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# Red Meat Report Issue 02

## *Introduction from Sam McIvor and Sirma Karapeeva*

It has been an extraordinary year so far for the red meat sector. Farmers and the meat processing and exporting sector have faced unprecedented challenges. We have had to adapt and evolve quickly to respond to these head-winds but also capitalise on the opportunities.

It's important we recognise and celebrate the way the red meat sector responded and continues to respond to COVID-19. It has demonstrated the importance of our farmers to New Zealand and the amazing resilience of the industry.

Despite the turmoil aboard, domestic restrictions needed to halt the spread of COVID-19, and drought and floods, the way farmers and processors responded was outstanding.

Our processing companies acted decisively to keep COVID-19 out of plants by implementing strict operating protocols in conjunction with the Ministry for Primary Industries.

Our red meat exports have also held up strongly in the face of significant export disruptions, reaching a record high of \$9.2 billion last year.

That's thanks to our processing and exporting companies' deep trading relationships across 111 markets, which allowed them to re-direct product to other countries as disruptions occurred.

Companies were also agile in responding to the chaos in global shipping schedules and pivoting from food service to other channels such as retail, as countries around the world have moved in and out of lockdowns.

However, the disruption also led to opportunities. We have been successfully trialling marketing campaigns with processing companies aimed at growing e-commerce platforms that consumers have increasingly used during COVID-19.

The pandemic has driven a demand for New Zealand red meat. We are a trusted provider of safe, nutritious and sustainable food.

Our farmers have also done an amazing job, increasing productivity and operating high performing farm businesses in the face of droughts and other challenges and in an increasingly volatile and uncertain operating environment.

There are significant opportunities and risks facing our sector and we need to have a clear strategy to ensure we can prioritise activities that will deliver the most value for the red meat sector. That is why MIA and B+LNZ renewed The Red Meat Sector Strategy late last year to ensure we remain agile.

The collaboration and partnerships across the sector and across agriculture have never been stronger.

There has also been significant collaboration both within the sector and across agriculture on environmental issues. We're working hard to ensure alignment and speaking with one voice to maximise influence.

This collaboration is vital and it has proven effective. It was the collaboration of all of the agricultural sector on climate change that convinced the Government not to bring agriculture into the ETS and not apply a tax at the processor level, and also persuade the Government to have a re-think about the winter grazing reforms.

B+LNZ Ltd, B+LNZ Inc and MIA are working together to update our social licence strategy to ensure we communicate better with the public and continue to grow their trust.

Despite the challenges, we remain optimistic about the future. We have a great natural product the world wants. Secondly, we have farmers, processors and exporters who have shown they are world class in successfully responding to change.



Sam McIvor  
CEO,  
B+LNZ



Sirma Karapeeva  
CEO,  
MIA





The strategy builds on the inaugural Red Meat Sector Strategy released in 2011. Since that strategy was adopted, co-operation within the sector has continued to grow and expand into new areas, fostering a strong collaborative spirit and this collaboration will deepen over the coming years.

The strategy sets four key goals for the sector to achieve by 2030 including:

- Sustainably profitable: lift innovation, performance and productivity;
- Premium value: build a platform to create and capture value;
- Vibrant communities: provide economic growth and employment;
- Trusted guardians: guardianship of reputation, animals, water and land.



## B+LNZ STRATEGY

Building off the joint Red Meat Sector Strategy, B+LNZ has updated its own organisation’s strategy which sets out the key activities the organisation will be investing in on behalf of red meat producers over the next five years.

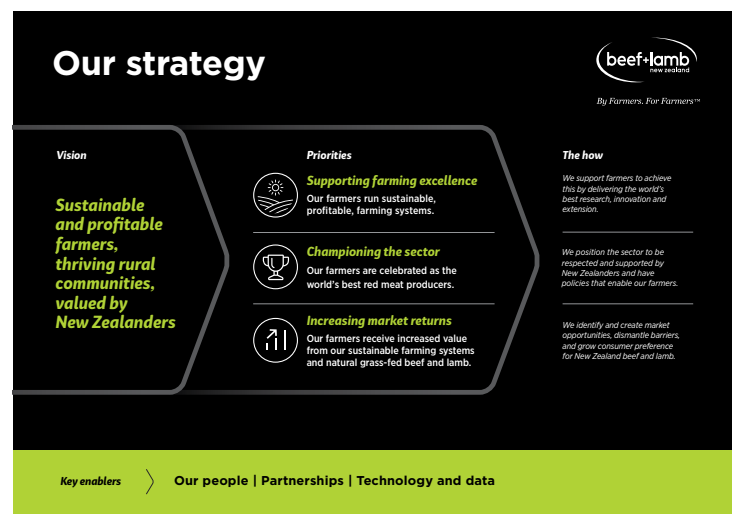
B+LNZ’s vision is “Sustainable and profitable farmers, thriving rural communities, valued by New Zealanders”. Sustainable was added to B+LNZ’s previous vision to emphasise the focus on achieving profitability in tandem with good environmental outcomes.

Thriving rural communities continue to be at the heart of our vision and is a non-negotiable for our farmers because it’s something they care deeply about.

The three key priority areas are:

- supporting farming excellence
- championing the sector
- increasing market returns.

The environment was built into the main priorities rather than sitting on its own as it has in the past. Farmers told us that the environment and sustainability was at the core of achieving each of the three priority areas.



A copy of [B+LNZ’s strategy](#) can be found here

## RED MEAT SECTOR CONFERENCE

This year marks the 10th year of our Red Meat Sector conference. The conference in Rotorua on 25-26 July is an opportunity to bring the sector together to understand trends and developments in the meat industry, challenge our thinking around emerging issues and network with fellow colleagues from around the country.

Coinciding with COVID-19, this year's theme for the conference will focus on "Growing sustainable value together".

The conference programme will be an opportunity to take stock of how far we've come as a sector, identify the significant opportunities ahead of us and challenge the whole value chain to step up.

