



Red Meat Report Issue 08

Introduction from Sam McIvor and Sirma Karapeeva

The last year has posed many challenges for our sector, and while longer term prospects remain positive, tough conditions are persisting.

Farmers' and processors' bottom lines are being impacted by a perfect storm of unfavourable conditions domestically and internationally – including lower returns as consumers keep a tight watch on their spending, and high on-farm costs and interest rates.

Even the most established farming businesses are feeling the pinch, with B+LNZ's economic reports showing most sheep and beef farmers are expected to make a loss this financial year. Farm profits are expected to fall by more than 50 percent this season, following a 30 percent reduction the year prior.

Sheep returns in particular have borne the brunt with China's economic recovery being slower than expected. China is by far the largest importer of sheepmeat, acting as the main driver of global sheepmeat prices. Its economy is likely to remain subdued for the next year or two.

Softer demand for sheepmeat in this key market has also been hit by the double whammy of increased supply out of Australia due to drought conditions, putting additional pressure on export prices.

At this stage it's unlikely returns will markedly improve before the end of the year.

There have been positives internationally, which while not sufficient to offset all these effects, have offered some respite.

Conditions in the UK, Europe and the US have been more favourable for sheepmeat so processors have been able to diversify.

Beef exports and prices have also held up better due to more market options and being more widely traded, with demand from the US particularly strong.

On the domestic front, while inflation has started to slow, the cumulative effect of the last three years' increases in on-farm costs – totalling 35 percent – have created lasting damage.

Farmers will be hoping for a reduction in interest rates in the coming months. Many farmers have high levels of debt, and high interest rates have significantly increased costs.

The impacts of drought this year has exacerbated the financial impacts in parts of the country. Some farmers have had to send animals to processing plants much earlier than they would have liked, or else face high supplementary feed costs. Meanwhile other parts of the country have had to contend with more than normal rainfall which has posed its own challenges.

In this context it's vital we get the policy settings right.

We therefore welcome Government changes over the last six months on water, climate change and biodiversity.

While the red meat sector is continually improving environmental performance, the previous Government tried to do too much too quickly. This resulted in rules that were impractical and went far further than they needed to achieve desired outcomes.

It has become increasingly apparent that the financial implications of this approach placed the future of our sector at risk. We look forward to working with the current Government to find enduring solutions that balance environmental outcomes with a sustainably profitable world-leading red meat sector. Critically, as an export nation, we must carefully monitor developments in our key markets to ensure that our production and regulatory systems move in step with consumers.

Long term, the outlook for sheepmeat and beef is positive as global demand for red meat is expected to grow and once the global economy is back on track so too will our exports be.

Until then, we're focused on supporting farmers and processors to navigate through.



Sam
McIvor
CEO,
B+LNZ



Sirma
Karapeeva
CEO,
MIA

SECTOR-WIDE UPDATE



NEW PARTNERSHIP WITH THE NEW ZEALAND TEAM FOR PARIS 2024

New Zealand's sheep and beef farmers are rallying behind the New Zealand team and are proud to fuel the fern.

B+LNZ is an official partner of the New Zealand team as they gear up for the Paris 2024 Olympic Games.

We're using this relationship to celebrate the nutritional benefits of beef and lamb and the edge it gives our athletes, and showcasing how our farmers produce this amazing product – all while showing some national pride.

You'll see logos, ads, athletes at events, and more in the lead-up to and during the Olympics. Some of the campaign activity includes:

- TV advertisements starting July that feature Olympians, highlighting that 'to get a great finish, you need a good start' and that good start is New Zealand beef and lamb!
- a partnership with Sky TV, through their free-to-air Sky Open channel every morning throughout the Olympic Games
- a joint site at Fieldays Mystery Creek in June with the New Zealand team, supporting the Tour De Fern – Sprint for the Fern event series featuring a public cycling simulation visiting various locations around the country to build anticipation for this year's games.

For more information, see: www.beeflambnz.com/news/nz-beef-and-lamb-fuel-fern-paris-2024



NATIONAL LAMB DAY GAINS SUPPORT ACROSS THE COUNTRY

National Lamb Day was celebrated across the country on 15 February 2024, marked with a series of events and activities that showcased New Zealand's rich agricultural heritage and celebrated farmers' hard work.

The day commemorates the first shipment of frozen sheepmeat aboard the *Dunedin* ship to the United Kingdom in 1882, a historic event that laid the foundation for New Zealand's successful meat industry.

