

2021

— Annual Report —

beef+lamb
new zealand

By Farmers. For Farmers™

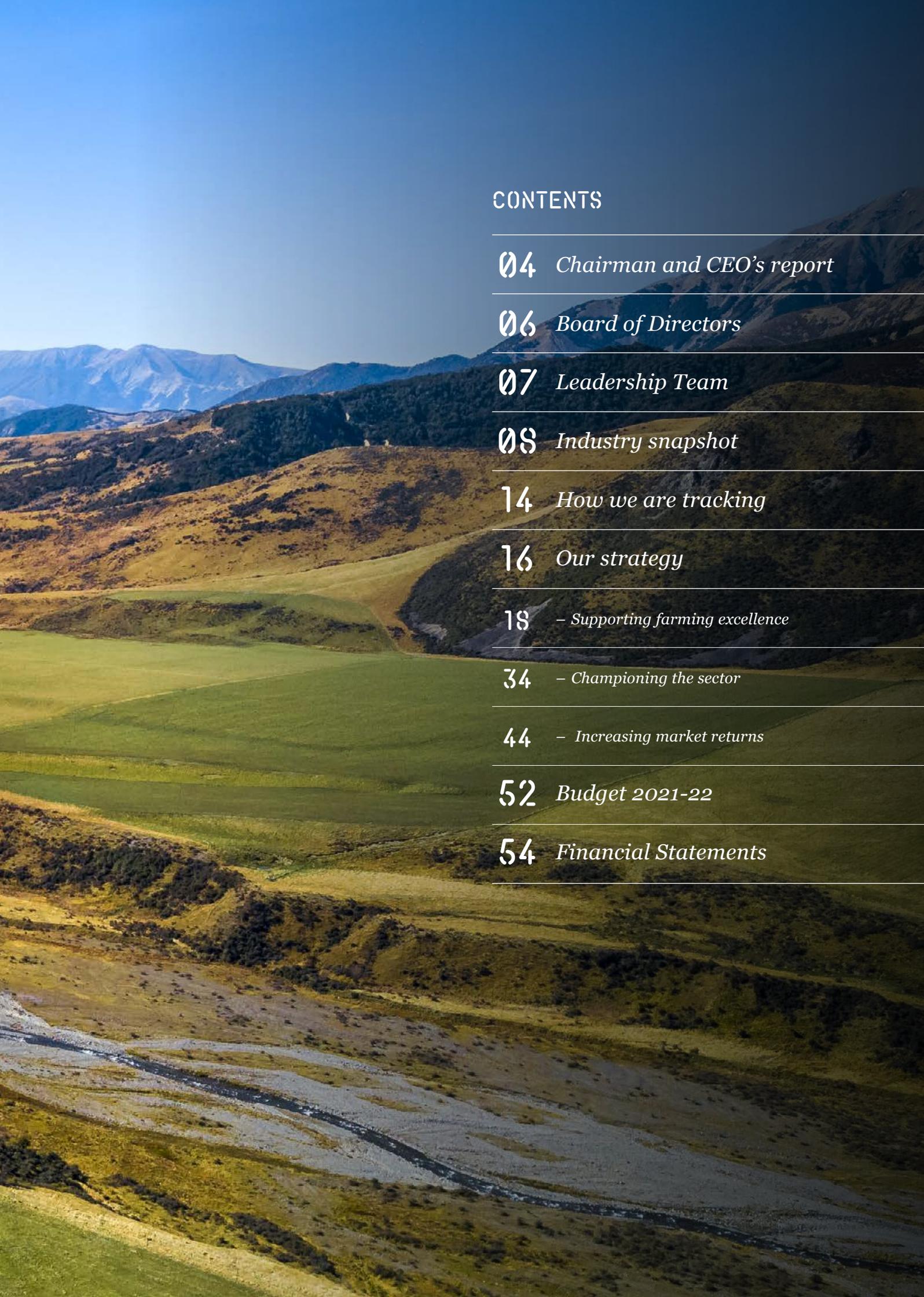


By Farmers. For Farmers™

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CONTENTS

04 *Chairman and CEO's report*

06 *Board of Directors*

07 *Leadership Team*

08 *Industry snapshot*

14 *How we are tracking*

16 *Our strategy*

18 – *Supporting farming excellence*

34 – *Championing the sector*

44 – *Increasing market returns*

52 *Budget 2021-22*

54 *Financial Statements*



CHAIRMAN AND CEO'S

Report



Andrew Morrison
CHAIRMAN



Sam McIvor
CEO

For the second year New Zealand's sheep and beef farmers have demonstrated their resilience in the face of the ongoing challenges presented by the COVID-19 pandemic. Disruptions in supply chains, export markets, access to labour, new virus variants, and navigating lockdown restrictions have been just some of the issues we've collectively faced.

Despite everything that's been thrown at us, we've continued to perform well with strong returns for beef and sheepmeat exports, especially with the success of the sector's Taste Pure Nature country of origin brand driving increased demand in China and the United States. This puts us in a good position as we work towards a new normal, and for taking advantage of expanding trade opportunities such as the free trade agreement with the United Kingdom. The pandemic has demonstrated the distinct advantage we have with our diverse markets, and increasing the depth of those relationships will be critical in the years ahead.

Domestically much of the focus has been on environmental matters, with fresh water and climate change being the two primary issues. The He Waka Eke Noa Primary Sector Climate Action Partnership has made good progress, as evidenced by consultation on options around farm emission pricing in late 2021. Alongside this work, we've been supporting farmers with climate change tools to "know their number" in terms of understanding their farm emissions, while we've also won important changes to the Government's freshwater regulations and winter grazing in particular. There is still more to do, and we'll continue to work tenaciously to ensure policy is workable for farmers, while delivering environmental outcomes.

Throughout this our message to the Government has been clear - farmers are committed to environmental stewardship, but it is the speed, scale, practicality and dis-connectedness of the reforms that is causing issues. We've been at pains to make Government understanding the importance of connecting water quality, biodiversity and climate change so that farmers can maximise the positive environmental impact on new investments such as tree planting.

To support this integrated approach, farm planning is a priority for Beef + Lamb New Zealand (B+LNZ). Since the launch of our updated farm planning approach in March 2020, more than 350 farmers have attended one of our new farm planning workshops, with a further 500 farmers attending specific forage cropping events.

These farm extension activities, along with the increasing popularity of our online resources and learning modules, are supported by our investment in research. This includes the work of Beef + Lamb New Zealand Genetics (B+LNZ Genetics) in areas like the new Informing New Zealand Beef Programme, the Hill Country Futures programme, research into the Pasture Raised Advantage of New Zealand's grass-fed red meat, studies into emerging food trends, and new investment strategies for farmers' priority animal health challenges, internal parasites and facial eczema.

All of this is why we launched our new strategy in March 2021, built around the three priority areas of supporting farming excellence, championing the sector, and increasing market returns. Retaining our previous focus on sustainable and profitable farmers, thriving rural communities, valued by New Zealanders, this refined strategy zeroes in on the things that are most important for realising that vision.

A highlight of the year was getting out around the country and talking to you about the organisation, our sector, hearing how you felt we were performing, and getting your thoughts on our future direction as part of our six yearly levy referendum. The 90% support vote in the referendum demonstrated that you value our work and recognise the need for a strong voice representing your interests both domestically and internationally.

We also heard your concerns about the scale and pace of regulatory change, and we'll continue fighting as hard as we can on your behalf, continuing to work closely alongside our colleagues in DairyNZ and Federated Farmers, to respond to this.

Alongside this work, we have significantly increased our engagement with Māori farming interests, both around our referendum, and in terms of the environmental advocacy work we undertake on behalf of farmers. After our referendum roadshow, we held follow up meetings around He Waka Eke Noa, and will be working closely with Māori farming interests as policy debates evolve.

B+LNZ will continue to support the sector to meet future challenges but also grasp opportunities. As we've seen this year, there's a growing appetite for sustainably raised grass-fed New Zealand beef and lamb with consumers around the world, and New Zealand's farmers have never been more important to the wellbeing of our country as a whole as they have been in the past two years.

BOARD OF DIRECTORS

Farmers elect six of the B+LNZ Directors, representing three electorates in the North Island and three in the South Island. Their terms are for three years and elections are rotated. Two directors are appointed from the meat industry and an independent director as well as an associate director also sits on the board.



MARTIN COUP

Farmer-elected Director,
Northern North Island

Served since: 2018
Term expires: 2024
07 877 7885
027 232 5254
macoup35@gmail.com

Martin farms a 700ha sheep and beef property at Aria (King Country).



SCOTT GOWER

Farmer-elected Director,
Western North Island

Served since: 2019
Term expires: 2022
027 449 2526
highglades@farmside.co.nz

Scott operates a 1,300ha hill country sheep and beef property in Ohura in the King Country. Scott has also been an elected director on the board of Ravensdown since 2006.



GEORGE TATHAM

Farmer-elected Director,
Eastern North Island

Served since: 2014
Term expires: 2023
06 372 3609
027 244 4900
georgetatham@gmail.com

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



KATE ACLAND

Farmer-elected Director,
Northern South Island

Served since: 2021
Term expires: 2024
021 558 558
kate@mtsomersstation.co.nz

Kate farms Mt Somers Station, a 30,000 s.u. property in the Mid-Canterbury foothills, as well as running a number of other rural businesses.



NICKY HYSLOP

Farmer-elected Director,
Central South Island

Served since: 2019
Term expires: 2022
027 474 4149
nicky.a.hyslop@gmail.com

In partnership with husband Jonty, owns and farms Levels Estate, an intensive sheep, beef and arable irrigated property on the outskirts of Timaru.



ANDREW MORRISON CHAIRMAN

Farmer-elected Director,
Southern South Island

Served since: 2014
Term expires: 2023
03 207 1856
027 664 4620
andrew.morrison@beeflambnz.com

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



ALEX GUILLEUX

Processor-Exporter
Director

Served since: 2021
Term expires: 2024
027 592 1367
alex.guilleux@beeflambnz.com

Alex is currently Managing Director of Balle Bros Foods and Markets divisions, and has previously been a partner at PwC.



TONY EGAN

Processor-Exporter
Director

Served since: 2019
Term expires: 2022
021 572 530
tony.egan@greenlea.co.nz

Tony is the Managing Director of Greenlea Premier Meats and a member of the Meat Industry Association Council. His previous roles include being CEO forASUREQuality and AFFCO.



BAYDEN BARBER

Independent Director

Served since: 2020
Term expires: 2023
021 570 011
baydenbarber@gmail.com

Bayden farms Angus cattle on a 100-acre block in Hawkes Bay, has additional interests in forestry and drystock farming, is a Hastings District Councillor. He whakapapas to Ngāti Kahugunu, Ngāphui, and Ngāi Tahu.



COURTNEY NIMMO

Associate Director

Served since: 2021
Term expires: 2022
027 495 6347
courtney.h.nimmo@gmail.com

Courtney farms sheep, beef and grain in South Otago. She also works for Ballance Agri-Nutrients as the Regional Sales Manager for the Lower South Island.

LEADERSHIP TEAM

B+LNZ's Leadership Team is responsible for each of the organisation's main focus areas, ensuring that we deliver on our vision of profitable farmers, thriving farming communities, valued by all New Zealanders.



SAM MCIVOR
Chief Executive Officer

Sam's priorities are to provide sound strategic leadership and management to B+LNZ; develop and recommend policies, strategies and actions to the Board that will enhance farmer levy investment and returns; and implement the approved policies and directives of the B+LNZ Board in the most effective and efficient manner.



CROS SPOONER
Chief Operating Officer

Cros is responsible for B+LNZ's Corporate Services which include people, financial, technology, and facilities management. The financial services role involves the provision of these services to the NZMB and DINZ. His experience is in the primary sector with general and financial management roles in commercial and industry good companies.



DAN BRIER
General Manager Farming Excellence, B+LNZ Genetics

Joining B+LNZ in June 2019 following six years working for Pāmu, Dan oversees B+LNZ's research and development investment portfolio and has responsibility for B+LNZ Genetics business unit.



NICK BEEBY
General Manager Market Development

Nick works with NZ meat processors, industry and exporters to develop and oversee implementation of global market development and Taste Pure Nature campaigns. Nick also manages B+LNZ's investment in the domestic market through B+LNZ Inc.



DAVE HARRISON
General Manager Policy and Advocacy

Dave is responsible for policy and advocacy, primarily the areas of environment policy and strategy, technical policy and trade policy and access.



ROWENA HUME
General Manager Communications, Engagement and Insight

Rowena leads the communications team and B+LNZ's engagement and public relations strategy, focusing on building influential relationships with key stakeholders. Rowena also leads the Economics and Insight team.



CORINA JORDAN
General Manager North Island

Corina has extensive experience with B+LNZ, especially with her expertise in environmental and regulatory policy having led B+LNZ's work in response to significant central and local government changes. In 2021 Corina became General Manager North Island.



JOHN LADLEY
General Manager South Island

John joined B+LNZ in January 2018 as the General Manager South Island. He helps the Extension and Economic Service team throughout the South Island deliver for our farmers. John also oversees B+LNZ's investment in industry training.

INDUSTRY SNAPSHOT

The New Zealand sheep and beef sector is a productive, value adding, innovative and forward looking sector.

Our vision is to be the world-leading producers of sustainable red meat.



The sector is NZ's largest manufacturing industry and second largest goods exporter



Over 90% of production is exported to more than 120 countries



Red meat and co-product exports worth \$10 billion, and raw wool adding another \$417 million



The sector has 92,000 employees, 36,000 directly and 56,000 indirectly employed



New Zealand sheep and beef farms cover 8.8 million hectares (a third of the country's land mass)



Approximately 93% of commercial sheep and beef farms are owner-operated

Stock numbers (2020)

Sheep

26m 



Beef cattle

3.9m 



Dairy cattle

6.2m 



GLOBAL SITUATION

As the overwhelming bulk of New Zealand's sheep meat and beef is exported, it's vital we understand global trends and their implications for the sector. While there are significant changes happening there are also opportunities if we position ourselves properly.