For the first time, the conference will host a Meat Business Women event prior to the proceedings getting underway. This will be an opportunity to discuss the independent report, Gender Representation in the Meat Sector 2020, commissioned by Meat Business Women, and network with other women who work in the sector.

## NEW ZEALAND FARM ASSURANCE PROGRAMME PLUS (NZFAP+)

NZFAP Plus is a new voluntary sustainability and continuous improvement standard developed by the Red Meat Profit Partnership (RMPP).

Building on the success of the New Zealand Farm Assurance Programme (NZFAP), the piloted NZFAP Plus Standard covers land and water management, greenhouse gases (GHG), biodiversity, biosecurity and people management.

A year-long trial of the standards on farms and right through the entire supply chain has shown New Zealand's sustainable difference can be independently verified through the programme.

The project was co-funded by B+LNZ, ANZCO Foods, Silver Fern Farms and McDonalds, in partnership with the Ministry for Primary Industries' Sustainable Food & Fibre Futures fund and involved six farms across Aotearoa.

By using McDonald's supply chain as a test case, the project aimed to develop a model for producing independently verified sustainable beef by testing NZFAP+ standards.

The pilot focused on the sustainable principles of economic, environmental, and social responsibility. It involved an independent audit and verification of the supply chain's sustainability, including on-farm, meat processing and patty production.

It also aimed to address the stakeholder expectations identified in the Red Meat Profit Partnership and New Zealand Roundtable for Sustainable Beef materiality studies, completed in 2019. These priorities included water quality and water use, animal welfare, and on-farm environmental management.

Meanwhile, 33 farmers took part in the pilot programme to determine the achievability, costs and benefits of the standard, with the results highlighting support for the initiative and potential gains. The farmers also provided valuable insights that will help with programme implementation.

The NZFAP and NZFAP Plus programmes have transitioned from the Red Meat Profit Partnership to New Zealand Farm Assurance Incorporated (NZFAI), an incorporated society

comprising 15 meat processing companies, a wool company, a dairy sheep milk company, B+LNZ, and Deer Industry New Zealand.

NZFAI is further developing and refining the standard into an operational assurance programme and processing companies will start to roll this in the next few months.

Visit [www.nzfap.com](http://www.nzfap.com) to learn about NZFAP

## MAKING MEAT BETTER MICROSITE

The red meat sector is making it easier for Kiwis to find the facts about the production and consumption of beef and lamb with the launch of a new website [www.makingmeatbetter.co.nz](http://www.makingmeatbetter.co.nz). This website supports a broader programme of work that focuses on product and industry reputation, and a strategy that looks to better position the sector with consumers and the wider public.

The website, developed by B+LNZ and MIA, brings together independently-verified facts and insights about beef and lamb from a health, nutrition and environmental perspective.

There is a lot of confusion, myths and opinions out there globally about beef and lamb, however, a lot of the debate is based on international research, which does not reflect the different and more sustainable farming methods we use in New Zealand.

We think it's important New Zealanders have access to facts about how we produce food in this country and what that means for their health and the health of our environment.

Check out the website here: [www.makingmeatbetter.co.nz](http://www.makingmeatbetter.co.nz)

**See how we're making meat better**

NEW ZEALAND'S BEEF AND LAMB STORY

Knowing how our food is produced, and the implications for our health and the health of the planet, is more important now than ever before.

With growing public concern around the impact of farming, chemicals and additives, there's a lot to look out for – and a lot of info to chew on!

So get more facts in your diet – and see how New Zealand's natural production systems make a real difference to the things we all care about.

**The better meat life cycle**

**Better for animals**

Our animals graze outside all year round with minimal intervention, as nature intended. That's better for the animals and makes our meat better.

[Read more](#)

## RED MEAT PROFIT PARTNERSHIP

The highly successful Red Meat Profit Partnership (RMPP) programme finished on 31 March. This seven year programme saw B+LNZ, meat processors, ANZ, Rabobank and the Ministry for Primary Industries (MPI) collaborate to find ways to lift the sector's productivity and profitability.

**RMPP Action Groups** were established to support farmers to develop the confidence to turn ideas into action on-farm.

There are now 186 Action Groups in New Zealand. With an average of eight farms per group, this means about 1,500 farm businesses have joined this nationwide initiative.

RMPP Action Groups transitioned to B+LNZ during 2019, providing the opportunity to explore how the Action Group concept could be integrated into their future activity. Action Groups will be a key part of B+LNZ's extension offering, as the small group model has proven to be effective in supporting farmers in dealing with not only regulatory change but also with opportunities to improve productivity on-farm.

RMPP's range of farm business tools and resources such as **key performance indicators** (KPIs) are assisting farmers to measure their farm business performance. The online business planning tool **BizPlan** has helped farm businesses identify goals and develop an action plan to assist in achieving these. Good farm business planning is critical to increasing productivity and profitability. Meanwhile, the B+LNZ **Knowledge Hub** is home to a wide range of learning modules covering topics identified as important to sheep and beef farmers and rural professionals.

RMPP has developed and grown the skills and knowledge of farmers and advisors through structured learning workshops, course material and other resources.

34 meat processors have also implemented **Electronic Animal Status Declaration** (eASD) and over 6,000 farmers are now using the technology.

An independent analysis has shown the RMPP programme is returning \$17 for every \$1 invested, with total annual farm profit (after tax) forecast to be lifted by \$96.4 million by 2025.



## M-BOVIS

B+LNZ is a partner alongside DairyNZ and MPI in the *Mycoplasma bovis* (*M. bovis*) eradication programme, which is now in its third year.

Significant progress has been made in driving down the numbers of farms affected by *M. bovis* and the sector is on track to achieve eradication, but there's still more work to do.

A cluster of *M. bovis* cases in Canterbury discovered in late 2020 has seen seven properties confirmed as being affected, with the most recent being identified in November 2020. This is an isolated cluster connected by animal movements.

Identification of these affected properties demonstrated that the programme's national surveillance is working as it should – detecting possible cases and identifying where to look to eliminate the infection.