Farmer organisation AgProud and B+LNZ Inc led the planning of activities with support from B+LNZ Ltd and MIA.

The festivities kicked off with a parliamentary lamb BBQ hosted by Minister Todd McClay with over 40 Members of Parliament and Ministers attending, many wearing their National Lamb Day t-shirts.

The day generated widespread media attention, spanning mainstream and rural channels, including radio, TV, online articles, newspapers, and social media platforms. One of the highlights was *Seven Sharp* featuring National Lamb Day, with hosts Jeremy and Hilary raising a chop in recognition of the event.

The Southern Field Days, coinciding with National Lamb Day, helped amplify celebrations. AgProud organised a free lamb BBQ, drawing a crowd of attendees to enjoy some New Zealand lamb.

Planning for building on the success of Lamb Day next year is underway.

RED MEAT SECTOR CONFERENCE

On 23 July 2024 more than 300 people from across the sector to attend the Red Meat Sector Conference 2024, hosted by the Meat Industry Association (MIA) with Beef + Lamb New Zealand as Partnership Sponsor, at Wellington's Tākina Convention and Exhibition Centre.

Attendees included industry leaders and stakeholders, processors, exporters, key suppliers, government officials, farmers, journalists and marketing specialists. The theme 'From our pasture to your plate' dove into topics across all aspects of the red meat supply chain.

With Nanogirl's Dr Michelle Dickinson as MC, the conference had leading experts in trade, politics, nutrition, logistics, emerging technology, biosecurity, and the evolving needs of the sector's customers. There was a significant turnout from the government, with talks from Minister of State of Trade Nicola Grigg and MPI's Director-General Ray Smith and a visit at the closing networking event from Prime Minister Christopher Luxon and Minister of Finance Nicola Willis, highlighting the importance of the sector to the New Zealand economy.

Rounded off with a dinner featuring some of New Zealand's finest quality products, the event brought the sector together to ensure the ongoing growth and sustainability of quality beef and sheepmeat for global customers.



B+LNZ ANNUAL MEETING AND FIELD DAY

The 2024 B+LNZ Annual Meeting and Showcase took place in Nelson in March, with around 120 attendees.

The day began with a visit to the future-focused Moutere Downs sheep and beef operation, offering a firsthand look at research applications in action. Attendees were given updates on B+LNZ's ongoing research efforts tackling animal health challenges like facial eczema and internal parasites, and on genetic investments.

Throughout the day, fruitful conversations revolved around enhancing farmer productivity and profitability, complemented by insights into B+LNZ's extension initiatives aimed at addressing these concerns.

Later, during the formal segment of the meeting, farmer-proposed remits were discussed. Results of farmer voting during the annual meeting process showed there was support for two proposals, with one narrowly passing, while two were not endorsed. Final decisions were also confirmed on resolutions regarding director fees and the reappointment of KPMG as auditor, with director fee increases not supported, while the auditor reappointment received approval.



NEW ZEALAND MEAT BOARD ANNOUNCES SIGNIFICANT INVESTMENT IN FLAGSHIP B+LNZ PROJECTS

The New Zealand Meat Board (NZMB) announced a significant funding boost for two major red meat sector projects.

The NZMB is to provide up to \$700,000 to the groundbreaking Informing New Zealand Beef genetics project (INZB) and up to \$1 million for the Eliminating Facial Eczema Impacts (EFEI) programme.

The decision follows consultation with sheep and beef farmers on the distribution of interest and dividends generated from the NZMB's \$79 million reserves fund towards industry good projects.

The funding boost from the NZMB will help both INZB and EFEI drive major productivity gains behind the farm-gate for thousands of sheep, beef and dairy farmers across the country.

INZB is providing farmers with beef genetics tools to help drive productivity and profitability on farm. It is on track to achieve its goals of boosting the sector's profits by \$460m over the next 25 years.

The EFEI programme aims to equip farmers with tools, knowledge and solutions that can be adopted to combat a devastating livestock disease and improve productivity in the red meat and dairy sectors.



B+LNZ STRATEGY LAUNCH

In July, B+LNZ launched a refreshed strategy aimed at enhancing the profitability and productivity of sheep, beef, and dairy beef farmers. This strategy refocuses B+LNZ's efforts to achieve a vision of **thriving sheep and beef farmers now and into the future.**

The strategy is built on three key pillars:

Championing Farming Excellence:

- Increased investment behind the farm-gate through extension offerings like small group learning initiatives, and regional 'Hub' farms.
- Continued focus on research and innovation, especially in genetics and combating internal parasites and facial eczema.
- Attracting, growing, and supporting young talent in the sector.