MARKET TRENDS AND FORCES



Global population forecast to grow by 1 billion more people by 2030



Animal protein demand forecast to double by 2050



Increasing consumer concerns about industrial food production and climate change



Quickening pace of development and increasing popularity and commercialisation of alternative proteins



Growing demand for grass-fed, hormone and GMO free red meat

Labelled grass-fed sales have been increasing by 20–30 percent per year, and there is growing interest in regenerative and low-carbon red meat.

OUR RESPONSE AND SECTOR PRIORITIES

Environment Strategy

Being responsible stewards of the land underpins everything we do, and we're focused on having cleaner water, being carbon neutral by 2050, supporting thriving biodiversity, and having healthy productive soils.

Taste Pure Nature

This origin brand is a global platform to underpin exporters' marketing programmes and enhance the positioning of New Zealand's red meat.

Farm Assurance Programme

All New Zealand beef and lamb that carries the Taste Pure Nature origin brand is underpinned by a nationwide quality assurance system called the New Zealand Farm Assurance Programme.

Innovative research and farm extension

The sector is investing significantly in research and farm extension initiatives to improve productivity, environmental impact, and profitability.

Open markets

Open and predictable market access is vital for the on-going success of our export-focused sector, as it creates a stable and level international playing field.

Policy advocacy

Ensuring practical and fit-for-purpose systems in food safety, animal welfare, biosecurity, health and safety, and environmental standards.

Our sector underpins the New Zealand economy

The New Zealand sheep and beef sector is a vital driver of the New Zealand economy and prosperity. On every measure, the way we produce beef and lamb is economically, socially and environmentally sustainable – and delivered within the limits of the land. The sector has led the economy in terms of productivity and value-add gains. We are confident the sector will continue to innovate and grow in value in an environmentally sustainable way.

In the past 30 years the sector has transformed itself. Since 1990, export values have doubled while at the same time halving the number animals needing to be farmed. This is a story of efficiency gain and value adding. On-farm and processing innovations have delivered massive eco-efficiency improvements, while driving economic gain.



Productivity and eco-efficiency gains



In 1990 the average weight of a lamb carcass was 14.4kg
The average weight of a lamb carcass now is 19kg



In 1990 the average ewe lambing percent was 100.
On average now it is 132 lambs born per 100 ewes



In 1990 lamb exports were 47% carcasses and 53% cuts
Lamb exports are now 5% carcasses and 95% cuts



In 1990 8% of lamb exports were in high value chilled form
A quarter of lamb exports are now in high value chilled form

Sheep and beef farming has not become any more intensive: stocking rates (the number of animals per hectare) have remained similar over this time.



Our sector is a leader in environmental sustainability

Climate change

Our sector is committed to playing its part in keeping global warming within the parameters of the Paris Agreement, and through *He Waka Eke Noa* and the Pastoral Greenhouse Gas Research Consortium is investing heavily in this.



Our sector has a goal of being carbon neutral by 2050 and is already a long way towards this objective.

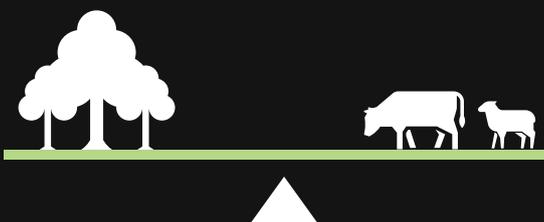


We have reduced our absolute greenhouse gas emissions

BY **OVER 30%** since 1990

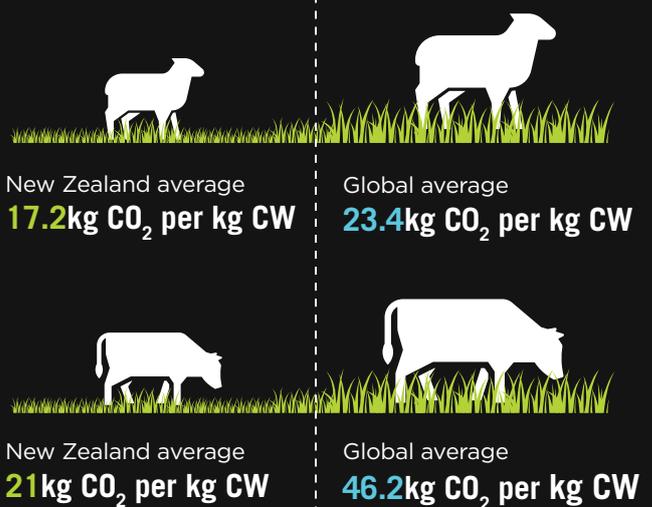


Of the remaining emissions, between 63-118 percent of these emissions are being offset by the 1.4 million hectares of native forest and 180,000 hectares of pine plantation on our sheep and beef farms.¹



¹An analysis of carbon stocks and net carbon position for New Zealand sheep and beef farmland. Bradley Case and Catherine Ryan; Auckland University of Technology, 3 September 2020

The carbon footprint of sheep and beef production (on-farm Life Cycle Analysis) is estimated to be around half the average figure globally.²



More than \$80m has been invested by the sector since 2003 in science to reduce emissions, through the Pastoral Greenhouse Gas Research Consortium, and we are confident that this investment will ensure it can further reduce its footprint.

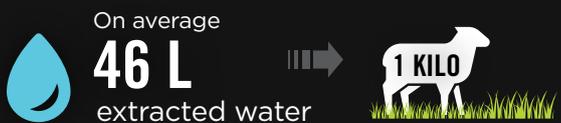
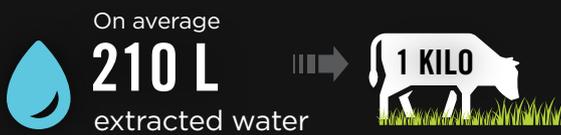
²Estimates by B+LNZ using NZ LW and global CW figures in research by Stewart Ledgard; AgResearch, 2011

Water

Sheep and beef production is one of the most sustainable forms of agricultural production in New Zealand. From a water perspective, we can work within the limits of the land.

Most New Zealand sheep and beef production relies almost entirely on rainwater and grass/pasture feeding. Grain-fed production, as is often standard practice overseas, is very uncommon in New Zealand.

The sector uses very little extracted water (i.e. irrigation or water in processing).²



These are both a fraction of the water footprint of grain fed red meat production globally and compares favorably to plant-based production.

NZ Sheep and beef production

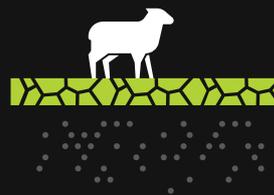


NZ Horticulture/arable

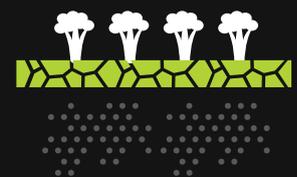


New Zealand sheep and beef production nitrogen leaching rates are on average the lowest of any form of food production.

Sheep and beef
17kgN/ha/yr



Other land uses
30-40kgN/ha/yr



The sector has an average nitrogen leaching rate (as modelled by OverseerFM) of 16kgN/ha/yr. On other farming systems, the average nitrogen leaching (as modelled by OverseerFM) is closer to 30-40kgN/ha/yr depending on the land use and soils, and can be as high as 100kgN/ha/yr for some horticultural crops.

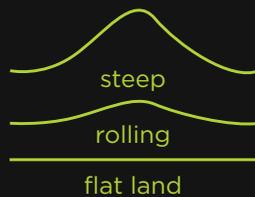
The main water quality issues from sheep and beef production are e-coli; sediment; phosphorus and impacts from winter grazing. While there are still issues that need to be addressed, nearly every one of these indicators has been improving in the last 30 years.

²Zonderland-Thomassen et. al., 2014

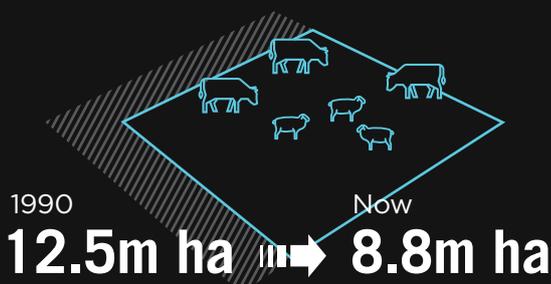
Land & biodiversity

With New Zealand sheep and beef farms being home to the largest area of indigenous biodiversity outside of the Department of Conservation estate, indigenous biodiversity is hugely important to our farmers.

New Zealand's sheep and beef farms contain a mosaic of land types and uses.



There is concern globally about the amount of land used for livestock production and deforestation as a result of increased livestock production. In New Zealand's sheep and beef sector, the trend has been in the opposite direction.



Since 1990, the land used for sheep and beef production in New Zealand has decreased by 4.3 million ha from 12.5 million ha to 8.2 million ha. This land use change has seen the largest amount converted to conservation, while land used for dairying, forestry, lifestyle, and urban development has also taken a significant amount.

93%



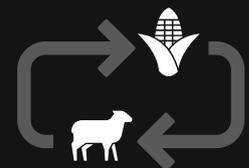
93 percent of the land that remains under sheep and beef production in New Zealand is unsuitable for cropping or horticulture because it is rolling or steep.



2.8m ha native vegetation on sheep and beef farms

A quarter of New Zealand's native vegetation is found on sheep and beef farms, covering 2.8 million hectares. Much of this is regenerating native bush and the sector is committed to continuing to build the biodiversity on our farms.

Additionally, most sustainable cropping systems rely on livestock production. The two production types complement each other.



These cropping systems leave the land fallow for a period of time and rotate livestock onto those paddocks to rebuild the soil naturally through manure. This is why most arable farmers in New Zealand are also sheep and beef farmers.

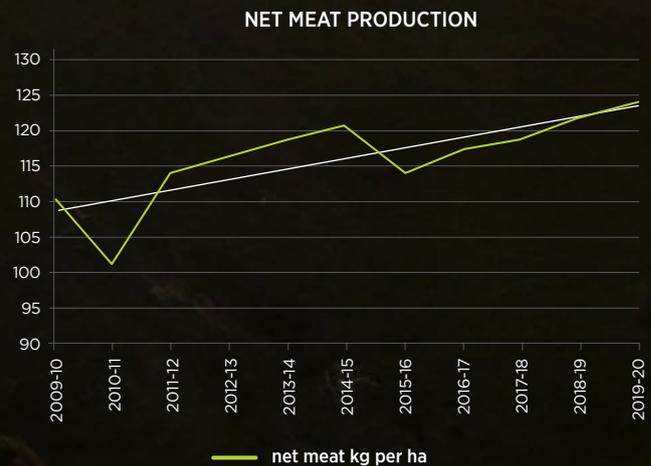
HOW WE ARE

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

Sheep and beef farmers are improving productivity

➤ Net meat production per ha is now 13% higher than 10 years ago

Net meat production for the All Classes Sheep and Beef Farm was 124 kg per hectare for 2019-20, up on 2018-19 due to having more favourable weather conditions increasing average carcass weights. Net lamb production per ha decreased by 6 percent, with the drought on the East Coast of the North Island impacting productivity. Net cattle meat production is flat on 2018-19.



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

Sheep and beef farming is resilient

➤ Provisionally up 2% on 2018-19

Earnings before Interest, Tax, Rent and paid managers salary (EBITRm) for All Classes Sheep and Beef Farm is \$353 per ha for 2019-20, an increase of 2 percent on 2018-19. This was largely driven by higher returns from livestock prices as both sheep and beef increased. Wool prices have continued to decline overtime and wool revenue is estimated to contribute 5 percent of gross farm revenue on average. Farm Working Expenses increased moderately by 4 percent, driven largely by an increase in spending on Fertiliser (+5 percent). Average interest and rent expenditure was flat on the previous year.



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

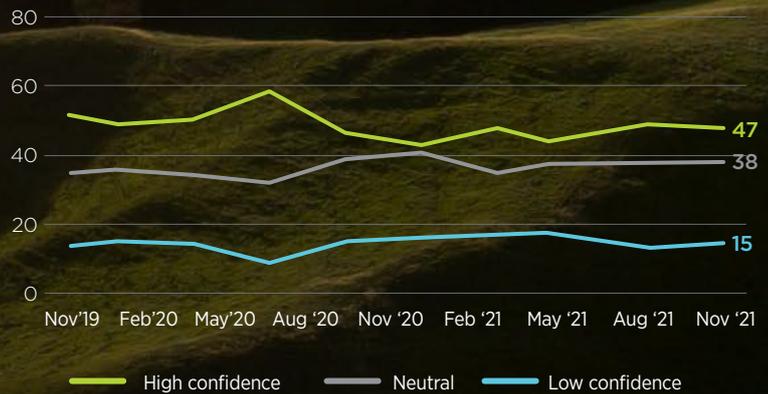
TRACKING

Snapshot
November 2021

Industry confidence **47%**

Demand for food dampened by regulatory change

Despite good prices and an awareness of ongoing strong demand for their high-quality product, sheep and beef farmers' confidence has been tempered by the pace and scale of regulatory change facing them, as well as the increase in compliance costs on their farming businesses.



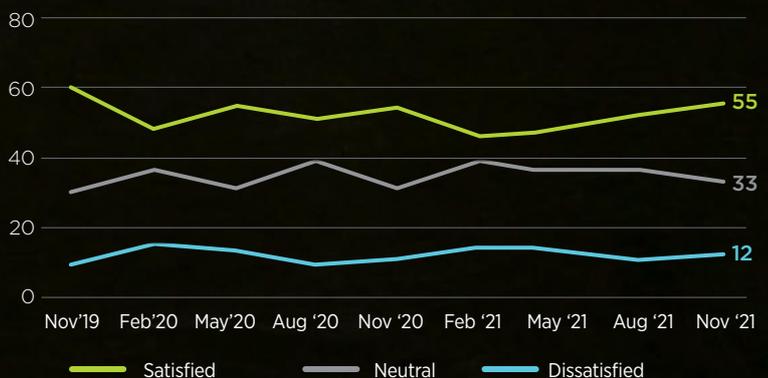
*Stated percentages do not add to 100 due to rounding.