The programme expects to find more infected herds as we actively look for those final pockets of infection. We continue to encourage all farmers to remain vigilant and follow good biosecurity practices including keeping NAIT records up-to-date and recording all animal movements.

Our National Surveillance tools, including bulk tank milk screening and beef surveillance, continue to provide confidence that *M. bovis* is not widespread. The beef surveillance programme screens beef cattle not connected to known infected properties, with testing undertaken at meat processors and through the bovine tuberculosis testing programme.

These tools play an important role looking for infection outside the tracing network. They'll also play a significant part in providing the confidence needed to declare New Zealand *M. bovis* free.

As the programme finds fewer cases, the focus is shifting to long-term national surveillance to provide confidence that the disease is absent. An independent Technical Advisory Group is reviewing plans for this 'proof of absence' phase.

An independent review of the programme is also underway, to identify lessons that can be learned from New Zealand's largest ever biosecurity response.

It wouldn't have been possible to reach this point without the support of farmers and rural communities – there's still some way to go, but we are confident that we can beat this disease.

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in New Zealand

**Average of 8**  
farms per group



 **1,500**  
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   **RMPP programme**  
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# GLOBAL TRADE

*Despite COVID-19, 2020 saw record export levels with \$9.2 billion worth of red meat products being exported to 111 countries. These results demonstrate the red meat sector's resilience and highlight the strong global demand for safe, natural, high-quality red meat.*

## IMPACT OF COVID-19 ON GLOBAL MARKETS AND PRODUCERS

Red meat sector companies have built up a diverse market portfolio exporting to countries around the world. This strategy, together with strong market relationships, has been critical to helping the industry weather the volatility over the past year. Farmers also deserve a lot of credit for adapting farming systems and managing a range of climatic and processing restrictions last year, in addition to the pandemic.

***These results also show the key role our industry is playing in underpinning the New Zealand economy during the global pandemic.***



Exports worth \$9.2 billion  
(7% above 2018 exports and  
21% above 2017)



The top 10 markets for New Zealand  
meat remained unchanged during  
2020



Sheep meat exports rose by 3%,  
to just over 400,000 tonnes



Beef exports rose in both volume  
and value, to 471,718 tonnes, worth  
\$3.7 billion



Generating \$3.3 billion a year in  
export revenue, halal processing  
continues to be a vital component  
of the industry's business model to  
add value and meet consumer needs

## Brexit

The United Kingdom (UK) formally left the European Union (EU) at midnight on 31 January 2020 – although a transitional arrangement meant existing trade and regulatory frameworks continued to apply until 31 December 2020. On 1 January 2021, the bilateral UK-EU Trade and Cooperation Agreement (TCA) came into force. The TCA allows for tariff-free and quota-free access for trade in goods between the UK and the EU. Because the TCA was only agreed on 24 December, there have been a range of teething issues due to the short window in which exporters were able to digest and implement new requirements.

Furthermore, as a result of an EU and UK Government agreement concerning trade into Northern Ireland, New Zealand sheepmeat exporters have experienced significant challenges accessing New Zealand quotas for product destined for Northern Ireland.

MIA, B+LNZ and the New Zealand Meat Board (NZMB) have worked together to raise this issue and seek a swift resolution. The New Zealand Government has worked hard to ensure this issue is understood at the highest levels in the UK Government and that a timely solution is put forward.

The New Zealand Government continues to negotiate an FTA with the UK. The fourth round of negotiations was held in April and while some progress is being made, we understand there to be significant distance still between the UK's ambitious rhetoric and the quality of their offer. We understand the New Zealand Government continues to push the UK strongly for a highly ambitious outcome.

In January 2021, the UK made a formal request to accede to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The CPTPP is an 11-member trade agreement involving New Zealand, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, and Viet Nam. It entered into force on 30 December 2018.

The economies included in the CPTPP account for approximately 13.5 percent of world GDP – worth a total of US\$10 trillion. Once the CPTPP is fully implemented, it is estimated that the sector will see a total of approximately NZ\$61 million in tariff savings per annum.

The sector welcomed this development but also made clear our expectation that the UK meet the ambitious,

comprehensive and high-quality outcomes expected of CPTPP partners, including on red meat and other agricultural products.

The EU's market access offer in the EU/NZ FTA negotiations continues to fall disappointingly short of credible ambition. Advocacy and building understanding of New Zealand's sector continues to be an important priority.

### **China FTA upgrade**

In January 2021 New Zealand and China announced that they had signed an upgrade of the FTA between New Zealand and China. The upgrade will improve upon the FTA's existing commitments and adds to the 2008 Agreement in a number of areas including, importantly for our sector, technical barriers to trade, customs procedures, cooperation and trade facilitation, and goods market access.

The upgrade will simplify export procedures, remove a level of administration, paperwork and reduce compliance costs for red meat exporters. We anticipate a reduction in the time our exporters spend waiting for goods to clear customs, enhanced transparency and predictability for businesses.

The FTA upgrade will also allow for the self-declaration of origin. Currently, exporters need a certification of origin from the Chambers of Commerce. It also includes provisions for expedited clearance of perishable goods with clearance times through the border within six hours of arrival. There will also be improvements of arrangements for products transiting through other countries.

The China-NZ FTA has provided significant benefits to New Zealand's red meat sector since its original signing in 2008. New Zealand's exports to China have grown from around \$600 million to \$3.5 billion a year, with China now making up over 36% of the sector's exports overall.

Reaffirming the strength of this relationship through the FTA upgrade is significant and confirms the importance of China as one of New Zealand's most important trading partners. This milestone is also an important signal of the health of the China-New Zealand relationship.

### **US**

We can expect the Biden Administration to capitalise on Trump's tariffs on China and the EU in order to continue to exert pressure for change. President Biden has been critical of both China and unrestrained globalisation. However, he has also argued that Washington must "write the rules of the road" on trade within the existing international system and so we hope that this will mean a more constructive and engaged US at the WTO, and a more collaborative trade partner for New Zealand which has long sought to strengthen our trading relationship, including through an FTA. The US is an important market for New Zealand sheepmeat and beef.