Advocacy:

- Utilising world-class data and insights to influence policy and protect trading relationships.
- Focusing advocacy on issues impacting farm profitability and productivity, such as environment, animal welfare, biosecurity, and trade.
- Strengthening face-to-face engagement with farmers to develop genuine, farmer-driven policy solutions.

Energising the Sector:

- Enhancing the trust and reputation of NZ farmers by celebrating their care for livestock and the environment.
- Using data and insights to identify future opportunities and risks for farmers.
- **Supporting processing companies as they take the lead on Taste Pure Nature, remaining an active partner to ensure the link between consumers and farmers is maintained.**

This strategy reflects nationwide feedback, farmer surveys, and input from the B+LNZ Farmer Council, ensuring it aligns with the needs and aspirations of farmers across the country.



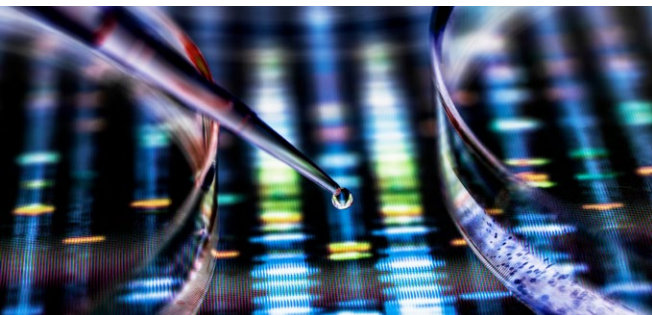
GMO INDUSTRY POSITIONING

As the Government is expected to introduce Genetic Engineering (GE) and Genetic Modification (GMO) legislation by the end of the year, policy teams at MIA and B+LNZ are collaborating with other industry bodies and environmental NGOs to ensure agriculture's voice is heard.

Collectively, we recognise there could be potential benefits from research into genetic modification technology, as well as other genetic research, for environmental, conservation, profitability, and productivity gains.

However, these potential benefits must be balanced with detailed consideration of consumer attitudes and our support or otherwise for any changes to the existing legislation would need to be informed by consultation with farmers and processors.

This is a complex topic and could have significant implications for the marketing of our red meat as natural, grass-fed, free-range, hormone- and GE-free. Changes to current policies should not be allowed to threaten our reputation with consumers.



MYCOPLASMA BOVIS UPDATE

B+LNZ is a partner alongside the Ministry for Primary Industries (MPI) and DairyNZ in the programme for the phased eradication of *Mycoplasma bovis*.

In April, New Zealand's only known farm with cattle infected with *M. bovis* was cleared and cleaned and has resumed normal farming activities. The programme is continuing to support the farmer through the repopulation process.

This farm takes the number of Cleared Confirmed Properties to 282 and the number of Active Confirmed Properties to zero.

The property, located in Selwyn, was one of two neighbouring Confirmed Properties found after the programme reached zero properties for the first time in August 2023.

With the source of infection for this property yet to be established, finding a few more cases in the coming seasons may be expected.

Six years into an estimated 10-year eradication plan, the eradication effort is moving into a phase that will focus on intensive surveillance to provide evidence to support confidence in disease freedom. Several years of data, with no new cases of infection, needs to be obtained to reassure the programme partners that *M. bovis* is no longer present on New Zealand farms.

In November 2023, the programme contracted out the day-to-day management of its operations to disease control and traceability agency OSPRI.



ENVIRONMENT

The coalition Government's more pragmatic approach to environmental policies has been welcome but there is still work to do.

CLIMATE CHANGE

Climate change remains a key area of focus for both B+LNZ and MIA. Last year's change in government has offered the opportunity to relook at many of the conversations around climate change.

B+LNZ will continue to work with our farmers, and MIA with processors, on the detail around how best to reduce environmental impacts, and adapt to a changing climate, while protecting their ongoing financial sustainability – and then continue to advocate for the right climate change policy settings to achieve these goals.

Emissions targets

In April we welcomed the Government's announcement of an independent review of the methane science and targets for consistency with no additional warming. This approach was something we had been asking for for some time. The June announcement of the independent panel of experts to undertake that review was also positive, with the panel being made up of highly respected experts. B+LNZ looks forward to seeing the outcome of the review.