Source: B+LNZ commissioned UMR quarterly survey of levy paying sheep and beef farmers

Satisfaction with B+LNZ **55%**

Farmer satisfaction with B+LNZ remains strong

Our farmers remain satisfied with the services provided with B+LNZ and the work we do on their behalf, and this was reflected with the strong endorsement in this year's six yearly referendum. Farmers also provided additional valuable feedback during the referendum roadshow, that will be used to further improve how B+LNZ supports sheep and beef farmers.

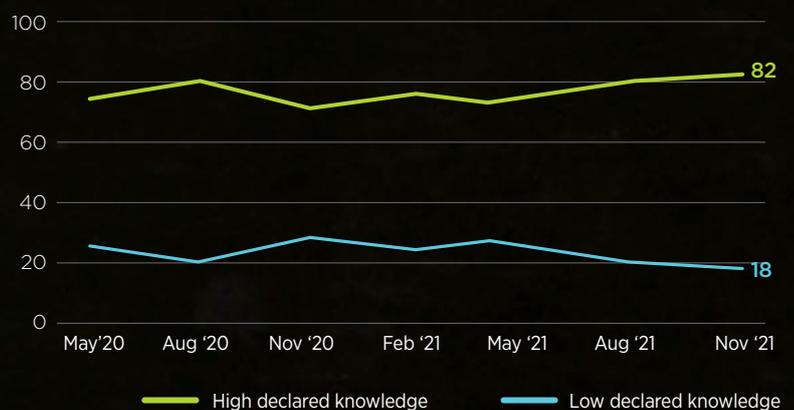


Source: B+LNZ commissioned UMR quarterly survey of levy paying sheep and beef farmers

Knowledge of what B+LNZ does **82%**

Farmers' awareness of B+LNZ continues to grow

Thanks to the growth in our extension activities, the growing popularity of our online channels, and helped by the increasing involvement of B+LNZ in shaping policy issues facing farmers, knowledge of B+LNZ has been steadily increasing over time. (This is a new metric that has only been surveyed on since May 2020)



Source: B+LNZ commissioned UMR quarterly survey of levy paying sheep and beef farmers

Our strategy

Vision

Sustainable and profitable farmers, thriving rural communities, valued by New Zealanders

Purpose

Insights and actions driving tangible impact for farmers

Principles

How and why we do what we do



By Farmers. For Farmers

Partner for impact

Activities your levies support

The following section outlines the key areas B+LNZ will be investing in on your behalf to grow a stronger future for our farmers.



Supporting farming excellence

Priorities



Supporting farming excellence

Our farmers run sustainable, profitable, farming systems.

The how

We support farmers to achieve this by delivering the world's best research, innovation and extension.



Championing the sector

Our farmers are celebrated as the world's best red meat producers.

We position the sector to be respected and supported by New Zealanders and have policies that enable our farmers.



Increasing market returns

Our farmers receive increased value from our sustainable farming systems and natural grass-fed beef and lamb.

We identify and create market opportunities, dismantle barriers, and grow consumer preference for New Zealand beef and lamb.

Insights driven

Know our communities

Outcomes not outputs



Championing the sector

Page 34



Increasing market returns

Page 44



Supporting farming excellence

*B+LNZ supports farmers to achieve sustainable,
profitable farming systems – we deliver the world's
best research, innovation, and extension.*



Total levy Investment* in this strategic pillar was \$12.9m for 2021. The following table is a summary of the key initiatives within this pillar.

Name	Levy Investment \$,000	Description	Contribution to strategic priority
Research & Development	\$1,984	Progressing R&D projects such as the Hill Country Futures project in partnership with the Ministry of Business, Innovation, and Employment, to drive insights and actions to improve farmer profitability and sustainability. Refer to table pages 30-31.	Co-ordinate and deliver insights, tools, and services to farmers to better understand our sector, build capability, and improve farm sustainability, productivity, and profitability.
Beef + Lamb New Zealand Genetics	\$2,602	Develop and implement next generation genetics solutions, such as nProve, to boost farm profits and efficiency	
Extension	\$3,098	Plan and implement regional research and extension plans that reflect regional and national needs.	
Farmer Council Operations	\$325	Deliver events and support to farmers and Farmer Councils.	
Recruitment & Training (Sector Capability)	\$1,162	Supporting sector employment and training.	
Environment	\$2,674	Deliver tools and resources to help farmers meet their environment, business consumer and regulatory needs. (Inc Farm Planning, GHG Calc & PGGRC)	
RMPP	\$1,131	Support the delivery of RMPP programmes including the NZFAP, the electronic Animal Status Declaration, AWDT, Environmental, Business and Succession planning, and the Action Network. Refer to page 27.	

* Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income

** Project Cost is specific investment over and above B+LNZ staff time.

Supporting farming excellence

Key achievements in 2021

- B+LNZ launched our updated farm planning approach in March 2021, with new environment farm plan workshops and a new greenhouse gas calculator, as well as significantly increasing our support on winter grazing
- The Red Meat Profit Partnership (RMPP) concluded its seven-year programme, with the relevant parts, such as Action Networks, being integrated into B+LNZ
- B+LNZ Genetics' \$16.7 million Informing New Zealand Beef (INZB) programme got underway thanks to \$6.68 million in funding from the Government, aiming to build a genetic engine for NZ beef that could be worth up to \$460 million to the sector over 25 years
- B+LNZ was heavily involved in the establishment of Muka Tangata – People, Food, and Fibre Workforce Development Council the new entity to govern and develop vocational training for the primary sector

Updated farm planning approach proves popular

In March, B+LNZ launched our updated farm planning approach, with more than 350 farmers attending the new environment farm plan workshops throughout the country. These workshops cover soil health, freshwater ecosystem health, native biodiversity, climate change, and forage cropping (including winter grazing).

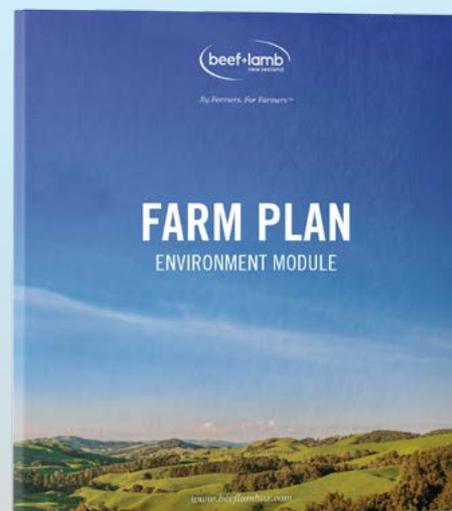
With farm plans being one of the main tools by which B+LNZ can support farmers to meet the growing number of various regulatory, business, and consumer requirements, the feedback from farmers to these new workshops has been overwhelmingly positive. Most attendees feel confident that they can now document the majority of their farm environment plan following the first workshop.

Along with the updated farm planning approach, a further 500 farmers also attended specific forage cropping

events to help with documenting their winter grazing plans with many of these events run in partnership with DairyNZ. As the rain starts to fall and the temperatures drop, correctly managing winter grazing has become an important focus for the sector, and this year we're already seeing improvements.

B+LNZ is committed to supporting farmers through the whole farm planning process, so for more information on workshops and access to reference material and templates, visit www.beeflambnz.com/farmplan

Our farm planning materials are being constantly updated to reflect changing regulatory requirements and other relevant developments. Likewise, B+LNZ is continuing to seek recognition of the forage cropping and freshwater chapters of our farm plan as meeting the requirements of the certified freshwater farm plan.





B+LNZ Catchment Community Programme empowers farmers to be environment leaders

You know your farm and your catchment better than anyone, which is why farmer-led catchment community groups have become a great platform for B+LNZ to support farmers to work together to improve environmental outcomes in their community.

With approximately 40 catchment groups now set up around the country, B+LNZ's Catchment Community Programme enables farmers to take a leadership approach by offering a range of resources and support. These include e-learning modules, a

national catchment map to encourage sharing between catchment groups, trained catchment facilitators, training workshops, podcasts, and lots more.

With funding from the Ministry for the Environment's (MfE) Freshwater Improvement Fund, over the past two and a half years B+LNZ has established a project to improve water quality across four catchment groups. One of these catchment groups was the Thomson's Creek Community Catchment Group in Central Otago. Four consultants were employed

with help from that MfE funding and B+LNZ to work with every farmer in the Thomson Creek catchment to create their own farm environment plan.

You can learn more about this project and its success at youtu.be/tyjMf5mplys

For more information about B+LNZ's Catchment Community Programme, including access to resources and contact details of catchment communities around the country, visit www.beeflambnz.com/your-levies-work/community-catchment-group-programme



B+LNZ Genetics

Sheep

Strategic review of sheep programme

With B+LNZ Genetics' activities for sheep encompassing the providing of genetic evaluations and genetic tools, and providing supporting activities such as progeny testing, genetics extension, and other activities to support the sheep breeding community. In 2022 there will be a review of the sheep programme to ensure our work is helping farmers achieve their goals in the most efficient and productive way possible.

Sheep Progeny Tests

The Sheep Progeny Test programme continues to feature as one of B+LNZ Genetics' most critical components of the country's sheep genetics system. With four sites around the country measuring a different combination of traits, the Sheep Progeny Test allows us to link flocks together genetically, increasing the number of farmers getting value from the New Zealand Genetic Evaluation.

While COVID-19 did cause disruptions to mating in 2020, the 2021 season has progressed smoothly. The strategic review of the sheep programme in early 2022 will ensure the industry and breeders are all getting what they need from the sheep progeny tests.

nProve Development

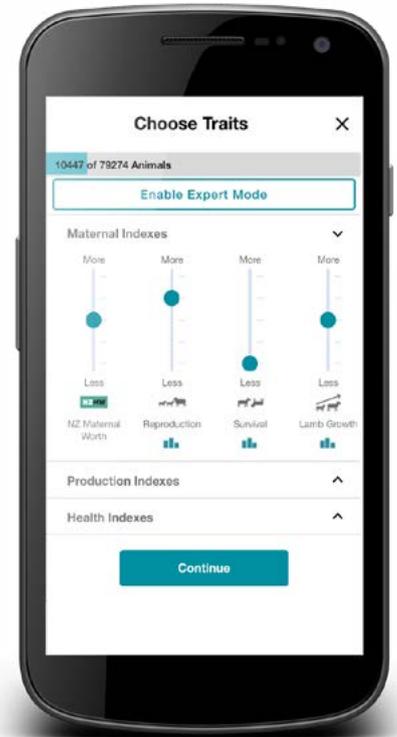
Commercial Farmer/Industry Access: nProve's commercial farmer/industry facing tool was launched in 2020 at **nProve.nz**. In that time the tool has already been used more than 6,000 times by farmers, while behind the scenes the team continues to make further enhancements and deploy bug fixes.

Breeder/Bureau Access: Development on nProve's breeder (and bureau) software has been progressing well. Early adopter bureaus and breeders have been fully testing nProve's functionality, with this being positively received by breeder and bureaus as B+LNZ Genetics moves to phasing out Sheep Improvement Limited (SIL).

Genetic evaluation (NZGE) ongoing development

New Zealand's world leading genetic evaluation infrastructure is continuing to be developed with updates routinely deployed or undergoing testing. Updates include for the upcoming Terminal Evaluation the evaluation of sheep genetics primarily for meat production, and new genotype algorithms (imputations).

By working with our partners at AgResearch and AbacusBio,



we are expanding the use of various genotypes (data collected by farmers) and updating the assumptions in our formulas. Doing this will ensure farmers can continue to be confident that they are using the most up-to-date information when they make genetic decisions.





Beef

Informing New Zealand Beef Programme

From late 2020, work got underway in the Ministry for Primary Industries (MPI) co-funded Informing New Zealand Beef Programme (INZB). The programme is a future-focused project over seven years (2021-2027) designed to generate more income for beef producers and the economy, while also protecting the environment through things such as reductions in the amount of greenhouse gas emitted per kilogram of beef.

By building on the skills and knowledge that already exist thanks to our previous work in sheep genetic evaluation and the B+LNZ Genetics Beef Progeny Test, INZB will help the sector respond to changing consumer expectations around food quality and the sustainability of how it's produced.

INZB will focus on breeding objectives, and the resulting traits, which are important to New Zealand farmers, including providing a single genetic evaluation for comparing bulls of different breeds. Development of these tools will enable commercial farmers

to quickly and easily select the right genetics for their farm system and its environment.

B+LNZ Genetics will focus on five areas:

1. New national breeding objectives
2. Standardised trait measurements
3. Commercial herd genomics
4. Genetic evaluation and data management
5. Extension and industry uptake.

Work continues at B+LNZ Genetics three beef progeny test sites – Rangataiki, Mendrip Hills, and Whangara, where this data will flow into the INZB datasets.

In September 2021, the Government announced co-funding of \$6.68m to support the programme's overall cost of \$16.7m from the Sustainable Food and Fibres Future Fund. Modelling indicates that over 25 years, development of a specific New Zealand beef genetics programme could increase profit by \$460m for the sector.



Dairy Beef

Working in partnership with the Livestock Improvement Corporation (LIC), the Dairy Beef Progeny Test continues to deliver for dairy and beef farmers, identifying the best genetics for their farms. The latest results, which were released in June 2021, demonstrated that there are some good all-round bulls that deliver for both the dairy farmer and the dairy beef finisher, offering short gestation and low birthweight genetics for easy calving, which combines with rapid growth and high-value carcass characteristics.

The Dairy Beef Progeny Test is based on Pamu's Renown and Orakanui farms.

Hill Country Futures Programme to secure the future of hill country farming

The Hill Country Futures (HCF) Programme is focused on future-proofing the profitability, sustainability, and wellbeing of New Zealand's hill country farmers, their farm systems, and rural communities. The programme includes four main research areas:

1. Development of a 'pathways' framework
2. Landscape classification tools
3. Biodiversity in forage landscapes
4. Communities to market

The programme wanted to understand what farmers, decision makers, and influencers think are the best outcomes for the future of hill country farming. To do this, the HCF project team talked to 298 people across 170 interviews. The key findings of these interviews are available on the Hill Country Futures website.



