated 9 December 2015. The audit opinion expressed was unqualified.

**NOTE 3** This summary report does not provide the detail included in the full financial report and reports the financial result for the Beef + Lamb New Zealand group only. The full financial report including both the Parent

and Group financial statements has been prepared in accordance with NZGAAP and complies with New Zealand equivalents to International Financial Reporting Standards (NZIFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

**NOTE 4** If you require a complete set of the annual financial report please contact, Chief Operating Officer, Beef + Lamb New Zealand, PO Box 121, Wellington or phone 04 473 9150. Alternatively the Financial Statements are available on website [www.beeflambnz.com](http://www.beeflambnz.com).

### NOTE 5

## Parent Statement of Levy Stream Performance

For the year ended 30 September 2015

2015	Beef	Sheepmeat	Goat	Total Meat	Wool
In thousands of New Zealand dollars					
<b>Income</b>					
Levy income	12,016	15,320	-	27,336	-
Grant funding from New Zealand Meat Board	580	2,320	-	2,900	-
Finance income	212	306	-	518	17
Fees	185	287	-	472	-
Other income	808	1,141	-	1,949	-
<b>Total income</b>	<b>13,801</b>	<b>19,374</b>	<b>-</b>	<b>33,175</b>	<b>17</b>
<b>Expenditure</b>					
Market development	3,606	3,439	-	7,045	-
Market access	831	1,124	-	1,955	-
Research & development	1,373	3,323	-	4,696	-
Extension	2,527	5,022	7	7,556	-
Environment	776	1,004	-	1,780	-
Information & analysis	802	1,489	-	2,291	-
People & capability	543	474	-	1,017	-
Administration	1,876	2,326	-	4,202	-
Residual Wool Levy Fund	-	-	-	-	75
Referendum costs - Wool Levy Group	-	-	-	-	92
<b>Total operating expenditure</b>	<b>12,334</b>	<b>18,201</b>	<b>7</b>	<b>30,542</b>	<b>167</b>
<b>Net operating surplus/ (deficit) for the year</b>	<b>1,467</b>	<b>1,173</b>	<b>(7)</b>	<b>2,633</b>	<b>(150)</b>

**NOTE 6***Statement of Comprehensive Income by Levy Stream**For the year ended 30 September 2015*

	Group Year Ended 2015			Group Year Ended 2014		
	Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars						
Levies received	27,336	27,336	-	25,530	25,530	-
Other income	11,151	11,151	-	10,514	10,514	-
Operating expenses	(39,780)	(37,361)	(2,419)	(37,389)	(35,210)	(2,179)
<b>Net operating surplus/ (deficit) from operating activities</b>	<b>(1,293)</b>	<b>1,126</b>	<b>(2,419)</b>	<b>(1,345)</b>	<b>834</b>	<b>(2,179)</b>
Net finance income	1,338	898	440	987	589	398
<b>Net operating surplus/ (deficit) for the year before income tax</b>	<b>45</b>	<b>2,024</b>	<b>(1,979)</b>	<b>(358)</b>	<b>1,423</b>	<b>(1,781)</b>
Income tax expense	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year	45	2,024	(1,979)	(358)	1,423	(1,781)
<i>Other comprehensive income</i>						
Net change in fair value of available-for-sale financial assets	-	-	-	81	-	81
<b>Total comprehensive income for the year</b>	<b>45</b>	<b>2,024</b>	<b>(1,979)</b>	<b>(277)</b>	<b>1,423</b>	<b>(1,700)</b>
Attributable to:						
Levy payers	2,024	2,024	-	1,423	1,423	-
Meat Education Fund	(384)	-	(384)	(281)	-	(281)
Special reserves	(1,595)	-	(1,595)	(1,419)	-	(1,419)
	<b>45</b>	<b>2,024</b>	<b>(1,979)</b>	<b>(277)</b>	<b>1,423</b>	<b>(1,700)</b>

## Statutory Disclosures

### Disclosure of Interests by Directors

In accordance with section 140(2) of the Companies Act 1993, the Directors have made general disclosures of their relevant interests for entry in the Groups interest register.

Directors have disclosed interests in transactions with associated and subsidiary companies and these are disclosed in Note 12 to the Financial Statements.

All of the Directors of Beef + Lamb New Zealand Limited are directors of the New Zealand Meat Board and Meat & Wool Trust Ltd.

S Lewis and M Clarkson declared interests in meat exporting companies who were recipients of joint venture funding from Beef + Lamb New Zealand Limited market development joint funded programmes.