### **Regional Comprehensive Economic Partnership (RCEP)**

In November 2020 New Zealand and 14 Asia-Pacific nations (including China, Japan, Korea, ten South-East Asian countries and Australia) "virtually" signed the Regional Comprehensive Economic Partnership (RCEP) trade deal.

India, which had participated in the process until the end of last year, was not able to conclude an acceptable market access outcome and so will not join the deal at this stage.

Although disappointing that the agreement does not include India, the agreement will help to deepen cooperation and strengthen trade in the region.

This region accounts for one-third of the world's economy and will clearly be at the centre of global economic rebuilding as we emerge from the COVID-19 pandemic. It should help the New Zealand red meat sector build on the strong connections we already enjoy with countries in the Asia-Pacific.

We remain hopeful that India will eventually join RCEP to help turbocharge the gains from the agreement. India presents major opportunities for New Zealand meat exporters, given its forecast population growth and an expanding middle class keen to access high-quality food.





# MARKET DEVELOPMENT

*B+LNZ continues to raise awareness and increase preference for New Zealand red meat in global markets through Taste Pure Nature in collaboration with industry partners and exporters such as Silver Fern Farms, Alliance Group and ANZCO.*

## TASTE PURE NATURE

The Taste Pure Nature country of origin brand aims to build awareness and preference and ultimately value of grass-fed beef and lamb from New Zealand. It has proven invaluable in being able to tell a compelling story to consumers about New Zealand's sustainable red meat systems and cut through the negative noise that currently exists about red meat. Taste Pure Nature has also allowed us to capitalise on the increased interest in naturally raised red meat in the wake of COVID-19.

In the last year, we successfully trialled marketing campaigns with processing and exporting companies aimed at the growing e-commerce platforms that consumers have increasingly used during COVID-19.

## TASTE PURE NATURE 2020 RECAP

Having successfully launched in the US and China, the marketing campaign reached new heights in 2020, reaching millions of 'Conscious Foodie' consumers who are the primary targets of the brand.

### US

We continued to build awareness of the brand, deepened our sustainability positioning and rolled out Conscious Foodie campaigns with processing and exporting companies.

- Two recipes on Good Morning America gained more than **81.2 million impressions**.
- An Earth Day influencer campaign had **790,903 impressions** and a conscious consumer survey had **86 media placements** and **562.5 million impressions**.
- We brought influencers and media to New Zealand to experience Kiwi farming first-hand gaining **99 placements** and **41 million impressions**.
- We supported Silver Fern Farms' retail programme with social media influencers. **170 pieces of content** had **1.05 million potential impressions**.
- A paid digital media campaign in the New York Tri-State area had **56.4 million impressions**, **2.9 million video views** and **157,844 ad clicks**.
- A collaboration with MarxFoods.com promoted Silver Fern Farms Angus Sampler Boxes through digital media had **38 million impressions**, **1.15 million brand video views** and **118,000 website visits**.

- To encourage new buyers into the lamb category and increasing sales of chilled NZ lamb at a time of the year when it would typically be frozen down, we partnered with The Lamb Company to run promotion across 528 Sam's Club stores using an in-store digital demo / e-commerce platform to capture news sales by showcasing the ease and versatility of lamb. The promotion attracted **9.2 million shoppers** into the stores. **76%** of the shoppers were new to the lamb category.
- We are currently working with Alliance to capture an emergent retail opportunity for both beef and lamb.

### China

We launched Taste Pure Nature in China in early 2020. In response to COVID-19, we pivoted our tactics and strategies to best meet changing consumer behaviours and preferences.

- We partnered with Chinese social media influencers to build awareness and preference. **9 influencer posts** had **2,600,400 views**.
- We collaborated with ANZCO Foods, Silver Fern Farms, Greenlea Premier Meats and Unifood to promote New Zealand grass-fed beef in Qingdao over Chinese New Year.
- We partnered with ANZCO Foods to promote New Zealand grass-fed beef at 7 FRESH and JKL supermarkets in Beijing.

We're really pleased with how Taste Pure Nature is tracking and will continue to market New Zealand red meat on the global stage. Average awareness of New Zealand's farming practices in China has lifted to 84% and in the US it's 58%, an increase of 17% since the campaign began in March 2019.

Taste Pure Nature is underpinned by the New Zealand Farm Assurance Programme.

See more 2020 Taste Pure Nature highlights in a Facebook video: [bit.ly/2OIAF6I](https://bit.ly/2OIAF6I)







# ENVIRONMENT

*The environment continues to be a priority area for the sector.  
We are advocating with the Government on policy development and  
developing the tools to assist farmers in meeting new requirements.*

## FRESHWATER

The Red Meat Sector welcomed the Government's recent decision to postpone implementation of the intensive winter grazing rules until May 2022, and in the interim to work with the industry on an intensive winter grazing module that would replace the unworkable pugging, resowing dates and slope trigger rules.

This decision followed recommendations put forward by the Southland Winter Grazing advisory group including Environment Southland; B+LNZ; DairyNZ; Federated Farmers; Fish & Game and local farmers. The work of this diverse group provided a model for the Government to follow in its work with industry and others as it continues to develop its regulatory framework for freshwater management.

B+LNZ's new farm plan launched in March includes a chapter on winter grazing that is modelled on the intensive winter grazing module proposed by the Southland Advisory Group, and we will be working with other industry groups to demonstrate concrete progress on implementation this module over the coming months.

Treatment of intensive winter grazing was not the only area of concern with the Action for Healthy Waterways package.

The regulatory approach to stock exclusion from waterways, based around a fixed 'low slope map' is also problematic. While we can see the low slope map was an effort to provide certainty, it has also produced perverse outcomes in a number of places. While accepting of the need to mitigate damage that may be caused by livestock accessing waterways B+LNZ is advocating for the map to be replaced by a general rule that can be implemented at a local level.