HCF has also been collecting data on the growth profiles of legumes and other pasture species from a total of 13 research and commercial farms, as well as being extracted from publications and available historical and current datasets for the national database of pasture production (AgYields).

This will be a readily available open database of pasture and crop yields from throughout New Zealand, where anyone can put in pasture growth rates they have measured. Farmers will be able to access this information to help inform their decisions of 'which legume where'.

For instance, if they are thinking of growing red clover or lucerne, but are unsure about how it would perform in their environment, they can look for information on previous growth rates in their area. The resource will also be of use to agricultural consultants and anyone planning forage systems.

AgYields is planned to be launched in early 2022.

For more information on any of these workstreams, or the HCF programme as a whole, visit the website at www.hillcountryfutures.co.nz

Pasture Raised Advantage study already demonstrating competitive edge for NZ farmers

With both local and global consumers taking a tougher look at the provenance of the food they eat, New Zealand's pasture-based livestock sector is forming a key part of our competitive advantage versus other countries' farming systems.

To build on this advantage, the \$2 million Pasture-Raised Advantage Nutrition study is assessing the health and wellbeing benefits for consumers of pasture-raised beef and lamb compared to grain-finished beef and plant-based proteins.

The study is focused on providing quantifiable scientific data about the nutritional impact of including naturally raised, pasture-fed, antibiotic and hormone-free beef and lamb raised and processed in New Zealand as the protein of choice in a balanced diet.

The research programme is funded by the Meat Industry Association, B+LNZ, the High-Value Nutrition National Science Challenge, and the Ministry of Business, Innovation, and Employment.

In the latest research out of the programme, the Riddet Institute found there are differences in meat quality relating to health and digestion, depending on how an animal is raised, and in comparison to plant-based alternatives too.

Mimicking human digestive tracts, researchers found pasture-raised beef delivered higher levels of healthy omega-3 fatty acids compared to grain-fed animals, while also being far more digestible than plant-based alternatives.

Further studies as part of the programme are now being undertaken, with the first part having been carried out by AgResearch. The second part of the research will be conducted by the University of Auckland, who will oversee the final two stages of the research, which include clinical studies investigating both the short-term and long-term wellbeing and health effects of red meat consumption.



Five focus areas identified for B+LNZ's Future Farm

With B+LNZ's first Future Farm now successfully established, it's shifting its priorities to five focus areas that are reflective of the challenges and opportunities of today's sheep and beef farmers.

The driver for these focus areas was considering how Lanercost, the 1,310ha North Canterbury hill country property, could be best utilised to help levy payers future proof their businesses.

Issues like drench resistance, environmental management, virtual fencing, low methane genetics and accelerated genetic gain have all been identified as topics that require greater exploration.

The immediate focus for Future Farm is on managing a farm with drench resistance and using B+LNZ's Farm Plan as a tool to build a better business.

By trialling and demonstrating the use of new technologies and management systems on Lanercost, B+LNZ levy payers will gain an understanding of what might and might not be appropriate for their individual businesses without taking financial or production risks.

There will also be opportunity to consider adopting and adapting outcomes of work on Lanercost to suit different farm and management systems.

Through both B+LNZ's extension work and communication channels, we'll be keeping farmers up to date with what's happening at Lanercost, how we're doing things, and most importantly – what's working and what isn't.

For more information on Future Farm and to see the latest updates, visit

www.futurefarm.co.nz

Future Farm's five focus areas

1. Demonstration of use and application of a **Farm Plan**, specifically using B+LNZ's Farm Plan and demonstrating how it can be used as part of a total farm management plan, incorporating not only environmental and resource management, but covering every aspect of the business from human resources to biosecurity and business management. It will also align with New Zealand Farm Assurance Plan (NZFAP) and NZFAP Plus requirements in time
2. **Drench resistance** is a huge concern for the sheep industry in particular, with triple drench resistance having been identified on an increasing number of sheep farms, particularly in the North Island. Drench resistance has been identified on Lanercost so the farm is able to take farmers along the journey as the management team address the issue with the help of experts.
3. **Virtual fences** are likely to play an increasingly important role on hill country farming systems, particularly as farmers are required, through environmental regulations, to exclude stock from waterways and wetland areas. Virtual fences could be a more cost effective and practical alternative to fencing and while they have been used successfully in the USA and Australia, they are unproven in this country's terrain and farming systems. A typical hill country sheep and beef property, Lanercost will be an ideal testing ground for this technology. Over time, the goal will be to find farm production and profit opportunities for Virtual Fencing.
4. **Low methane genetics:** An outcome of the Pastoral Greenhouse Gas Consortium's work has been a research breeding value for low methane sheep. This is a world first. These genetics will become more important through He Waka Eke Noa, the primary sector's commitment to reducing greenhouse gases, and as New Zealand transitions to a carbon neutral economy. Lanercost is using low methane rams over a portion of the flock to see how the low methane sheep perform on the farm when compared to the existing genetics.
5. **Artificial breeding:** To speed up the transition to a low methane ewe flock, artificial breeding technologies are being used on Lanercost, demonstrating the feasibility or otherwise of using these technologies to speed genetic gain in a commercial flock.



Pastoral Greenhouse Gas Research Consortium (PGgRc)

B+LNZ has been a core partner in the PGgRc which is the industry investor since 2003 developing greenhouse gas (GHG) mitigation solutions for livestock farmers. PGgRc’s vision is to “reduce agricultural GHG emissions in line with New Zealand’s targets, while maintaining the global competitiveness and reputation of New Zealand as a food producer”, while it’s mission is to “deliver to New Zealand pastoral farmers cost effective technologies and practices that enable them to reduce methane emissions from their livestock.”

Recognising the importance of having viable mitigation opportunities for our farmers, PGgRc has continued progress with its inhibitor, vaccine, and sheep genetic mitigation options, along with validating a new approach based on direct-fed microbials.

Progress with these priority projects is as follows:

- In collaboration with B+LNZ Genetics and AgResearch, PGgRc rolled out sheep genetic selection for methane and engaged with leading breeders to screen 5,000 sheep in the national breeding flock.
- PGgRc advanced the development of methane inhibitors that could work through an intraruminal capsule, including testing the first prototypes



in sheep and cattle at scale. This has confirmed that compound potency has to be three to five times that of a daily feed additive to be effective for more than 100 days. A global pharmaceutical partner has been engaged to support this work.

- PGgRc progressively advanced the concept of a methane vaccine, identifying and meeting many of the challenges this presents. However, a proof of concept demonstrating significant methane reduction in livestock has not been achieved yet.
- Working with Fonterra, PGgRc identified milk derived direct-fed microbial bacteria (Kowbucha©) that

are active against methanogens and could provide a novel and food grade inhibition of methane in cattle. This is being tested in calves.

Having completed the last of its Ministry of Business, Innovation and Employment (MBIE) based contracts, PGgRc developed a 2030 future strategy to set out a pathway for a refreshed and revitalised future entity - the Ruminant Greenhouse Gas Partnership (RGP) - to take forward the work of PGgRc and provide a continued focus for the key services the sector needs to accelerate delivery of fit for purpose GHG mitigation technologies to NZ ruminant farmers.

Extension Delivery

COVID-19 restrictions have continued to challenge our regional team with delivery of B+LNZ face-to-face extension events. Lessons learnt from last year and being adaptable with our delivery approach has ensured we continue to evolve the delivery of extension activities to farmers. Our approach has been to provide a mix of online and face to face events dependant on the subject matter and the limitations on our ability to deliver face to face events.

With the end of the RMPP Action Network Programme on 31 March 2021, B+LNZ has taken on the use of the Action Group model and has been rebranded as B+LNZ Action Groups. The fundamentals of the Action Group model have been retained, and B+LNZ is continuing to build on the successful programme developed through the RMPP Programme, including supporting the sectors facilitators who support

farmers. Key contacts for B+LNZ Action Groups are our regionally based Extension Managers who can provide support to Action Groups and facilitators.

Our Regional Delivery Plans (RDP’s) developed with our regional Farmer Councils continue to form the basis of our extension delivery activity in the regions. These help to identify local farmer needs and then, using the extension tools or programmes, to deliver against these identified needs with the B+LNZ Farming Excellence Strategy being our guide to our approach. The B+LNZ Farming 4 Profit Programme continues to be the backbone of extension delivery, and this is supported by strong farmer committees in each region. The Delivery Ready Workshops continue to evolve, with the delivery focus in the latter half of the year to delivery of the refreshed Farm Plan Workshops.

While the environmental focused workshops are designed to support farmers with dealing with regulatory change, the productivity focused workshops continue to remain relevant in supporting decision making on farm.

Finally, the B+LNZ Knowledge Hub plays a critical part as a resource supporting farmers with tools, learning modules, fact sheets, videos and podcasts. This resource library is a critical part B+LNZ’s extension delivery that supports and enables practice change on farm.



Red Meat Profit Partnership

The Red Meat Profit Partnership (RMPP), a seven-year Primary Growth Partnership (PGP) programme tasked with helping the New Zealand red meat sector increase productivity and profitability, finished in March 2021.

This programme brought together six meat processors, Rabobank, ANZ, Beef + Lamb New Zealand and the Ministry of Primary Industries (MPI) in an innovative and unprecedented collaboration.

The red meat sector has a good track record of achieving productivity gains, however a large gap between the top performing farmers and the industry average highlighted an opportunity to continue raising farm profits and ensure a prosperous future for the red meat sector.

RMPP invested in five work programmes:

- Extension and Adoption
- People and Capability
- Resources and Tools
- Supply and Procurement
- Assurance and Provenance.

As part of the extension and adoption programme, RMPP developed initiatives to support farmers to develop the confidence to turn ideas into action on farm through Action Groups. These were farmer-led collaborations supported by trained facilitators. The outcome was increased sector knowledge and profitable on-farm practice change.

RMPP also invested in people and capability initiatives to attract, develop, upskill and retain farmers and their advisors. This involved developing and delivering training workshops - such as helping farmers to understand their farm

business and improving farmer financial literacy – all designed to improve farmer and rural professional capability.

A range of initiatives were also undertaken in schools and universities to attract talent to the red meat sector. As a result, the red meat sector benefited from a workforce with improved skills, career and business pathways.

Resources and tools were a key part of the programme with a number of initiatives designed to standardise data, integrate systems and develop digital tools. This included business tools that enabled on-farm performance measurement and benchmarking with similar farming systems.

Specific tools that accelerated the rate of genetic gains and an electronic Animal Status Declaration (eASD) to reduce the cost and improved information quality for farmers and meat companies alike were also developed.

Importantly, the sector worked together to develop and launch a new national quality assurance programme.

The New Zealand Farm Assurance Programme (NZFAP) now supports the sector's market requirements and environmental compliance.

Building on the success of NZFAP, RMPP developed the NZFAP Plus standard, which covers water, soils, climate, biodiversity, biosecurity and people management.

RMPP invested \$59.0 million and generated benefits with a present value (PV) assessed at \$1,106 million equating to a future return of \$18.70 for each \$1 invested in the programme.

The total economic impact generated by the projects that RMPP invested in is assessed to be \$12.78 per hectare in 2025, or \$106 million across the industry. The benefits will continue to increase reaching \$23.07 per hectare or \$191.5 million across the industry, by 2040.

Although the programme was completed in March 2021, many of the initiatives are continuing and this reflects the enduring strength of this unique collaborative initiative.



B+LNZ Farmer Council

B+LNZ's Farmer Councils continue to be a vital link between grass-roots farmers, providing advice, guidance and ground-truthing for policy positions and strategic activities for B+LNZ. Our seven regional farmer councils, with 120 farmer councillors, provide B+LNZ with input into our regional farm extension delivery ensuring this is meeting needs of local communities. They work with their local extension managers and farmer director to develop a Regional Delivery Plan for the region.

B+LNZ also has two specific advisory groups providing advice and to help

guide and provide advice on decision making in the environment and research areas, working closely with the relevant teams in B+LNZ. Now more than ever with raft of regulatory changes, the Farmer Council are that strong link to behind the farm gate. We have used Farmer Council to ground truth many of our policy positions over the past 12 months. The one that stands out is Climate Change and how B+LNZ can help farmers engage with the He Waka Eke Noa Primary Sector Climate Action Partnership.

All sheep, beef, and dairy levy payers on the B+LNZ electoral roll can

participate in the decision-making process through their local Farmer Council. We seek to ensure we have a cross section of farmers and skill sets on Farmer Council. This means all parts of the red meat sector are represented from Sheep, Beef and Dairy. Councillors are elected by farmers and each council elects its own Chair. The seven regional Chairs then make up the National Executive of the Farmer Council. Each council also co-opts industry experts to act as a valuable link to regional activity aligned to commercial activities on farm.



People and Training

Farmer health and safety

Health and safety of everyone on farm remains a priority focus for the sector. Due to COVID-19 disruptions continuing, much of the focus in 2020-21 has been on helping farmers and rural communities navigate COVID-19 Alert Level settings and to keep themselves safe during the pandemic. B+LNZ has been providing advice for farmers on our COVID-19 webpage, including a 'Preparing for COVID-19 on farm' cross-sector checklist, advice on what to do if someone on farm is exposed to COVID-19, and more.

Unfortunately, too many farmers are still getting injured or dying on New Zealand's sheep and beef farms each year, and we continue to work closely with WorkSafe New Zealand and the Agricultural Leaders Health and Safety Action Group (ALHSAG) on initiatives to improve health and safety across the sector. B+LNZ is also currently in the process of carrying out our three yearly review of our Farm Safety System to ensure it is kept up to date with the latest safety advice and practices.

Sadly, quad bikes remain a major cause of death and serious injuries on farms, with accidental rollovers in particular being a significant risk.

On average, each year five people die and there are over 1,000 claims for work-related quad bike accidents. While our focus remains on ensuring farmers use the right vehicle for the job, and have the competency to use that vehicle safely, where quad bikes are necessary, Crush Protection Devices (CPDs) are a proven way to minimise the risk of serious injury or death if someone riding a quad bike is involved in a rollover accident.