The Climate Change Commission also consulted publicly on its advice to Government about the emissions reduction targets. While it is heartening to see the Commission talk about warming as much as emissions – which we believe was influenced by our ongoing advocacy and the evidence we provided from leading climate scientists from Oxford and Cranfield universities in September last year – we disagree with their analysis.

We provided a consultation submission arguing that methane should only be asked to do what is being asked of the other gases, which is to achieve no additional warming. We encouraged farmers to have their say during the Commission's consultation and provided guidance on making a submission.

The separate independent review process is taking a more consistent and holistic view of warming should be applied in policy, and we understand the Government will consider both that review and the Climate Change Commission's consultation outcomes in making its decision about the targets at the end of the year.

B+LNZ has long argued that the current targets are too high and were based on arbitrary numbers that were taken from an IPCC report despite that report specifically saying they should not be used for individual countries' reduction targets.

Agriculture's removal from the Emissions Trading Scheme

Also in April the Government announced it will work on keeping agriculture, including processor-level "backstop", out of the Emissions Trading Scheme. This was also welcomed by B+LNZ and MIA and we continue to oppose any pricing of agricultural emissions. There is no justification for pricing as a way of achieving emissions reductions because reductions are already happening more quickly than needed. Both B+LNZ and MIA are members of the new Pastoral Sector Group established to work through these complicated issues.

Carbon farming

There has been less detail on how the Government intends to address the wholesale conversion of sheep and beef farmland into carbon farming as a result of the ETS settings but there have been promising signs.

We're pleased our work as part of the review of the ETS in August last year has influenced the Government to fundamentally look at how the ETS is using forestry offsets and what the impact of that is having, and could continue to have, on our rural communities.

It appears the rate of sales slowed due to market uncertainty with the change of government and whether there would be changes in this space, but the key underlying problem of New Zealand being an outlier globally by allowing 100 percent of emissions to be offset with planting remains and needs to be addressed. B+LNZ has repeatedly said we can't plant our way out of climate change, especially not at the expense of one of the most carbon efficient red meat production systems in the world.

COP28

Another part of B+LNZ's climate change work is our participation in international conversations, particularly pushing for warming-based targets. In November, two of our staff attended COP28 in Dubai to represent New Zealand sheep and beef farmer interests.

While the New Zealand media tend to portray agriculture as the primary topic of conversation at these meetings, from having staff on the ground we know that in fact fossil fuels are overwhelmingly the main focus – this is important context as we discuss climate change domestically.

NATIONAL POLICY STATEMENT FOR FRESHWATER MANAGEMENT

The Government has committed to reviewing and replacing the National Policy Statement for Freshwater Management 2020 (NPS-FM). This is expected to be completed late 2025/early 2026.

B+LNZ supports this intention and believes rebalancing Te Mana o Te Wai (the mana of the water) and the hierarchy of obligations will help to ensure that farmers are profitable and productive while sustainably managing freshwater resources.

The deadline for regional councils to notify their Freshwater Plan Changes which need to give effect to the NPS-FM has been extended until the end of 2027.

There has been a mixture of responses from regional councils to this extension - some are continuing to work towards the original 2024 notification, others have delayed until 2025/2026, and some have indicated they will utilise the full three-year extension.

B+LNZ has been urging all councils to pause the planning process while the NPS-FM is being replaced to ensure their plan changes are aligned with national direction.

Freshwater Farm Plans

The Government intends to improve Freshwater Farm Plans (FWFPs). B+LNZ is pushing for these to be risk-based, cost-effective, and avoid duplication with consenting requirements.

In March 2024 B+LNZ surveyed farmers, with over 750 responses. Overall, farm plans are supported as they can be a tool in delivering effective and efficient resource management. However, the current mandatory requirements for every farmer to have a certified and audited FWFP goes too far. Rather, we believe a farm planning framework needs to take a risk-based approach that focuses on outcomes, not simply a blanket mandatory requirement.

The intention to improve the framework is a positive start. However, the roll-out of FWFPs as they stand is still live, with certain catchments of Southland, Waikato, Horizons, Otago, and the West Coast already live, and more regions being activated over the coming 12 months.

There is urgent need for the Government to suspend the regulations until the changes are fully worked through.