Clarity is also needed urgently on the Government's approach to the certified farm plan. B+LNZ and other industry groups are advocating for an industry-led approach to this. B+LNZ has just released a comprehensive new farm plan and wants relevant elements of this plan to be accepted as a certified freshwater farm plan (see more on the farm plan on page 11).

## CLIMATE CHANGE COMMISSION CONSULTATION

The Climate Change Commission recently released a draft package of advice to the Government on the steps New Zealand must take to drastically reduce greenhouse gas emissions and address climate change.

The Commission's focus on reducing the country's fossil fuel emissions and its recognition that large-scale forestry planting is not the long-term solution is encouraging. We also welcome the increased focus on planting native forest and the multiple environmental benefits this delivers such as long-term stable sequestration and enhanced biodiversity.

However, we were disappointed that the Commission did not put forward any specific proposals for how forestry offsets can be restricted. This policy mechanism is needed urgently as we regularly hear reports of productive sheep and beef farms being sold into forestry as the carbon price rises. The Commission's projected increase in new tree plantings, either exotic or native, will also likely still have significant implications for our farmers and our rural communities which we need to work through.

B+LNZ is also concerned the Commission's methane reduction budgets are more ambitious than those in the Zero Carbon Bill and more ambitious than what is being asked of carbon. The Commission appears to be asking methane to do the heavy lifting in the near term. This is of significant concern to the sheep and beef sector as we have already reduced our gross emissions by over 30% since 1990, while most other sectors have increased theirs, and we are being asked to now reduce ours by more.

B+LNZ would have liked to have seen analysis in the Commission's report of the contributions to warming that each gas would be making based on the projected emissions budgets and more consideration given to GWP\*. While the Zero Carbon Bill is based on a split gas approach and recognises the different contribution each gas makes to warming, this does not flow through in the Commission's budgets, which are based on the traditional GWP100 approach. We also have questions about the Commission's potential range for methane reductions by 2100. There was no proper explanation of how the Commission arrived at this range, what the contribution methane would be making to warming based on that range or discussion of what carbon may be asked to do beyond 2050.

For more information, please visit [here](#)

## MEAT PROCESSING INDUSTRY SUPPORTS MOVE AWAY FROM COAL

The meat processing industry signalled our general support for the Climate Change Commission's draft report and its focus on reducing the use of fossil fuels, including the industry's commitment to reducing and eventually eliminating the use of coal.

The sector, however, will continue to advocate for a fair and just transition away from coal to ensure jobs and livelihoods are not put at risk.



## HE WAKA EKE NOA

B+LNZ and the MIA have contributed significant effort and resources into the He Waka Eke Noa process and is committed to meeting the milestones.

As a founding member of He Waka Eke Noa, the meat processing industry has sought to join the steering committee, indicating the importance of the issue to the sector and their support for the process. He Waka Eke Noa averted the prospect of \$70m a year in taxes on agricultural emissions at a processor level.

By the end of this year, 25% of farmers need to have measured their greenhouse gas emissions and by 1 January 2022, 25% of farmers need to have a plan to manage and mitigate their emissions.

The B+LNZ farm plan includes a chapter on climate change that is aimed at helping farmers get started in understanding and measuring their emissions and sequestration and developing a plan to manage their emissions going forward. The chapter is aligned with advice from He Waka Eke Noa.

B+LNZ is also close to releasing a free and easy to use greenhouse gas calculator tool to help farmers measure their emissions and sequestration. The online tool will record how many farmers have used the calculator and "know their number".

It will be incorporated into the roll out of the B+LNZ farm plan. We are also working with processing companies and chartered accountants to promote the greenhouse gas calculator so that we can meet this year's He Waka Eke Noa milestones.

## CARBON FARMING

B+LNZ is very concerned about the increase in the sale of entire sheep and beef farms into forestry and is urging the Government to introduce restrictions on the ability of fossil fuel emitters to offset their emissions.

The acceleration in sales is being driven by the increase in the carbon price, which has distorted the economic returns from forestry. Since early 2020, when the cap on the carbon price was lifted, the carbon price has increased from \$25 to \$35.

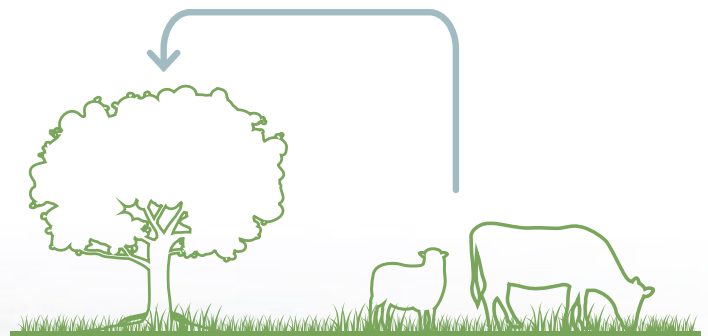
B+LNZ has commissioned an independent review of the amount of farmland that has been sold into forestry which we will release soon.

## SEQUESTRATION

In the last six months, two reports by AUT and MFE have been released that seek to measure the sequestration on sheep and beef farms. While the numbers between the two reports differ, what they do show is that there is a significant amount of sequestration happening. B+LNZ is keen to continue the conversation with the Government for a number of reasons. Given the significant growing consumer interest in the carbon footprint of food, B+LNZ wants to be able to convey the sequestration happening on farms. Also from a policy perspective, B+LNZ is advocating that farmers must get credit for the genuine sequestration happening on their farms under He Waka Eke Noa. If farmers are ultimately going to pay a price for their emissions, it's important that they get full credit for the sequestration that is happening.

The independent report by Auckland University of Technology (AUT) was the first attempt to map and measure the sequestration on sheep and beef farms. The AUT research used a more detailed mapping approach to the vegetation on sheep and beef farms than the MfE report, and due to uncertainties in native sequestration rates and the types of vegetation, it applied a range to the potential sequestration happening on farm. It identified a potential range of 63-116% of on farm emissions being offset by the native and exotic woody vegetation on sheep and beef farms.