When fitted to quad bikes, CPDs provide a survivable space should a rider be pinned underneath the bike during a rollover accident. There is currently a subsidy offered by ACC to help rural businesses buy CPDs. The subsidy offer is \$180 per CPD, with a maximum of two CPD purchases per business (including those who are self-employed). More information can be found on ACC's website at www.acc.co.nz



The mental health of farmers has also been a growing area of priority across the rural sector, with B+LNZ now having established a formal partnership with Surfing for Farmers, which is now available in 21 locations across New Zealand. Surfing for Farmers offers an opportunity to get off farm, try something new, relax with like minded people, and destress, and what's more it's completely free. Find out more on their Facebook page at www.facebook.com/surfingforfarmers





Launch of Muka Tangata – People, Food and Fibre Workforce Development Council

B+LNZ has been heavily involved in the creation of the new vocational education and training entity called Muka Tangata – People, Food, and Fibre Workforce Development Council (WDC) which came into being in 2021. Muka Tangata is one of six new industry-led and governed WDCs as part of the reforms of the vocational education sector and it will provide greater industry leadership across vocational education and training.

As an added bonus, B+LNZ was extremely pleased to have our former Chief Insights Officer Jeremy Baker appointed as Chief Executive of Muka Tangata, with B+LNZ's National Farmer Council Chair Paul Crick as part of the governance group for the entity.

With the new WDC having a strong industry voice, this means the sector

can look forward to having a coherent range of training services from the formed vocational education and training system that will better meet our needs.

New B+LNZ Employment Hub helps farmers and staff through the employment journey

We've heard from farmers that they are struggling to employ and retain staff in the sector, with there being unclear entry points for those wanting to join the sector, limited employment experiences available, and little to no support during this process.

To better support farm owners and managers at every stage of their employment journey and to assist them with growing, training, and retaining people in the sector, B+LNZ has developed an online 'Employment Hub'.

The Employment Hub gathers together all the information and resources needed into eight stages of employment to help assist both employers and employees with recruitment, defining on-farm roles, the application process, employee development, and more.

The Employment Hub deliberately doesn't focus on legal and human resource support, as these are better provided by organisations such as

Federated Farmers and local Chambers of Commerce, with many commercial operators also already providing this information and services too.

The Employment Hub is being constantly updated, and with the help of partner organisations we are continually expanding its reach to make a greater impact too. Feedback from farmers so far has been excellent, and we're always keen to hear what other areas you'd like more information on.

You can check out the Employment Hub yourself at www.beeflambnz.com/employment-hub

Farm planning resources prove more popular than ever

2020/21 resource development was dominated by the creation and production of Beef + Lamb New Zealand's Farm Plan: Environment Module, and associated resources. The 149-page resource is available in hard copy or to download and is accompanied by 2 workshops to help farmers create their plans. The chapters on "Responding to a Changing Climate" and "Forage Cropping" were also spun out into supporting workshops for farmers to specifically address emissions (including using the B+LNZ GHG Calculator) and winter grazing challenges respectively. And to support these, approximately 12 Factsheets, 5 webpages, 2 podcasts and 12 videos were created.

The intention here is to have information available in multiple formats, so it is as accessible as possible. To achieve good outcomes on farms though,

farmers need to engage with these resources, and B+LNZ actively promotes them. In particular, B+LNZ's e-diary is a key means – approximately 60% of page and resource views on B+LNZ's website come from links shared in e-diary.

Our commitment to helping farmers achieve valuable outcomes on farm through good information and ideas is reflected in the scale of our resources inventory. At the end of the 2020/21 year, B+LNZ had 947 farming information resources in 10 formats. We are actively developing and maintaining these:

- 380 resources were reviewed in 2020/21; 77 were revised or replaced as a result and 44 were removed from circulation
- 153 new resources were created (the majority related to farm planning).

Farmer resources by the numbers

 ↑ 25%

Increase in website traffic to 1.7 million website visits

 11,000

People attended more than 300 B+LNZ events, despite lockdown challenges

 1,100

People attended at least one of 66 Farm Plan workshops

 ↑ 20%

Increase in YouTube watch time

 25,000

Farmer resources downloaded, up 16.5%

 ↑ 14%

Online learning modules were visited 14% more and in use 16% longer compared to 2019/20

The most used search words across our website are 'Winter Grazing' and 'Farm Plan'

Science, Research, and Development

New Zealand's sheep and beef sector continues to be underpinned by good science, and we remain committed to working with our research institutes and universities to ensure they're undertaking projects which deliver on-farm benefits. The three main areas of focus for our research and science investment are farming systems, animal health and production, and the environment.

Alongside this, B+LNZ is a core partner in the Pastoral Greenhouse Gas Research Consortium, with the search for ways to reduce methane emissions from ruminants on pasture being key to the sectors future environmental sustainability.

The rolling in of Beef + Lamb New Zealand Genetics (B+LNZ Genetics) into B+LNZ from 1 October 2019 is allowing for increased alignment across our research portfolio too.

R&D Projects

2020/21 Expenditure

Hill Country Futures	\$975,600
The Pasture Raised Advantage Research	\$115,000
Ethically and sustainably produced high value lamb	\$89,500
Assessing the feasibility of a laboratory test for facial eczema tolerance	\$196,750
A multifaceted approach to assessing the impact of long acting anthelmintics on rumen microbes, ewe health and fertility.	\$81,000
Improving Post Weaning Growth Rates and Twin lamb and lamb growth management	\$90,000
Grazable shrubs for hill country	\$55,000
Protecting our soils - helicropping	\$10,000
Catch crops for sediment leaching	\$10,000
Parasite animation and evaluation of communication methods	\$45,000

Description of research projects invested in by B+LNZ

2020-2021

Hill Country Futures is a multi year \$8.1 million programme supported by MBIE, B+LNZ, PGG Wrightson Seeds, and Seed Force focused on future- proofing the profitability, sustainability and well being of New Zealand's hill country farmers, farm systems and rural communities. This programme takes a trans disciplinary approach and considers the whole farm system. It incorporates traditional science research, farmer knowledge, social research and citizen science. At an on farm level, the programme focuses on practical options for future proofing hill country farming and includes a strong emphasis on forages. Specifically, which farming practices and forages will best serve hill country farms and farmers into the future?

This co-funding supports a MIA innovation-led programme to investigate the health benefits of New Zealand pasture-raised red meat consumed as part of a well-balanced diet and to provide robust scientific data that will help distinguish New Zealand product in international markets. Alongside collecting data regarding the composition of red meat and the nutritional impacts of it's consumption (including health biomarkers and measures of protein, minerals, lipids) the programme is also designed to investigate the psychological aspects of the health and wellness for consumers, including taste (enjoyment, mood, satisfaction), well-being and sleep (quality of life, total restfulness, invigoration).

This funding supports a B+LNZ and sheep breeder-led MPI SFF co-funded project. The low input sheep breeder group have formed select maternal sheep that have had minimal intervention through drenches and treatment, are resilient to specific diseases and importantly with reduced methane outputs and feed efficiency – all while improving profit from high value lamb produced on NZ extensive hill and high country farms.

This AgResearch led pilot study is investigating the development of a laboratory based test to assess tolerance to sporidesmin, the toxin associated with facial eczema.

This AgResearch led study will primarily investigate the potential effect of anthelmintics belonging to the benzimidazole and/or macrocyclic lactone classes have on the composition of the rumen microbiome, which has recently been shown to be important in sheep performance and productivity.

This Massey University led project aims to demonstrate that both single and twin-born ewe lambs born to ewe hoggets can be bred as ewe lambs and that their lifetime performance will not be compromised; and also to determine if ewe lambs grown to heavy pre-mating weights achieve a heavier mature weight and the effect this may have on ewe efficiency.

This co-funding supports a Hawke's Bay Regional Council led MPI SFF project assessing the suitability of tree Lucerne (tagasate) as both a soil stabiliser and as stock feed. Tagasate is a hardy nitrogen fixer with high protein foliage suitable for sheep and cattle that thrives on steep, erosion-prone, north-facing hill country. Tagasate also provides shade and shelter.

This co-funding contributes to a Ballance Agri-Nutrients led MPI SFF project to develop best practice guidelines for helicropping to ensure that the process is environmentally sustainable thus protecting our soils and water quality.

This co-funding contributes to an AgFirst led MPI SFF project. This project will evaluate a range of catch crop species and establishment techniques to reduce sediment and surface flow losses following the winter grazing of forage crops. The initial focus is on hill country in Hawke's Bay but the systems developed will provide spill-over benefits to all farming regions and terrains nationally.

This project supports development of new resources for parasite management as well as evaluating the current methods used at B+LNZ to determine which is best to help with adoption of best practice by farmers.

REGIONAL ROUND-UP

Environmental issues, changing the way extension was delivered during COVID-19 restrictions and climatic challenges were the general themes across all eight regions served by B+LNZ Extension Managers. Within these over-arching themes, each Regional Delivery Plan, which is drawn up by the individual B+LNZ Farmer Councils, reflected the challenges, issues and opportunities specific to that region.

North Island



Northern North Island - Extension Manager Katrina Stead

The Northern North Island was severely impacted by COVID-19 restrictions this year, especially the impact of the Auckland border during the second lockdown.

On the regulatory front, there were a growing number of farmers concerned about the identification of Significant Natural Areas (SNAs) on their farms and the implications on their farming businesses. In response, we held four workshops attracting a large number of farmers to help them understand what the Government was proposing and what it could mean for their farm.

Our Annual Northland Showcase this year focussed on farm succession, drench resistance management, farm planning, and stock water reticulation.

Along with our usual workshops, we had a specialised lamb week focusing on all things lambs, while we also had our first ever ladies long lunches, with some inspirational speakers, with the two events well attended and sold out in days.



Mid Northern North Island - Extension Manager Maria Shanks

National policy discussions continued to loom large in mid-northern North Island farmers' minds, with many events focussed on bringing these discussions down to the farm level and providing tools for farmers to address and participate in ongoing changes.

The COVID-19 Delta outbreak had a significant impact on the region, with Auckland, Waikato, and King Country in lockdown for prolonged periods. Many found this lockdown tougher than earlier ones, with the necessary cancellation of numerous events limiting our ability to interact face-to-face with farmers.

However, earlier in the year we held our first FarmSmart Conference at Karapiro. With a strong line up of speakers, the day was a great success and feedback from those that attended positive. We also had some well attended field days around the region and we are immensely grateful to our farmer hosts who agree to open their gates and let us have a peek at their operations. Overall, we held 58 events with 1,339 attendees.



Western North Island - Extension Manager Jason Griffin

Despite the threat of COVID-19 lockdowns, the year has been a busy one in the Western North Island. Our annual flagship AgInnovation conference attracted a sellout audience of 250 attendees. The conference had a clear theme and quality presenters, including current All Blacks' manager and mental skills coach Gilbert Enoka.

Five of our new Farm Plan Environment module workshops were delivered, however three additional Farm Plan workshops planned and scheduled for September had to be postponed due to the COVID-19 lockdowns.

34 events were held in the Western North Island region across the year, including seven online webinars, though a further seven events had to be postponed due to COVID-19. Our Farming for Profit programmes continued to prove popular, and next year we'll be bringing the successful Generation Next programme to the region from the South Island, where the next generation of farmers can build their farm business management skills and knowledge.



Eastern North Island - Extension Managers Sarah Crofoot (Wairarapa/Tararua) and Mark Harris (Hawke's Bay/Gisborne)

Coping with change has been a constant throughout 2021. Be it COVID-19 and the associated lockdowns, rule changes, supply chain disruptions, or new regulatory proposals coming from Government at breakneck pace, there has been a relentless stream of things to deal with. Coupled with extreme weather events with both droughts and floods, it's been a challenging year for many.

Our work has had an environment focus to help support our farmers to engage and prepare for those proposed regulatory changes, with new workshops developed and rolled out for winter grazing, climate change, and farm planning. The B+LNZ Greenhouse Gas calculator has proven popular, and catchment community groups continue to grow in strength and importance. Along with the ongoing success of our Farming for Profit and Monitor Farm programmes, the successful referendum result meant a lot during what has been a hectic year.

South Island



Northern South Island - Extension Manager Lucy Murray

Much of the region was in drought conditions from summer through to winter. Canterbury and Marlborough farmers were hit the hardest, with many farmers coming into the spring with lower stocking rates, lighter stock body condition scores, and poor pasture covers. Throughout autumn and winter, we were involved in many drought-based events to support farmers through the tough conditions and to help them plan for dry conditions in the future.

COVID-19 caused more disruptions this year, with many events either postponed, cancelled, or run with limited numbers. Despite the restrictions, we have had some very successful Farming for Profit, delivery ready workshops, and collaboration events throughout the region. Our Generation Next programme started well; however we haven't managed to run the final module due to COVID-19 restrictions.

We also have a new face in the region, as Briar Huggett is on maternity leave, and I have been filling the Extension Manager role since early September.



Central South Island - Extension Manager Rebecca Nind

What a year we have had in the Central South Island! We've had a number of challenges thrown our way with droughts, floods, and COVID-19 restrictions - not to mention the exceptional pace of regulatory change. Due to the absence of an Extension Manager in this area during our peak delivery period, and the re-emergence of COVID-19, 2021 extension delivery was significantly impacted.

Supporting farmers in the environmental space has been a key focus, with the roll-out of our 'Farm Plan' and 'Responding to Climate Change - Know your Numbers' workshops, plus ongoing support for Catchment Community groups.

To increase support for our South Island farmers, we're welcoming an additional Extension Manager to the South Island Regional Team, starting in January 2022. Dean Sinnamon will be based in Central Otago, and cover the Otago and lower West Coast areas, while my focus will shift north to cover South Canterbury and Mid-Canterbury in the New Year.



Southern South Island - Extension Manager Megan Bates

With the increased public focus on winter grazing, an important area of focus for our region has been on improving practices and providing support for farmers, which we've done in close collaboration with our partners at DairyNZ.