Stock Exclusion Regulations and Intensive Winter Grazing

The Government has proposed to remove the low-slope map in the Stock Exclusion Regulations. This means that beef cattle and deer that are not “intensively grazed” will no longer be required to be excluded from waterways under the national regulations.

The winter grazing rules will be repealed in time for winter 2025. We understand the intent is to fold these into FWFPs in the future.

These are both positive steps towards moving away from prescriptive one-size-fits-all unworkable regulations to a more pragmatic approach that focuses on tailored on-farm management.

NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY

Indigenous biodiversity remains hugely important to sheep and beef farmers who are already looking after a large portion of indigenous biodiversity - 24 percent (2.8 million hectares) of the country's native vegetation cover is found on sheep and beef farms.

In March 2024, following B+LNZ's advocacy, the coalition Government announced its intention to cease the requirement for councils to identify and map new Significant Natural Areas (SNAs) in accordance with the National Policy Statement for Indigenous Biodiversity (NPS-IB) for three years.

This was a welcome announcement as it will allow time to review the NPS-IB including how SNAs operate and the definition of an SNA to ensure that only truly “significant” indigenous biodiversity is captured. Currently the definition is far too broad, capturing swathes of farmland, which turns biodiversity into a liability rather than an asset.

We are still waiting to hear the outcomes of the consultation on a Biodiversity Credit System that the Labour Government consulted on just prior to the election. B+LNZ provided a submission, informed by nearly 300 farmers in a survey, highlighting that a broader, coordinated system is required that not only considers a biodiversity credit market, but also other mechanisms that will support farmers to protect and enhance biodiversity as a public good. Biodiversity credits alone are unlikely to compensate for the flawed underlying regulation in the NPS-IB.



GLOBAL TRADE

MARKET UPDATE

Market conditions remain challenging as global economies grapple with the monetary policy shocks and inflationary pressures triggered by the Covid-19 pandemic. The record-breaking prices of 2021 and 2022 have returned to pre-Covid levels.

In China, a key market for New Zealand red meat, there were significant challenges. Weak economic conditions led to cautious consumer spending, and increased competition from new suppliers like Brazil and Uruguay further strained the market.

However, this softness in China was partially offset by steady or rising demand from other markets, highlighting the importance of New Zealand's diversified export strategy.

Demand for beef in the United States has been particularly robust, with exports up by 11 percent to \$658 million in the first quarter. The recently ratified UK free trade agreement also eased trade friction, boosting exports to the UK by 44 percent to \$126 million in the same period.

Sheepmeat prices continued to decline, falling five percent in the first quarter despite a three percent rise in export volume to 119,244 tonnes. In contrast, beef export earnings remained steady at \$1.08 billion.

The softness in sheepmeat prices is attributed to its status as a luxury good, which reduces demand during tough economic times. Additionally, the ongoing destocking of flocks in Australia due to dry conditions has further pressured prices. Given that New Zealand and Australia dominate the global market for high-quality sheepmeat, any significant production changes in either country have a substantial impact on prices.

MIA's outlook for the rest of the year suggests that red meat export demand will continue to be influenced by macroeconomic forces. It's encouraging to see interest rates decline in key markets, indicating that central banks are managing inflation. However, China's much-anticipated post-Covid recovery remains the crucial factor to monitor.

NZ CHINA COUNCIL SUSTAINABLE PROTEIN STUDY TOUR

China's significance to New Zealand's red meat sector makes it the MIA's most closely monitored market. The dynamic consumer environment in China is of particular interest to processors and exporters.

To gain a deeper understanding of China's approach to sustainability and its impact on food production and consumption, MIA Trade and Policy Manager Ashlin Chand joined the New Zealand-China Council Sustainable Protein delegation. This study tour provided a platform to engage directly with Chinese government officials, researchers, businesses in the novel proteins sector and New Zealand representatives in China.

The findings reveal a complex landscape for red meat producers. In China, "sustainability" encompasses environmental issues, climate, food security, and livelihoods. For Chinese consumers, sustainability is not the primary driver of purchasing decisions: factors like quality, safety, nutrition, and price are more influential. While Chinese authorities are increasingly emphasising sustainability, their primary focus remains on food security, ensuring access to a diverse food supply, nutrition, and reducing food waste.

Alternative proteins, such as cell-based meat, are gaining attention, yet tofu remains the dominant meat substitute due to its long-standing cultural significance.

New Zealand's red meat enjoys a positive reputation in China, particularly for its sustainability, health benefits, quality, and safety. To maintain a competitive edge, New Zealand must leverage this strong reputation as other competitors rapidly advance.