The Ministry for the Environment (MfE) internally generated research took a higher-level approach to the mapping and identification of the types of vegetation using older data sets and applied the more conservative end of the range in sequestration. This resulted in the identification of a gross figure of 63 percent being sequestered, which was within the range identified by the AUT report.



**Significant areas of carbon-sequestering woody vegetation offset a substantial amount of our on-farm agricultural emissions**



MfE then netted off all potential types of emissions from harvesting, deforestation etc, resulting in a net figure of 33% sequestration.

B+LNZ recognises that emissions also need to be taken into account but has questions about the methodology MfE including:

- netting off all harvesting without taking into account replanting or regeneration;
- the conservative sequestration rates used when there is evidence that sequestration from natives including mature stands may be higher;
- farmers have really stepped up their efforts to protect the native bush on their farms in the last decade which may not be picked up by the older data sets and survey data MfE was using.

## BIODIVERSITY

It is estimated that 24% of New Zealand’s total native vegetation (including woody native vegetation such as mānuka/kānuka and other native plants such as tussock) sit on sheep and beef farmland. This translates to 2.8 million hectares.

When the draft National Policy Statement on Indigenous Biodiversity (NPSiB) was consulted on in 2019, B+LNZ identified some areas of concern on behalf of our farmers. While the conversations we were having with officials about these concerns were encouraging, we were pleased the process was paused last year.

We are asking the Government to continue with this pause. While we – and most farmers – support the intent of the Biodiversity NPS, there is still a lot to do over the next 6-12 months. We need to work with the Government to fix aspects of the new essential freshwater rules, then support farmers to implement them, and we need to make progress on He Waka Eke Noa. These two processes will require significant on-farm changes and we need to give farmers and the sector time to absorb them and focus on effective implementation. We don’t think the time is right to announce further major new policies.

We are also keen to continue to work with relevant Ministers and officials on improvements to the Biodiversity NPS policy settings so that when this is announced, it lands well and farmers get behind it.

Most sheep and beef farmers are proud of the biodiversity on their farms and have made good progress over the last couple of decades to protect it. We want to ensure that this momentum is supported and enhanced through the Biodiversity NPS.

Our sector’s commitment to biodiversity is reflected in the new farm plan that includes biodiversity for the first time.

## FARM PLANNING

In March, B+LNZ launched its new farm planning approach to help farmers get ahead of their business, consumer and regulatory requirements and provide real value to their farming business.

The farm plan is currently focused on the environment, but it is based on a modular approach and over time we intend to add biosecurity, health and safety and animal welfare.

The environment module takes an integrated approach to all the environmental domains and has chapters on knowing your farm, soils, freshwater, winter grazing, climate change and biodiversity. It is the only farm plan in New Zealand that covers all of these areas in one plan.

The chapters cover:

- Farm resources
- Soil health
- Freshwater ecosystem health
- Winter Grazing
- Native biodiversity
- Climate change

B+LNZ is seeking recognition of the the freshwater elements of the farm plan as meeting the requirements of the certified freshwater farm plan under the NES. The winter grazing chapter in the farm plan is the same as the winter grazing module proposed by the Southland Advisory Group.

The climate change chapter of the farm plan will help farmers get started in understanding and measuring their emissions and sequestration and developing a plan to manage their emissions going forward. It is aligned with the guidance from He Waka Eke Noa.

**Check out this [factsheet](#) for more information about the farm plan.**



### Next Steps

B+LNZ will be holding at least 40 workshops with farmers keen to undertake the farm plan.

It is likely that we will deliver separate workshops on climate change and winter grazing later in the year to support farmers with meeting our various commitments.

# INNOVATION AND RESEARCH

*The sector is continuing to invest heavily in research and development.*

## GENETICS

Last September, B+LNZ Genetics pressed “live” on nProve - a new tool for New Zealand farmers that makes it easier to find the best ram breeder to match their operation. Utilising new software and technology, its launch reinforces New Zealand’s position as a trailblazer in sheep genetics.



Using a series of buttons and slider scales, farmers describe what they need from their ram team, then – with a simple click of a button – nProve generates a list of breeders whose rams tick those same boxes. Feedback from industry has been positive and analytics show it has been well-received in the market, with an average of 537 visitors to [nprove.nz](https://nprove.nz) each month, over ram-buying season.

B+LNZ Genetics have embarked on an exciting seven-year programme of work on behalf of the New Zealand beef industry. It builds on previous research and involves the creation of a new Beef Progeny Test, in response to an increasing demand for high quality food produced with a lower environmental footprint.

Excellent progress is being made on the dairy-beef progeny test, which aims to improve the quality of dairy-beef animals in the industry. Last year, B+LNZ Genetics joined forces with LIC, to make it easier for dairy farmers to access superior beef genetics. Through the collaboration, beef breeders have a potential path to the large dairy market by working with LIC.

The low-input sheep progeny test is nearing the end of its three-year programme and has seen promising results from the first two cohorts of lambs born. This trial focuses on improvements to animal welfare and livestock emissions. Outcomes from the programme align with New Zealand’s red meat story and will be used to help shape the future of low input sheep farming.

Sheep breeders have been embracing the opportunity to measure methane emissions in their animals through AgResearch’s portable accumulation chambers. Breeders who have breeding values for methane emissions, are able to use these as yet another factor in their selection process with the aim that their clients will be better off in the future.

## HILL COUNTRY RESEARCH

[The Hill Country Futures](#) is one of B+LNZ’s largest research programmes and focuses on future proofing the profitability, sustainability and wellbeing of New Zealand’s hill country farmers, farm systems and rural communities. It is co-funded by B+LNZ, the Ministry of Business, Innovation and Employment (MBIE), PGG Wrightson Seeds and Seed Force and covers four main workstreams:

1. A ‘pathways’ framework for a resilient hill country future
2. Landscape classification tools
3. Biodiversity in forage landscapes
4. Communities to market

### A ‘pathways’ frame work

As part of this workstream, the research team interviewed about 300 people (hill country farmers and stakeholders) between July 2019 and March 2020. These interviews provided a unique and in-depth bank of information that continues to be analysed. Several key themes emerged including a ‘pride and passion for farming’, ‘farmers are used to change’ and ‘rural communities are important’. You can read more about the initial findings [here](#).