Even with interruptions caused by COVID-19, we've still managed to pack in plenty. Farm Plan workshops were held in several locations with full attendance, along with our always popular Farming for Profit workshops in both Otago and Southland. Highlighting the importance of doing things that aren't just about farming, events such as our Ladies Long Lunch, and Burgers and Fries nights were also hits, giving people a chance to relax and destress from everything that's going on.

Looking ahead, we will also be holding our delivery ready workshops such as FeedSmart, farm planning, GHG workshops, supporting catchment groups and woman in agriculture to name a few.



Championing the sector

B+LNZ promotes our farmers as the world's best red meat producers – we build respect and support among New Zealanders and advocate for Government policies that enable rather than restrict farmers.



Total levy Investment* in this strategic pillar was \$6m for 2021. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
Trust and Reputation / Communications	\$1.98 million	
Keeping farmers informed	Understand the needs of the sector, keep farmers informed and connected.	
Telling the Farmer Story	Tell a strong story about the value of farming and contribution to thriving rural and regional communities.	
Advocacy on National & Regional Policy	\$4.01 million	
Insights & Risk Management	Proactively identify and develop insights that drive action on risks and opportunities for farmers and the sector.	Advocate on policy issues on behalf of farmers and increase public understanding and support for farmers.
Biosecurity	Manage biosecurity issues, including M. bovis, and develop and implement programmes to minimise future risks.	
Environmental data, insights, and policy advocacy	Build B+LNZ's environmental data and insights to inform policy advocacy and communications, as well as to enable us to participate and lead sector initiatives such as He Waka Eke Noa.	

** Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income*



Championing the sector

Key achievements in 2021

- Working with the Meat Industry Association, B+LNZ launched the Making Meat Better website to help change the conversation around the nutritional benefits and environmental footprint of red meat
- Developed from the Sheep Industry Awards, the Beef + Lamb New Zealand Awards made their debut in 2021, celebrating the best across the entire red meat sector with more than 100 nominations over eight categories, with the winners being announced in 2022
- Led the conversation on the rapidly changing regulatory environment, with improvements to winter grazing rules, recognition of the need for limits on carbon offsets by the Climate Change Commission, He Waka Eke Noa releasing its pricing options, and an increased understanding of GWP* by both local policy makers and the Intergovernmental Panel on Climate Change
- Our levy payers demonstrated their strong support for B+LNZ's direction through our six-yearly referendum, with 34 roadshow events across the country providing valuable feedback to the organisation to shape our focus going forward

ENVIRONMENT

Climate change takes centre stage

New Zealand's farming sector is committed to playing its part in halting global warming. Across the sector there is a significant amount of work underway to ensure that not only is what the sector being asked to do under the Climate Change Response (Zero Carbon) Amendment Act fair and equitable, but also on identifying pathways for us to continue to reduce our greenhouse gas emissions. B+LNZ has also actively advocated for the Government to review the methane targets its set by using the more accurate GWP* (Global Warming Potential Star) metric.

Climate Change Commission releases final advice

In June, the Climate Change Commission released its final advice to the Government, which reflected some of the feedback from New Zealand's agricultural sector, including the need to change the Emissions Trading Scheme (ETS) to manage afforestation. Its advice that New Zealand must cut gross carbon dioxide emissions was welcomed, although it was noted that there are still far too many exotic trees forecast to be planted on productive farmland.

The Commission also continued to endorse the 'split gas' approach, which treats short-lived and long-lived greenhouse gases separately to reflect their different impacts on global warming. We believe that the Commission and the Government

should start reporting on the warming impact of various gases using the most accurate GWP metrics for them so that the public can understand the different contribution each gas is making to global warming.

B+LNZ has voiced its concerned around the Commission's recommendations on methane reduction budgets. The Commission recommended the Government implement measures that would lead to reductions beyond the level of ambition for 2030 already stated in the Climate Change Response (Zero Carbon) Amendment Act for biogenic methane, which in itself does not align with the latest science from the Intergovernmental Panel on Climate Change (IPCC).

IPCC endorses GWP* metric for methane

In August the IPCC, the world's leading authority on climate science, released its Sixth Assessment Report summarising the latest climate change science from around the world.

Along with reinforcing that climate change is real and is already driving more frequent and more intense extreme weather events, such as those we've already experienced in New Zealand, the report contained an important endorsement of the approach B+LNZ and other agricultural organisations have been advocating towards the treatment of short-lived biogenic greenhouse gases such as methane.

Chapter 7 of the IPCC's Sixth Assessment Report made it clear that the impact of methane has been overstated when methane emissions are not increasing (as has largely been the case for New Zealand). This means that New Zealand's current targets for reducing methane emissions of 24-47 percent by 2050 are not "letting farmers off the hook" as some have claimed, but rather are asking farmers to do significantly more to mitigate climate change than most fossil fuel emitters, including offsetting some of the warming caused by their activities.

While the sheep and beef sector accepts we still have to tackle methane emissions and are committed to continuing to reduce them, the IPCC's report makes it clear that targets need to be set that are fair and appropriate.

The IPCC report also endorsed New Zealand's split gas approach, and B+LNZ with partners MIA, DairyNZ and Federated Farmers will continue to use the report's findings to advocate for a fair approach to the Government's emissions reduction plan.

He Waka Eke Noa Primary Sector Climate Action Partnership

Across the primary sector we continue to work together on the He Waka Eke Noa Primary Sector Climate Action Partnership, with a key priority being on enabling farmers to understand what their annual total on-farm emissions are and to have a written plan to manage emissions. B+LNZ's focus has been on providing farmers with practical tools and resources, with the launch of our GHG Calculator and our new farm plan being key to this.

While outside the timeframe of this annual report, one of the other key milestones for the partnership

happened in November 2021 with the release of a discussion document for farmers to provide feedback on farm-level emission pricing options and recognition of on-farm sequestration (which often happens at a scale just below that recognised or to be practicable to include in the ETS). Farmer and industry feedback on this proposal will form part of the advice He Waka Eke Noa provides to the Government on this topic in 2022, with formal consultation with farmers currently scheduled to take place in February 2022.

B+LNZ launches Greenhouse Gas Calculator

The launch of the B+LNZ's Greenhouse Gas (GHG) Calculator in July was a particularly important milestone for the red meat sector, allowing farmers to do a simple calculation using their existing farm area and stock numbers to get started with their emissions number. Farmers can then add further information to get a more complete picture of what's happening on farm, including sequestration.

Currently the calculator produces results using the commonly used metric of GWP100 so that farmers can relate more general conversations of GHG measurements back to their own business, but this is not an endorsement by B+LNZ of the ongoing use of GWP100 for short-lived gases but a reflection of current Government policy settings.

B+LNZ's GHG Calculator has been approved by He Waka Eke Noa, endorsed by 12 meat processors and the MIA. B+LNZ is also working with partners such as accountants, banks, and farm consultants to help farmers use the tool.

In the three months following the launch of the calculator around 2,000 farmers had already used the GHG Calculator, with plenty of positive feedback about it.



Life-cycle analysis of New Zealand red meat to shed light on sector's climate footprint

With increased interest in the climate footprint of many foodstuffs, New Zealand's red meat sector has been in the spotlight. With over 90 percent of our production exported overseas, and the reliance on shipping to get our products to market, it's important that the sector, consumers, and policy makers have accurate information to compare our products with other international producers, and to identify areas where we can continue to improve.

Many global calculators use averages and methodologies that either aren't suited to agricultural products, or

don't reflect the unique footprints of individual countries, with New Zealand's extensive pasture-based farming methods being a prime example of this with their lower environmental impact overall.

B+LNZ and MIA have commissioned a study by world expert on lifecycle analysis Dr Stewart Ledgard of AgResearch, as well as a literature review of published studies on the carbon footprint of a range of meat sources across a number of countries. The results of this research will be available publicly shortly.



B+LNZ highlights threat of afforestation from carbon farming on productive land

Throughout 2021, reports from farmers, land agents, and others in rural communities have continued to come in regarding huge areas of productive sheep and beef farmland being sold for conversion into carbon farming, with significant adverse effects on rural communities and the broader New Zealand economy. Trees planted and left for carbon farming will gut rural communities, leading to fewer ongoing jobs, and declining stock numbers carrying through to significant impacts on meat processors and the loss of crucial and valuable export earners for the country.

In August 2021, B+LNZ released independent research from rural economic consultancy BakerAg that validated the extent of sheep and beef whole farm sales for conversion

into forestry. It demonstrated that the ETS' carbon price was contributing to the growing loss of productive land, increasing from 3,965 hectares in 2017 to 36,824 hectares in 2019 pre-COVID-19, nearly a 10-fold increase. While the pandemic offered a brief reprieve in 2020, on the ground intelligence suggests these conversions have regathered pace in 2021 and expanded into new regions.

Analysis by BakerAg of the land titles showed an estimated 24 percent of the whole farm sales were being made to carbon farming only entities. The net result of this is that the amount of land intended to change into forestry each year (whole farm sales plus funding to plant exotic trees within farmers under two Government schemes) already exceeds the levels of afforestation recently recommended by the Climate Change Commission for meeting New Zealand's Climate Change Response (Zero Carbon) Amendment Act targets.

Throughout this, B+LNZ has focused on an evidence based approach that is rooted in reality, such as recognising there is often a two-to-three year gap between a farm sale and seedlings going into the ground, meaning many recent farm sales that have been purchased to go into carbon forestry won't have appeared in reporting yet. Public and political interest remains strong, with B+LNZ continuing to work with rural advocacy groups to pressure the Government for urgent action on limits on the amount of offsetting fossil fuel polluters can access before irreversible damage is done to more rural communities and our country. B+LNZ supports the integration of forestry on farms as a much more sustainable approach that can go a long way to enabling New Zealand to meet its climate change targets without sacrificing rural communities or permanently damaging valuable productive sheep and beef land.



GOVERNMENT AND PUBLIC INSIGHT AND ENGAGEMENT

Making Meat Better – changing the conversation about red meat

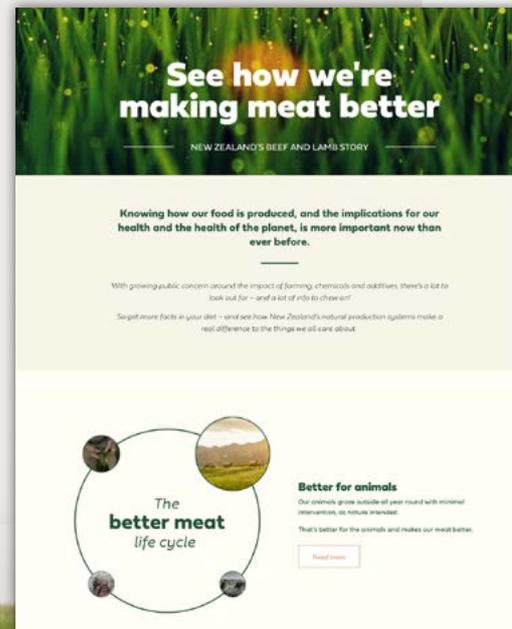
A joint initiative between B+LNZ Ltd, our consumer marketing organisation B+LNZ Inc, and the Meat Industry Association, our new consumer facing website makingmeatbetter.co.nz launched in March 2021. The website is all part of our work to shift the dial on New Zealand consumer impressions about red meat, especially in light of often inaccurate or out of context studies from overseas that aren't reflective of New Zealand's farming systems.

With growing public concern about how food is produced, we worked with key industry partners to develop the Making Meat Better website to get the word out about proven facts on New Zealand's farming methods and how our beef and lamb stacks up on key criteria. Relying on robust scientific

research and accurate information about our farming practices, the website makes a statement that the way we produce beef and lamb in New Zealand is already better than many of our competitors, but it also reinforces the fact we're committed to further improving and innovating.

Within a month of its launch, content from Making Meat Better had already been seen nearly a million times by over 140,000 individual users across Facebook, highlighting the hunger for more accurate information about our farming practices here.

Making Meat Better also supports the work of initiatives like Taste Pure Nature, in building the story that New Zealand's pasture-raised beef and lamb is good for both you and the environment.



Meat the Need sees farmers provide half a million meals to foodbanks

B+LNZ has been proud to support the new farmer led charity Meat the Need, which to date has provided over half a million meals to New Zealanders in need. Co-founded by Wayne Langford and Siobhan O'Malley, the charity is nationwide and works to supply foodbanks with much-needed meat, which is donated by farmers and packaged with the help of Silver Fern Farms.

Donations can be made via livestock or cash, with 100% of what farmers share going to the supply of mince for the community, not Meat the Need's running costs. Once donated, Silver Fern Farms processes and packages the mince, and incorporates it into their own supply chain to get the meat to where it needs to be.

You can find out more about Meat the Need at www.meattheneed.org

Inaugural Beef + Lamb New Zealand Awards to celebrate the red meat sector's very best

In August 2021 nominations were opened for the inaugural Beef + Lamb New Zealand Awards, with entries encouraged from along the red meat supply chain for one or more of eight award categories. The prestigious nature of the new awards was recognised by having Farmlands come on board as a platinum sponsor of the awards for their launch.

A natural progressive from the successful Sheep Industry Awards, the Beef + Lamb New Zealand Awards were developed after extensive consultation with farmers, industry, and agribusiness to give individuals and organisations a platform upon which they can share the great work they have been doing across the whole red meat sector.

The eight categories for the inaugural awards are:

- Emerging Achiever (sponsored by AgResearch)
- People Development (sponsored by Rabobank)
- Significant Contribution (sponsored by Alliance)
- Rural Champion (sponsored by FMG)
- Science and Research (sponsored by Balance Agri-nutrients)
- Technology (sponsored by Datamars Livestock)
- Innovation Farming (sponsored by Gallagher)
- Market Leader (sponsored by Silver Fern Farms)



Nominations were open for six weeks with more than 100 entries received, with judges struggling to whittle down the nominations to just three finalists per category, reflecting the high calibre of nominations received.