STEC VISIT TO THE US

New Zealand red meat processors and exporters take pride in meeting high global food standards, which has opened numerous export markets for the industry. However, compliance with regulations incurs costs, driving a continuous search for more efficient ways to meet market entry requirements. With this goal, the MIA led a delegation to the US to study Shiga toxin-producing *E. coli* (STEC) regulations and production systems, aiming to identify opportunities for improvement.

The delegation was warmly received by stakeholders, including meat companies, industry associations, and the US Food Safety and Inspection Service (FSIS). Plant-level discussions were particularly open and informative, with US counterparts willing to share their experiences and processes, emphasising that food safety is a pre-competitive issue of utmost priority for the entire supply chain.

A unique aspect of this trip was the inclusion of delegates from both the industry and the Ministry for Primary Industries (MPI). This reinforced MPI's recognition of the industry's genuine commitment to best hygienic practices and continuous improvement in STEC management.

The trip generated several ideas to address ongoing challenges with the US Overseas Market Access Requirements (OMAR), including potential trials to enhance import processes, expedite clearance, and minimise non-food safety-related product rejections at the US border.

CVO DINNER

The MIA recently hosted a dinner for delegates attending the 2024 Animal Health Quads Alliance meeting in New Zealand. Chief Veterinary Officers from New Zealand, Australia, Canada, the UK and the US were in the country to engage in a series of bilateral and multilateral discussions on biosecurity, animal welfare, sustainability, and food safety – key factors that underpin our export success.

During their visit, delegates had the chance to observe New Zealand's production system through farm and plant tours, culminating in a dinner at Fife Lane in Tauranga. Chef Dale Bowie, founder of The Development Kitchen, showcased the unique qualities of New Zealand red meat that make it globally renowned. The event was supported by MIA staff and senior representatives from Greenlea Premier Meats.

EU DEFORESTATION

The red meat sector is facing significant regulatory changes with the introduction of the European Union Deforestation-free Supply Chain Regulations (EUDR), which will be enforced from 31 December 2024. These regulations will apply to beef and leather products, requiring exporters to the EU to demonstrate that their products are sourced from deforestation-free supply chains.

New Zealand exporters must provide evidence that products from cattle are not linked to land deforested after 2020, spanning the entire lifespan of the animals. Although the EUDR aims to target at-risk exporting countries where deforestation occurs to expand cattle grazing, New Zealand faces a different issue, namely afforestation rather than deforestation. Nonetheless, the broad scope of the EUDR regulations impacts New Zealand exporters.

The MIA and B+LNZ are actively seeking solutions to minimise the impact on businesses. They are also advocating for recognition that New Zealand does not have a deforestation problem, engaging in discussions with the EU Ambassador and New Zealand government officials.



INNOVATION AND RESEARCH

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

BEEF GENETICS UPDATE

B+LNZ is a partner in the Informing New Zealand Beef (INZB) programme, a seven-year initiative supported by the Ministry for Primary Industries and the New Zealand Meat Board, aiming to boost sector profits by \$460m over 25 years.

The programme is focused on increasing the uptake of the use of genetics in the beef industry through building genetic evaluation and data infrastructure, progeny test herds, developing breeding objectives and indexes, and creating new data sources.

An annual survey tracks the programme's progress, with 2023 findings showing increased awareness and application of genetic tools among farmers. Most farmers expressed a desire to compare bulls across breeds, indicating a rise in understanding and confidence in genetic tools like EBVs and indexes.

Extension and industry uptake are crucial to INZB's success, as evidenced by the positive survey results. A successful Beef Progeny Test Field Day at Lochinver Station highlighted genetics research progress and demonstrated structural soundness as an important selection criteria.

New trait development is also progressing, focusing on fertility, Body Condition Scoring (BCS), and udder scoring. Workshops led by B+LNZ Genetics' Anna Boyd and Dr Jason Archer included practical exercises on these traits. A how-to video on BCS is available on B+LNZ's Knowledge Hub.

Additionally, sixteen more farmers have joined the Next Generation Commercial Herds programme, bringing the total to 37. This initiative aims to onboard at least 10 farmers annually to advance genetic progress through accurate pedigree recording, bull performance assessment, and heifer replacement selection.