A challenge for building a resilient hill country future is identifying a common vision for success, so the research team are currently working on validating a hill country future vision, identifying the priority pathways to achieve this vision and developing metrics to build a pathways framework.

### Landscape classification tools

This workstream includes the development of a robust model for estimating legume yield and suitability across various New Zealand landscapes, and quantifying and mapping landscape micro-scale indicators (soil temperature and moisture). This will help guide which legume forage mixes are likely to do best in different parts of the landscape. This workstream is also assessing how measures of natural capital, such as soil biology, soil carbon and biodiversity can be successfully integrated into farm systems.



### **Biodiversity in forage landscapes**

This workstream focuses on forage species that could provide an alternative to rye grass (e.g. legumes and native plants) and answering the question 'which legume where?'. This research will help inform plant selection from a number of perspectives e.g. fodder, regional and climate suitability, environmental mitigation potential, and successful integration into a whole of farm systems approach. Currently data is being collected from over 11 pilot farms located across New Zealand.

### **Communities to market**

Central to all the research is sharing the story of Hill Country Futures with New Zealanders and the rest of the world. Working with project partners, such as catchment communities and farmer-networks, stories of continual improvement for the environment, livestock and communities will be developed and shared. These will have the potential to be used as part of farm assurance programmes and feed into New Zealand's Taste Pure Nature campaign.

Information of B+LNZ's other research projects can be found [here](#)

### **B+LNZ'S RESEARCH INTO REGENERATIVE AGRICULTURE'S MARKET POTENTIAL**

Globally, consumers are increasingly interested in meat production's environmental footprint.

Research is progressing well into better understanding the global regenerative agriculture movement and if, and how, New Zealand sheep and beef production could benefit from it from both a consumer and regulatory point of view.

This is part of a collaboration between B+LNZ, the Bragato institute and New Zealand Wine, and the Ministry for Primary Industries (MPI).

This research has two phases, the first stage of which is complete. The first phase sought to understand the global conversation and what consumer understanding was of regenerative agriculture and what the commercial opportunities could be. The second phase focuses on New Zealand's agricultural stakeholders (farmers, growers, processors) and the implications of potentially changing our farming systems to meet consumer expectations identified in phase one. We will also look at the cost of RA for farmers and the industry.

The first phase has highlighted strong appeal around regeneratively produced foods amongst target consumers in our export markets, and the opportunity to better frame our sustainability story within the [Taste Pure Nature origin brand](#).

Learn more about this research on [B+LNZ's website](#)

### **PASTURE RAISED ADVANTAGE**

The \$2 million Pasture Raised Advantage Nutrition study is assessing the health and wellbeing benefits of pasture-raised beef and lamb compared to grain-finished beef and plant-based proteins. The investment is being made by MIA Innovation Limited in partnership with B+LNZ Limited, High-Value Nutrition National Science Challenge and B+LNZ Inc. The research team involves leading scientists from the University of Auckland, AgResearch Ltd, Riddet Institute, Massey University and the University of Otago.

The study focusses on providing robust scientific data about the nutritional impact of including naturally pasture-

fed, antibiotic and hormone-free beef and lamb raised and processed in New Zealand as the protein of choice in a balanced diet. Stages 1, 2 and 3 of the project are almost complete, with researchers currently analysing the data from these trials. These stages have focussed on the composition of the meat compared to other protein, how meat is digested and how a single meal that includes meat affects an individual's blood chemistry. What we learn in these stages will be used to guide the final stage of the project, where the health and well-being of ~80 healthy participants will be monitored over 10 weeks, as they include or exclude pasture-raised beef and lamb as part of a balanced diet. The stage 4 human clinical trial is due to begin in the second half of 2021 and will be the first study of its kind, comparing the impact of red meat consumption to other protein sources.

Results from the complete study will be available in late 2022.

You can learn more about the research [here](#)

### **MIA AND AGRESEARCH WORKSHOP**

In March, the MIA joined with AgResearch Limited to run the annual Meat Innovation Workshop in Palmerston North. This well-established event is a forum for exchanging ideas and scientific developments amongst meat industry professionals and scientists. Approximately 80 people attended, from industry, research and government, over the two days.

The workshop was broken into four sessions, considering research outcomes and opportunities in Food Safety, Nutrition and the Environment, Red Meat Quality and Future technology. Information about Whole Genome Sequencing for food safety, technologies for pathogen control during processing and updates on work in meat quality, nutrition and environmental credentials were some of the topics presented to and discussed with participants.

A core theme of the workshop in 2021 was looking at opportunities for the future and the new technologies which might be integrated into processing plants to improve sustainability and efficiencies.

MIA will shortly be sharing results from its plant of the future Insights project with industry. Preliminary results from this project, which highlights key emerging technologies that will influence how meat processing operations might evolve over a 20-year time horizon, were discussed at the workshop. The influence of new generation robotics, data collection and energy generation were highlighted to participants as key factors in that evolution.

The workshop was also an opportunity to present the revised Red Meat Sector Strategy to the attendees and show how the MIA Innovation programme, aligns with and will support the achievement of our wider sector goals. The Red Meat Processing Research and Development strategy sits under the RMSS and is currently being revised in consultation with industry to prioritise our scientific investment programme to 2025-30.





# PEOPLE AND CAPABILITY

*Our sector is a major employer in New Zealand. Attraction and retention, and the health and safety of workers, are key issues.*

## MEAT INDUSTRY SCHOLARSHIP PROGRAMME

MIA has awarded eleven new undergraduate and postgraduate scholarships for 2021. This year's new scholars include those in their first year of studies and those undertaking Masters or PhD research. Their subjects range from food process engineering, food safety and quality, agribusiness management and marketing to law, politics and anthropology.

These 11 new scholars complement the eight scholarships that have been continued from 2020.