Unfortunately, due to COVID-19 Alert Levels, the gala showcase awards

dinner had to be postponed from its original date of 20 October and we're waiting for a suitable opportunity when COVID-19 alert levels allow to reschedule the this event.

To read the biographies of all the finalists, visit www.beeflambnz.com/awards



Open Farms overcome COVID-19 disruptions to prove a hit yet again

Despite the threat of COVID-19 disruptions, the second year of the Open Farms initiative proved hugely popular yet again, with 37 participating farms (including 15 sheep and beef farms) seeing an estimated 2,500 Kiwis through their gates on 21 February 2021.

Open Farms was established to help re-connect urban and rural New Zealand, giving those who haven't set foot on a farm before the opportunity to touch, feel, and taste their way back to the farms where their food comes from.

With B+LNZ being a founding sponsor of Open Farms, the initiative has fast become one of the most important ways

to challenge existing preconceptions about farming through giving urban New Zealand the opportunity to see first-hand how things are done on farm.

The positive feedback from both farmers who have opened their gates and those who visit shows that rather than there being an urban-rural divide, everyone shares the same values, but there's a knowledge gap about what happens on farm and how farmers care for their animals and protect the environment.

To learn more about Open Farms and how to get involved, visit www.openfarms.co.nz

Farmers strongly endorse B+LNZ's direction in Referendum 2021

Every six years farmers have their say on whether they support the continuation of their sheepmeat and beef levies, and the result in 2021's referendum was both a firm yes as well as an endorsement of B+LNZ's direction and work.

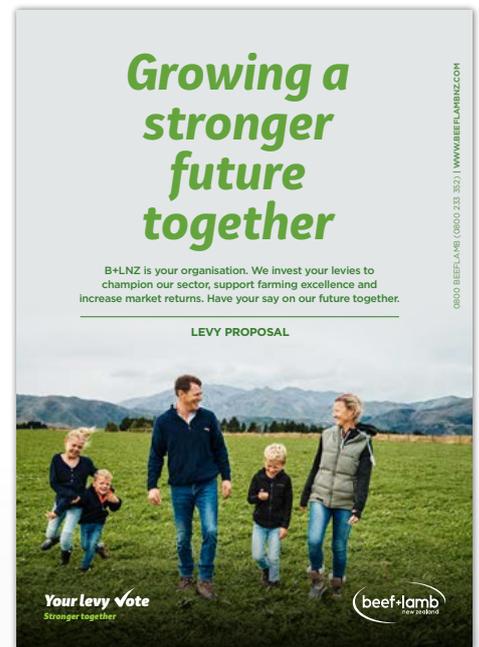
Results

- **Sheepmeat:** 89.8 percent yes (1 for 1 voting) and 92.1 percent yes (weighted stock unit basis)
- **Beef:** 88.1 percent yes (1 for 1 voting) and 89.5 percent yes (weighted stock unit basis)
- **Sheepmeat levy increase:** 68.4 percent yes (1 for 1 voting) and 70.5 percent yes (weighted stock unit basis)
- **Participation:** 34.7 percent participation, which is 5,265 voters. This equates to 5,295 participants, and by livestock represents 54 percent of national sheep numbers, 43 percent of national beef cattle numbers, and 16 percent of national dairy cattle numbers.

As part of the roadshow for the referendum, B+LNZ held 34 events across the country, which were attended by more than 1,000 farmers, including five hui with Māori farmers, trusts, and trustees which attracted 60 attendees.

At these events, farmers were both able to learn about the work B+LNZ is doing on their behalf, and to share their feedback on what is and isn't working from their perspective. While the referendum was strongly in favour of retaining the levies, we also heard farmers call for us to continue and deepen our co-operation with other primary sector organisations such as DairyNZ and Federated Farmers.

With the increasing stringency, scope, and pace of regulation, the growing environmental challenges – especially with climate change, customers who are more concerned than ever about how their food was produced, and difficult international export markets to navigate, the need for the work B+LNZ does on behalf of the sector has never been greater.



 **34** Events held across the country

 **1,000** More than 1,000 farmers attended

 **5** Hui with Māori farmers, trusts, and trustees



Red Meat Sector Conference focuses on building sustainable value

“Building Sustainable Value Together” was the theme of 2021’s Red Meat Sector Conference, hosted jointly by MIA and B+LNZ in Rotorua. The conference’s programme was designed to challenge the sector’s thinking while also highlighting the challenges and opportunities coming our way.

Two new innovations introduced this year to the conference were the Meat Business Women networking lunch and a MIA Scholars workshop. The Meat Business Women lunch saw over 50 women working in the industry come together to discuss how to support more women to enter and succeed in the sector.

Conference attendees heard from Hon Meka Whaitiri, Associate

Minister of Agriculture, who gave the conference’s keynote address. Other speakers included 42 Below founder and owner of Lake Hawea Station Geoff Ross, Stuff senior journalist Andrea Vance, Philip Houlding from the Ministry for Primary Industries, Anne Mottet from the Food and Agriculture Organisation (FAO), co-founder and co-CEO Mike Lee of Alpha Food Labs, with other sessions focused on emerging trade issues and hearing from future industry leaders about how to better attract and retain young people in the sector.

For more information on the 2022 Red Meat Sector Conference, keep an eye out in our weekly e-diaries and at www.redmeatsector.co.nz



87,279

Unique downloads of publications produced by the Economic Service in 2020/21

Economic Service

Having celebrated it’s 70th year in 2020, the insights and data generated by B+LNZ’s Economic Service have continued to underpin the organisation’s wider work. From feeding into debates about environmental policy to understanding the impact of COVID-19 on the sector, the wide and deep array of data gathered and analysed by the Economic Service has been crucial in enabling B+LNZ to lead conversations about the contribution sheep and beef farmers make to New Zealand.

The foundation of the Economic Service’s work is the Sheep and Beef Farm Survey, first started in 1950, which gives insights on the state and

financial health of New Zealand’s agricultural industry.

Information from the Survey is used to inform policy at all levels of government – from local to central – as well as underpinning forecasts and trends in meat and wool production that are invaluable for processors and exporters. The results from the Survey also enable farmers to benchmark their performance against other similar farmers.

Alongside this work, the Economic Service also produce a regular stream of important reports and forecasts that help inform both our sector and the wider economy.

Mycoplasma bovis

Beef + Lamb New Zealand is a partner in the *Mycoplasma bovis* eradication programme alongside DairyNZ and the Ministry for Primary Industries (MPI).

As of December 9 2021, there have been 272 confirmed properties, with 269 cleared and three active confirmed properties. More than \$212 million in compensation has so far been paid out to farmers.

Farmers can take a lot of credit for the progress of the eradication programme. We are on track, however there's still a lot of work ahead of us to eradicate the last traces of infection and to do the widespread testing necessary to be confident that it is completely gone. That's why we are continuing to urge every farmer to record all animal movements and keep their NAIT records up to date.

Technical Advisory Group

A report released in July from the independent Technical Advisory Group (TAG) shows New Zealand is on track to eradicate the disease.

The TAG found:

- There have been notable improvements in the timeliness of tracing and casing of herds and management of confirmed infected herds since 2019
- Beef Surveillance and Bulk Tank Milk screening are working well
- There have been improvements in the recording of animal movements by farmers
- Thanks to operational improvements, the Canterbury cluster identified last spring was rapidly found and controlled
- Genomic information continues to support that *M. bovis* was likely introduced in late 2015 via a single source.

The TAG made 14 recommendations for the Programme, all of which were accepted. These include advice regarding monitoring of beef herds and non-milking dairy cows, and what is required to move from delimiting to the provisional freedom of infection phase.

The TAG found that improvements to the Programme meant it was in a good position to deal with any further infected farms identified, which are likely given some farms' previously poor recording of cattle movements and the chance that unidentified small pockets of infection may remain to be found.

The TAG also found the Canterbury cluster could most likely be explained by unrecorded animal movements, and they recommended the likelihood that the Five Star Feedlot could be a possible source of infection be examined closely.

The Programme has looked into this property closely, tested animals and traced movements.

In the Programme's view, there are more likely sources from within the cluster of infected farms itself, such as animal movements, shared grazing, insecure boundaries between neighbouring properties and sharing of dairy platforms.

However, out of an abundance of caution, and in co-ordination with the feedlot's owners, ANZCO, the Programme placed a buffer area around it that will remain free of cattle until the feedlot is cleared of *M. bovis*. This is on top of the already strict biosecurity measures that are in place and being adhered to.

Independent review

In November, the findings of an independent review into the Programme commissioned by the *M. bovis* Governance Group were released.

It captured lessons learned during the *M. bovis* response and subsequent eradication programme and made recommendations to help the biosecurity response system be better prepared for any future livestock disease incursions. The review found that after a difficult start, continuous improvements have been made and the Programme is on track to achieve the world's first eradication of the disease.

The review panel acknowledged the impact that the eradication has had on farmers and the farming community as the Programme scaled-up quickly to stop the spread of the disease.

It made a number of recommendations which B+LNZ, MPI and DairyNZ have all accepted and are implementing.

The four key recommendations were:

- MPI and industry partners must deliver on the review recommendations and provide for ongoing governance of livestock disease preparedness
- Develop and better resource the livestock disease preparedness function within MPI (Biosecurity New Zealand), particularly for large-scale and complex animal disease incursions



- Build a national contingency plan for animal disease responses, supported by detailed operational procedures and materials
- Develop and resource a data strategy across the livestock biosecurity system.

Some of the improvements that have been made or are underway include:

- The appointment of a new specialist welfare advisor within Biosecurity New Zealand to ensure a greater focus on people's welfare needs in future incursion responses
- A new Chief Veterinary Officer for MPI to connect the Ministry's vets who practice across a wide range of activities; and build collaboration with the country's private vets to enhance disease readiness
- Investment in a new data strategy to ensure the information needs of biosecurity responses can be adequately met in future
- An extensive programme of readiness for an FMD incursion is underway and much of this work is scalable to incursions of less severe impact
- Threat-specific plans are in place for other critical exotic diseases
- The strengthening of import requirements for cattle semen
- Completion of the new National Biocontainment Laboratory to improve disease diagnostic capability and capacity.

There's no denying the disruption and stress experienced by farmers affected by the eradication programme.

We owe it to those farmers to ensure the eradication programme and future biosecurity responses are the best they can be.

Implementing the recommendations of this review will go a long way to strengthening our biosecurity system, which will prove vital in the face of any future incursions.



Increasing market returns

B+LNZ works to ensure our farmers receive increased value from our sustainable farming systems and natural grass-fed beef and lamb – we identify and create market opportunities, work to dismantle trade barriers and grow consumer preference for New Zealand beef and lamb.

Total levy Investment* in this strategic pillar was \$8.2m for 2021. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
Market Development	\$6.79 million	
Taste Pure Nature	Development and implementation of the activation strategy for Taste Pure Nature in the United States and China.	Build and implement the means to market NZ red meat as a premium product in markets across the world.
Market Insights and innovation	Identify, develop and share opportunities for market innovation and collaboration with processing companies, including new products categories and channels to market.	
Sector engagement & quality assurance	Provide governance support to the New Zealand Farm Assurance Programme and ensure alignment to Taste Pure Nature, creating a platform for increased pricing.	
Domestic promotion	Provide funding for the promotion of beef and lamb within New Zealand.	
Market Access	\$1.37 million	
Facilitating Trade	Protect and improve access to global markets.	Maintain and increase access to key markets to capture maximum value.
FTAs & Brexit	Maintain our market access into the UK and Europe with no loss of access due to Brexit.	

** Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income*



Increasing market returns

Key achievements in 2021

- B+LNZ partnered with New Zealand Winegrowers to put together a ground-breaking study into the potential of Regenerative Agriculture and what it could mean for New Zealand's farming sector
- Our country of origin brand Taste Pure Nature continued to enjoy success with Alliance, ANZCO, and Silver Fern Farms in both China and the United States, with awareness of and preference for New Zealand grass-fed beef and lamb increasing significantly
- The New Zealand Farm Assurance Programme Plus was launched, which will provide confidence to consumers and bolster New Zealand's sustainable farming credentials in the face of less environmentally friendly alternatives overseas
- The Agreement in Principle was announced for the United Kingdom – New Zealand Free Trade Agreement, with increasing tariff rate quotas and decreasing tariffs over a 15-year period
- The biennial Barriers to International Trade Report produced with the Meat Industry Association, highlighted the risks and opportunities for our export dependent sector in light of the increase in protectionist trade rhetoric and impacts from global logistics and pandemic related disruptions

TASTE PURE NATURE

See Taste Pure Nature in action in market here: <https://youtu.be/2--Rc6-JDKc>



The Taste Pure Nature country of origin brand, developed by B+LNZ and the wider red meat sector, is continuing to build awareness and preference for New Zealand's grass-fed beef and lamb in two of our key export markets – the United States (US) and China.

Our ongoing market research is showing that more and more of our target customers – the Conscious Foodies – are coming to understand that New Zealand has a unique natural environment and approach to farming that's perfect for producing both high quality and nutritious beef and lamb.

With the COVID-19 pandemic creating an increased interest in naturally raised or grown foods, Taste Pure Nature has allowed New Zealand's exports to capitalise on this interest with our red meat that is safe, nutritious, and sustainable.

B+LNZ is successfully running marketing campaigns in both the US and China to increase awareness and preference for grass-fed beef and lamb from New Zealand, and also partnering with meat processing companies in targeted campaigns.

United States

B+LNZ has seen double-digit percentage increases in quantity (15 percent) and value (34 percent) of grass-fed beef exported to the US in 2020, signifying high demand and growing preference for New Zealand grass-fed beef.

Our in-market consumer research shows several trends are contributing to this strong performance, including

a surge in at-home meal consumption due to COVID-19 and a focus on healthy eating and immunity boosting foods. According to IRI data, "100 percent grass-fed" was one of the top 10 product claims US consumers looked for in 2020. The overall fresh meat category also saw growth in 2020 with fresh meat sales up 35 percent.

One of the many companies taking advantage of Taste Pure Nature is Silver Fern Farms (SFF), which has seen a 36 percent increase in retail presence on the US West Coast in just one year.