COOL SHEEP® PROGRAMME RECENTLY COMPLETED ITS FIRST YEAR

Funded by MPI and B+LNZ, the Cool Sheep® programme aims to reduce greenhouse gas emissions from New Zealand's sheep by promoting low methane genetics.

In the past 12 months the programme has focused on supporting the understanding and uptake of available resources for those looking to incorporate methane genetics into their farm system.

A well-attended webinar for stud breeders emphasised using genetic selection to lower methane emissions in sheep. An online survey gathered insights on sheep genetics and methane perceptions from industry members.

Stud breeders have shown a keen interest in measuring methane emissions from their animals, indicating a strong desire to tackle the issue. Over 20,000 animals have been methane tested, surpassing funding limits for two consecutive years.

Around 20 percent of active flocks have used methane phenotyping in the last three years, with new flocks joining annually. Exporters report that greenhouse gas emissions from farms are increasingly discussed with global customers.

Though it's unclear if premiums are feasible, it is likely that farmers will need to show progress in emissions management. An interim Methane Index aids in selecting high-production animals with lower methane output.

Using low methane sheep is currently a primary tool for managing emissions, highlighting their importance for New Zealand farmers.

More information at www.blznzgenetics.com/cool-sheep-programme



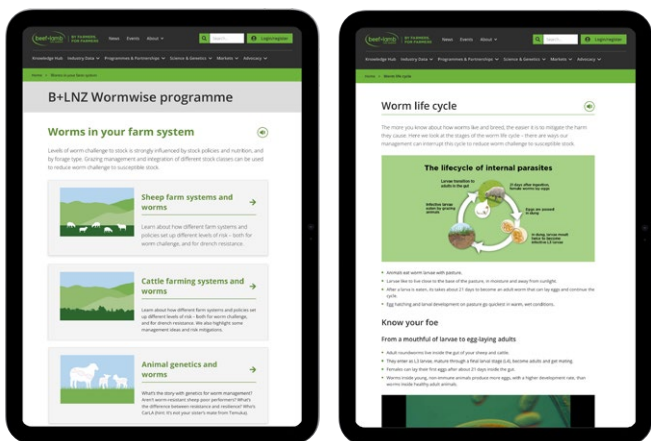
WORMWISE

Online Wormwise resources

Wormwise has launched refreshed web-based information. Farmers' feedback on the original site highlighted a need for more detailed parasite management advice. While ideally farmers would have access to skilled advisors, the website content aims to bridge the gap by offering comprehensive information to improve understanding.

The website content also serves as a valuable resource for vets and rural professionals.

Visit www.beeflambnz.com/wormwise



Workshops

Wormwise workshops have evolved from classroom-style to on-farm events where the impact of the farm system can be visualised and discussed, plus we now have bespoke workshops for cattle. Successful pilot workshops for vets have been held, with more planned, along with events for rural professionals.

Additional resources for dairy farming are in development, and Wormwise representatives are engaging farmers at field days, including National Field Days, with interactive materials. Progress on a retailer training programme will be a strong focus over the coming months.

NUTRITION WORKSHOP

In late March, the MIA and AgResearch held the annual Meat Innovation Workshop in Palmerston North. This event, a highlight on the annual calendar, focuses on enhancing our nutritional understanding of red meat and leveraging innovation and technology to boost productivity and profitability in the industry.

Located near Massey University, the workshop attracted 98 delegates and featured international speakers, including Aarti Tobin from CSIRO in Australia, Rod Polkinghorne from the University of Melbourne, and John Marten from Meat and Livestock Australia. The event emphasised the critical role of science, research, and innovation in maintaining our competitive edge globally. MIA remains committed to investing in the industry's scientific and technical capabilities.

The workshop received positive feedback, with participants rating it 8 out of 10.



ELIMINATING FACIAL ECZEMA IMPACTS PROGRAMME

The Eliminating Facial Eczema Impacts (EFEI) Programme is a seven-year initiative with the ambitious goal of eliminating the impacts of facial eczema (FE) for New Zealand. With a budget of \$20.7 million, this collaborative effort involves B+LNZ, Ministry for Primary Industries' Sustainable Food and Fibre Futures fund (with \$8.3 million funding announced in March 2024), at least 350 participating farmers, industry partners and research providers.

FE is a challenging disease associated with the toxin-producing fungus *Pseudopithomyces*, which significantly affects livestock health and productivity. Climate change has exacerbated the distribution of FE, making it a pressing issue for farmers across New Zealand.