As well as a contribution towards the cost of their studies, MIA runs a mentoring programme for the scholars and an educational and networking event in Wellington, with presentations from key figures from across the industry and government. This year the scholars will also be invited to attend the Red Meat Sector Conference in Rotorua.

In addition to the above scholarships MIA is partnering with the New Zealand Food Safety and Science Research Centre ([NZFSSRC](#)) to set up a three year PhD scholarship for food safety research.

## ATTRACTING NEW TALENT TO THE SECTOR

Work is underway to develop a micro-site outlining career opportunities in the red meat industry as part of the sector's commitment to providing jobs for New Zealanders. This work will complement MPI's "Opportunity Grows Here" initiative, which seeks to highlight career opportunities across the agriculture sector. The website will contain interviews with a broad range of industry employees working in a range of positions in the meat processing industry and will have links to individual company employment websites.

## TRAINING AND DEVELOPMENT

The meat processing industry is one of the biggest on-the-job trainers in New Zealand and the country's largest manufacturing sector, directly employing around 25,000 people, mainly in the regions. Overall, the sector supports approximately 92,000 jobs around the country. In 2020, meat processors trained more than 5,300 people in NZQA-recognised qualifications with an 83 percent completion rate - significantly, almost all of these people were trained by their company while they worked.

The Workforce Development Strategy seeks to invest in education and training systems to upskill workers and promote the sector as a career pathway. Processor companies are continually improving their training, with a greater focus on supporting the trainers in the workplace and developing leadership. A feature for the next 12 months will be significantly expanded apprenticeships in meat processing.

The industry welcomed the commitment of the Government to increase support for vocational training. However, there remains some work to do to ensure these initiatives deliver for the sector, and there is some concern about delays to implementing reforms under the Review of Vocational Education (ROVE) and establishing the industry-led, industry-governed Workforce Development Councils (WDCs). The WDCs offer a system which is much more responsive for industry skills needs and that provides greater recognition of on-the-job training but it will be important to their success that they be genuinely industry-led organisations.

## IMMIGRATION/LABOUR

After the initial COVID-19 lockdown, economists expected there to be an increase in the number of available workers. However, this hasn't borne out and instead the labour market, especially in the regions, remains extremely tight. Companies continue in their efforts to attract New Zealanders to work in the industry, but significant labour shortages remain limiting companies' ability to process and add value to their full potential. At least in the short term, the industry has to make up the shortfall with migrant workers - COVID-19 has impacted the industries access to migrant workers as border restrictions remain in place, but MIA continue to advocate for immigration policy settings that are more responsive to the industry needs.





This is especially acute with halal slaughterers. The nature of requirements to be a halal slaughterer makes it difficult to find enough people interested in being trained, but also willing to work in the regions. The industry works very hard at trying to attract Muslim New Zealanders, but this continues to be challenging. Migrant halal slaughterers continue to play an important role in the processing industry. We hope it will be possible to continue to progress discussions to facilitate workers' visas.

We have met with several Ministers to discuss this issue and highlight the strategic importance of halal to the sector and our export earnings. Halal products are an important, value added component of sheepmeat and beef exports. 43 percent of total exports were halal certified in 2019/20 and worth approximately \$3.3 billion in the same year.



## HEALTH AND SAFETY

### *Processing industry safety*

The processing industry is committed to reducing workplace harm to its workers. An important part of this is trying to create stronger safety conscious cultures, but it also means investment in new technologies and innovation. The industry is currently looking at innovations such as exoskeletons for manual handling to reduce body strain injuries, where MIA is undertaking a project in collaboration with industry to evaluate the use of a shoulder support exoskeleton for tasks in both the cold-chain and hygienic processing areas. After a spate of serious injuries amongst cleaning and maintenance workers, a priority for MIA this year is projects aimed at improving health and safety amongst those workers, including videos for cleaning workers to model safer behaviours, and improving guarding of machinery during cleaning.

### *Farm safety*

The health and safety of our people and our farmers is paramount. Unfortunately, too many farmers are still getting injured or dying on New Zealand's sheep and beef farms every year.

Although COVID-19 disrupted many of our initiatives, B+LNZ remains committed to supporting our farmers to improve health and safety on their farms.

We continue to build strong relationships with WorkSafe New Zealand and the Agricultural Leaders Health and Safety Action Group (ALHSAG).

### *Crush Protection Devices*

Every year, quad bikes are a major cause of death and serious injury on farms with many incidents associated with accidental rollovers. On average each year five people die, and there are over 1,000 claims for work-related quad bikes accidents, costing \$12 million.

Our primary focus is on ensuring farmers use the right vehicle for the job and have the competency to use that vehicle safely, however Crush Protection Devices (CPDs) are a useful tool to minimise the risk of serious injury if someone is riding a quad bike and is involved in a rollover accident.

A CPD can be fitted to a quad bike to provide a survivable space should a rider be pinned underneath it.

ACC is now offering a subsidy to help rural businesses buy CPDs. The subsidy offer is \$180 per CPD with a maximum of two CPD purchases per business (including self-employed).

### *Looking after our people*

We have continued with our Event Safety Management System workshops for staff and facilitators who run our events. We have also put in place internal B+LNZ SMS for our staff.

### *Priorities for 2021*

- our Farm Safety Management System Level I and Level II workshops are still available on demand
- we're continuing to communicate with WorkSafe and ALHSAG on practical and effective messaging and initiatives to improve health and safety outcomes in farming.

# Red Meat Report



**Beef + Lamb New Zealand Ltd**  
Level 4, Wellington Chambers  
154 Featherston Street  
Wellington 6011  
enquiries@beeflambnz.com  
+64 4 473 9150 or 0800 BEEFLAMB  
(0800 233 352)

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



**MIA - Meat Industry Association**  
of New Zealand (Inc.)  
Level 5, Wellington Chambers  
154 Featherston Street  
Wellington 6140  
info@mia.co.nz  
+64 4 473 6465

[www.mia.co.nz](http://www.mia.co.nz)