M Clarkson declared interests in meat processing and exporting companies who are partnering Beef + Lamb New Zealand Limited in the Red Meat Profit Partnership.

### Board of Directors' Fees

	2015 (\$000)	2014 (\$000)
Chairman	68	68
Chairman Elect allowance	-	9.2
Directors	28.7	28.7
Beef + Lamb NZ Genetics Ltd (Group Only)		
- Independent Chairman	35	30
- Independent Directors	15	10

The above fees represent the annualised fees payable to Directors. Beef + Lamb New Zealand Limited pay no other fees to Directors including representation on subsidiary or other related organisations.

### Directors' Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of Beef + Lamb New Zealand Limited, the company has insured all its Directors and Officers against liabilities to other parties that may arise from their positions as Directors of the company. This insurance does not cover liabilities arising from criminal actions and deliberate and reckless acts or omissions by the Directors.

### Use of Company Information by Directors

No notices were received from Directors pursuant to section 145 of the Companies Act 1993 requesting use of company information received in their capacity as Directors which would otherwise not have been available to them.

### Employee Remuneration

Set out below is the number of employees of Beef + Lamb New Zealand Limited and its subsidiaries who received remuneration and other benefits of \$100,000 or more during the year in their capacity as employees.

The remuneration of staff resident outside New Zealand has been converted to New Zealand dollars for the purpose of this disclosure.

Remuneration Range (\$,000)	Number of Employees	
	2015	2014
100-109	9	5
110-119	-	2
120-129	4	3
130-139	1	3
140-149	2	1
150-159	1	3
160-169	1	3
170-179	2	1
180-189	1	1
190-199	1	-
200-209	3	1
220-229	1	-
230-239	-	1
270-279	1	-
340-349	-	1
430-439	1	-

The Honoraria, Remuneration & Expense Committee of the company's Board approves the company's remuneration policy.

### Subsidiary and Associated Company Directors

The following persons held the office of Director of the respective subsidiaries and associates during the year to 30 September 2015. Directors appointed (A) or who resigned (R) during the year are indicated. Staff appointments do not receive Directors fees or other benefits as a Director.

B+LNZ Biologics Company Ltd	Scott Champion
B+LNZ Clover Company Ltd	Scott Champion
B+LNZ Emissions Company Ltd	Scott Champion
B+LNZ Investments Ltd	Scott Champion
B+LNZ Johnesco Ltd	Scott Champion
B+LNZ PGP Ltd	Scott Champion
Primary Resources Ltd	James Parsons (A)
B+LNZ Genetics Ltd	Chris Kelly (Chairman) James Parsons, Leon Black, Bob Thompson, Greg Murison
Meat & Wool Trust Ltd	Kirsten Bryant, Mark Clarkson, Andy Fox (R), Sam Lewis, Andrew Morrison, Anne Munro, James Parsons, George Tatham, Philip Smith(A)
Red Meat Profit Partnership General Partner Ltd.	Malcolm Bailey, Graham Brown, Graham Cooney, James Parsons, Jane Smith, George Tatham, Scott Champion (R), Tom Sturgess (R)
Johne's Disease Research Ltd	Richard Wakelin
Pastoral Genomics Ltd	James Parsons (R), Scott Champion (R), George Tatham (A)
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison



## *Independent auditor's report on the summary financial statements*

### **To the stakeholders of Beef + Lamb New Zealand Limited**

The accompanying summary financial statements on pages 46 to 49, which comprise the balance sheet as at 30 September 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes for both the company and the group, are derived from the audited financial statements of Beef + Lamb New Zealand Limited ("the company") and the group, comprising the company and its subsidiaries, for the year ended 30 September 2015. We expressed an unmodified audit opinion on those financial statements in our audit report dated 9 December 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Beef + Lamb New Zealand Limited and the group.

### **Directors' responsibility for the company and group financial statements**

The directors are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43 *Summary Financial Statements*.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the summary company and group financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 and International Standards on Auditing (ISA) 810 *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, the company and group.

### **Opinion**

In our opinion, the summary financial statements, derived from the audited financial statements of Beef + Lamb New Zealand Limited and its subsidiaries for the year ended 30 September 2015, are a fair summary of those financial statements, in accordance with FRS-43 *Summary Financial Statements*.

A handwritten signature of the KPMG firm, written in a cursive, stylized font.

9 December 2015  
Wellington







**BY FARMERS.  
FOR FARMERS**