Work being undertaken as part of this programme includes:

- **The facial eczema tolerance test for sheep.** This alternative FE tolerance test would replace the need for healthy animals to be dosed with spores to test for tolerance. The goal is to develop a routine laboratory test which is less invasive and would allow for wider use and increasing testing for FE tolerance across New Zealand.
- **The Sheep Poo Epidemiological study.** This study works to understand the prevalence of the fungus associated with FE across New Zealand. This information will be used to develop a predictive risk model to assist farmers with making decisions on farm.

The EFEI Programme is structured into five workstreams:

Understanding the Basics (2024-2027): This phase focuses on researching the fungus's genetics, developing FE identification methods, and understanding FE's prevalence across New Zealand.

Understanding the Impacts (2024-2031): This workstream aims to assess the economic, social, and wellbeing impacts of FE on farmers, establishing baseline measurements and developing support resources.

Discovering Tools and Solutions (2024-2028): This phase seeks to develop new tools for managing FE, including selecting FE-tolerant animals, early disease indicators, and rapid detection methods.

Delivering Tools and Solutions (starting 2025/2026): This future phase will bring developed tools to market, ensuring they are practical and cost-effective for farmers.

Catalysing Communications and Action for Impact (2024-2031): This ongoing workstream focuses on engaging farmers, raising awareness, and fostering a community of practice.

Learn more about this programme at: www.beeflambnz.com/EFEI



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.



MIA SCHOLARS

At the end of April, the MIA Scholars programme, the red meat industry's post-farmgate talent development initiative, held its annual workshop at AgResearch's new Lincoln-based research facility, Tuhiraki. This event aims to expose the 15 bright young minds in the programme to the full spectrum of activities within the red meat supply chain through a series of in-depth presentations.

The workshop featured expert presentations from ANZCO, AgResearch, Lyttelton Port Company, and Costco Shipping, providing scholars with practical experience to complement their studies and future career choices. The scholars, who come from diverse backgrounds including law, farming, leadership, business, research, environmentalism, and volunteering, were able to gain valuable insights into the industry.

Among the scholars, nine received new scholarships: Wiseson Kuang, Kelly-Anne Bentley, Thomas Hayward, Sophie Ridd, Fynn Mitchell, Emily Irwin, Kelsi Hayes, Oliver Stark, and Angus Bradley. Six others had their scholarships re-awarded: Angus Grant, Cameron Walker, Hennie Pienaar, Ella Zwagerman, Dominic Morrison, and Hayden Corbett.

The scholars came together again in July to attend the Red Meat Sector Conference and had an afternoon with MPI's Chief Veterinary Officer Mary van Andel, MIA Specialist Adviser Natasha Watzdorf, and The Discovery Kitchen's Dale Bowie. Mary and Natasha spoke to their areas of work and expertise while Dale facilitated a cooking exercise to demonstrate how to use different cooking techniques to get the best out of different red meat cuts.

Since the programme was established in 2017, 46 percent of the 70 scholars who have participated so far have secured employment within meat companies and related agricultural roles. This highlights the programme's success in fostering talent for the red meat industry.

IMMIGRATION CHANGES

Immigration policies are constantly evolving, and the recent tightening by the Coalition Government has significant implications for bringing overseas workers into New Zealand.

The new requirements for the Accredited Employer Work Visa (AEWV) at ANZSCO Levels 4 and 5 include three years of work experience or a Level 4 NZQA qualification, along with passing a recognised English language test. Additionally, employers must now advertise roles for 21 days, an increase from the previous 14 days, and offer a minimum wage of \$29.66 per hour for at least 30 hours per week.

Another key change to the AEWV is the reduction of the visa's maximum duration to three years, after which workers must spend 12 months outside New Zealand before reapplying. These changes make hiring migrants more challenging and costly for the red meat processing industry.

MIA is currently in discussions with officials regarding the renewal of our Sector Agreement and whether the new AEWV requirements will apply. We have made it clear that the current thresholds under the agreement, which allow 320 workers per year on a seven-month visa term, are not suitable for the red meat industry.

Separately, MIA continues to advocate for the creation of a special halal visa category. Halal butchers, who are on the Green List, can gain residency after two years and sponsor a partner on an open work visa.



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



MIA - Meat Industry Association
of New Zealand (Inc.)
Level 5, Wellington Chambers
154 Featherston Street
Wellington 6011
info@mia.co.nz
+64 4 473 6465

www.mia.co.nz