Since May, B+LNZ has executed two campaigns in partnership with SFF – a Summer Grilling campaign, which helped build brand awareness and drove consumers to e-commerce and retail to purchase, and an e-commerce campaign, designed to maintain e-commerce momentum for beef by promoting new beef bundles available on the SFF e-commerce site.

Beyond B+LNZ's work with our partners, we've continued to find ways to elevate New Zealand grass-fed beef and lamb on a protein category level.

In addition to our work with influencers and digital advertising, and to provide additional reach and impressions offline, we launched an outdoor advertising campaign in Los Angeles featuring 18 billboards near Bristol Farms and Jons Fresh Marketplace Stores that carry New Zealand grass-fed beef and lamb.

Other partnerships underway include work with Meredith Digital, one of the leading publishing houses in the US that includes top-tier outlets like Food & Wine, Martha Stewart, Eating Well, and Southern Living, to elevate the New Zealand grass-fed story through video, social, and digital promotion. B+LNZ has also partnered with Spiceology, one of the fastest growing spice companies in the US, to launch their new Blackberry Balsamic seasoning blend through an influencer campaign in the final quarter of 2021 that will hero the blend in recipes using New Zealand grass-fed beef and lamb.



A summer-themed mailer, filled with a variety of our food clients' BBQ and picnic essentials, including New Zealand grass-fed beef and lamb, was sent to 16 top US consumer media outlets, including Well+Good, Today.com, and HuffPost, to introduce them to B+LNZ and help keep our grass-fed beef and lamb top of mind, with SFF product included in the mailers.

Other campaigns have included significant social media work, including partnering with social media influencers,

creating, sharing, and promoting tailored social media content through our own channels, and updating the Taste Pure Nature website to make it easier than ever for Conscious Foodies to find recipes that fit their taste.

Additionally, interest in Taste Pure Nature from meat processing and exporting companies continues to grow, with four new brands added to our US partner webpage, including Te Mana Lamb, Broadleaf Game, NZ Springvale Beef, and Pasture Perfect.

China

Led by our Chinese consumer insights, B+LNZ launched Taste Pure Nature on two more social media channels in China, Douyin and Little Red Book, in the third quarter of 2021. This now means that Taste Pure Nature has a presence covering the top three social media platforms in China - WeChat, Little Red Book, and Douyin.

Retail campaigns remain important, with the Mid-autumn Festival being one of the most important festivals for Chinese families, where traditional foods and family meals are shared to celebrate the harvest and family togetherness. This year, B+LNZ partnered with Alliance, ANZCO, and SFF and launched retail campaigns with premium retailers including Alibaba's Hema Fresh in Shenzhen, JD's 7 Fresh, AEON, and Hualian Premium in Beijing.

These campaigns used multiple online and offline touchpoints to raise awareness of New Zealand grass-fed beef and lamb, and to encourage trial and purchase using social media influencers, paid social media advertising, and out-of-home advertising including 7,700 digital screens and over 1,000 printed adverts near or in elevators and at the entrances of apartment complexes and commercial buildings. These ads are expected to reach some 25 million consumers who live or work in the vicinities of the retail stores selling grass-

fed New Zealand beef and lamb and drive them into the stores.

In July we launched our Innovative Partnership Programme, with a focus on incubating and nurturing new product solution ideas and collaboration with affiliated brands and retailers in order to build continued awareness and preference for New Zealand grass-fed beef and lamb, elevate the New Zealand grass-fed origin story, educate consumers on the key differentiators and benefits of New Zealand grass-fed beef, and create a direct link between awareness and available product through dynamic partner campaigns.

Two of the programmes underway as a result of this include:

- a New Zealand grass-fed red meat zone at the Swiss Butchery - a high-end specialist retailer in Shanghai where no customised branding had been allowed before.
- ½ Way Hamish - a partnership with Shanghai-based Kiwi chef Hamish Waddle, Executive Chef at the iconic M on the Bund and M Glam restaurants. The concept is for our chef to design and create meals with unique New Zealand and pacific flavours for customers to finish cooking, plate up, and enjoy at home, with two meal concepts already being commercialised in October and November 2021.



Three other programmes are due to be rolled out in the fourth quarter of 2021, including another high-end retail partnership, Les Mills social media campaign, and CCP Flavours.

First of its kind report highlights market potential for Regenerative Agriculture

In October 2021, B+LNZ and New Zealand Winegrowers (NZW) released the ground-breaking report into the market potential of regenerative agriculture for New Zealand.

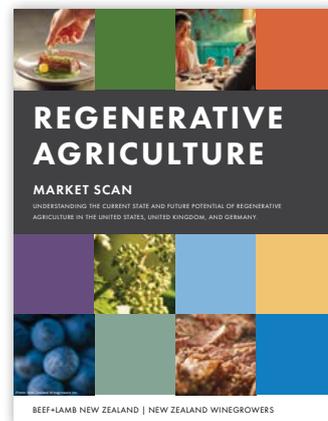
The report demonstrates that there is a significant opportunity for New Zealand to position itself to take advantage of the global regenerative agriculture trend, with the research showing that in the mind of consumers, the majority of New Zealand's sheep and beef farming practices naturally align with key pillars of regenerative products or production.

B+LNZ took a leadership approach for the red meat sector on this because of the opportunities it presented for creating extra value from our natural and sustainable production systems and providing pathways for farmers and processors to capture value from these opportunities.

Interest in regenerative agriculture has been growing globally, despite debate continuing about what the term actually means and its effectiveness versus conventional agriculture.

Some of the key findings from the research include:

- New Zealand has an opportunity to position itself to take advantage of the global regenerative agriculture trend,
- Although still in its infancy, regenerative agriculture is gathering momentum and awareness, and is set to become a significant trend in food globally,
- Brands are beginning to follow the leads of farmers and growers in the support of regenerative agriculture, and while the concept has yet to properly take hold among consumers, the research indicates consumers have a willingness to pay more for regeneratively produced food, especially if science can show it tastes better, is better for people's health, and better for the environment,
- The majority of New Zealand's sheep and beef farming practices naturally align with the key pillars of regenerative products or production, which is not to say all farms are applying all regenerative agriculture principles all the time, but in general New Zealand is better placed with



our pasture-based farming systems than other countries to meet these requirements.

From here, B+LNZ will be working with farmers and meat processing and exporting companies to develop a plan to enable farmers to capture this potential value. This includes exploring how regenerative agriculture aligns with Taste Pure Nature and fits in with the New Zealand Farm Assurance Programme. Likewise, with there being no clear and unified definition of what regenerative agriculture is globally, B+LNZ will be looking to place New Zealand at the forefront of defining what regenerative agriculture means in a New Zealand context before others define it for us.

You can read the full Regenerative Agriculture report at <https://bit.ly/3FiAf6V>

B+LNZ joins Board of Global Roundtable for Sustainable Beef

The Global Roundtable for Sustainable Beef (GRSB) was established to advance the continuous improvement in sustainability of the global beef value chain. B+LNZ has been elected to the GRSB's Board for a two-year term beginning in 2022.

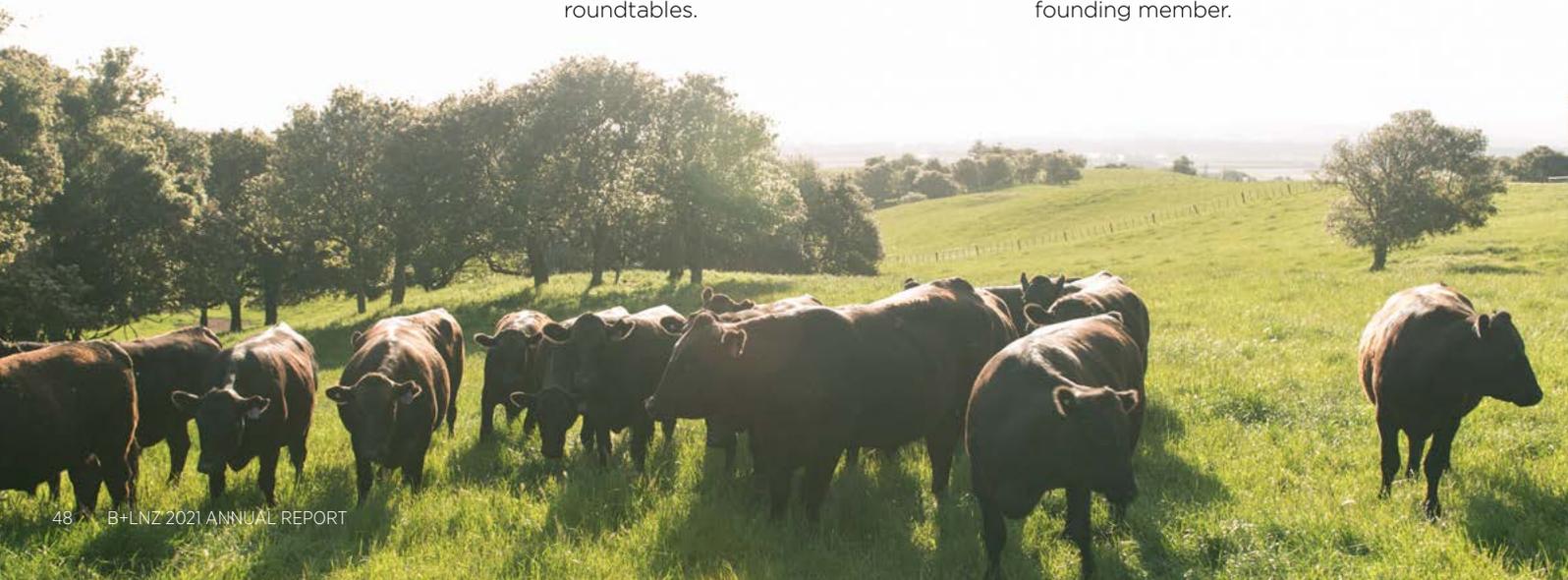
During B+LNZ's two-year term on the GRSB Board, we hope to share the New Zealand beef sector's approach

to sustainability and add our voice to the discussion of other countries on the roundtable regarding environmental policy.

The GRSB consists of five constituencies across the supply chain. They are: producers and producer associations, the commerce and processing sector, retail companies, civil societies and national or regional roundtables.

B+LNZ will sit on one of the four seats allocated to the producer and producer associate constituency along with the Canadian Cattlemen's Association, Cattle Council of Australia, and Meat & Livestock Australia.

Under the Global Roundtable, there are 12 regional roundtables, including the New Zealand Roundtable for Sustainable Beef, of which B+LNZ is a founding member.



NZFAP Plus launches to back up sustainability credentials

The culmination of three years of work, New Zealand's sheep, beef, and deer farmers now have the opportunity to prove their sustainability credentials with the launch in October 2021 of a new quality assurance standard – New Zealand Farm Assurance Programme Plus (NZFAP Plus).

Building on the existing New Zealand Farm Assurance Programme, NZFAP Plus includes a focus on people, farm, natural resources, and biodiversity. NZFAP Plus is about demonstrating and communicating to New Zealand and international consumers that the New Zealand red meat and wool sectors are farming sustainably and ethically.

NZFAP Plus was initially developed by the Red Meat Profit Partnership (RMPP) a Primary Growth Partnership programme involving the Ministry for Primary Industries, B+LNZ, six meat processors, and two major banks.

Collaborative work across the sector has meant that NZFAP Plus will ensure New Zealand farmers retain their domestic social licence to operate and market access globally by demonstrating environmental custodianship. It also aligns with B+LNZ's Farm Plan to avoid duplication and provides tools and resources to support farmers in working towards meeting the standards.

To take part in NZFAP Plus, farmers need to have completed NZFAP's foundation programme. They can then apply to become a member of NZFAP Plus and will carry out an initial self-assessment to determine what aspects of their business they need to work on. They then have up to three years to meet the standards required of NZFAP Plus and will be audited by an AsureQuality independent auditor. The cost of the certification audit is covered by New Zealand Farm Assurance member companies with whom farmers have a relationship.

Find out more about NZFAP and NZFAP Plus at www.nzfap.com



“NZFAP Plus delivers you a template that provides a robust quantitative approach, combined with high levels of integrity, to deliver highly sustainable farming systems.”

Jason Miller, Southland sheep and beef farmer and NZFAP Plus pilot farmer



TRADE ACCESS

Red meat sector overcomes trade challenges to have one of its best performing years

Thanks to high international prices for beef and sheepmeat, New Zealand's red meat sector has had one of its best performing years in spite of the many challenges thrown up by COVID-19 and other logistics issues along the way. Total exports for the 12 months to 30 June 2021 totalled \$9.5b across 116 different countries, made up of \$3.6 billion of beef and \$3.9 billion of sheepmeat, and \$2 billion of co-products.

The international beef market continues to be an area of strength for New Zealand. We are continuing to see increased protein demand from China due to African Swine Fever and its impacts on China's domestic pork production, as well as the benefits of constrained supply from other major beef exporters.

Australia is currently in a process of herd rebuilding, which has limited their ability to supply export markets, while Argentina introduced export restrictions to battle inflation. Brazil has also experienced a BSE outbreak, hampering their exports. The net result of this has seen China overtake the US as the main destination for New Zealand's beef exports.

Despite the growth in China, the US remains an important export market for New Zealand beef, though port blockages on the west coast have seen shipping times and costs increase.



Brexit

The final part of Brexit finally took place on 31 December 2020 with the UK formally leaving the EU. Thanks to preparatory work undertaken by the New Zealand Meat Board (NZMB) on quota administration, this meant that New Zealand's red meat exports continued to enter the UK market. However, there have been some difficulties accessing the Northern Ireland market, which B+LNZ along with the NZMB, MIA, and the New Zealand Government are continuing

to petition the UK Government to address the issue.

There were also some additional supply chain issues accessing both the UK and EU markets during 2021, though it has been difficult to ascertain whether these are mainly due to COVID-19 impacts or Brexit impacts. For example, EU-UK trade has been impacted by lorry driver shortages and new customs arrangements in the UK, though other COVID-19 restrictions have also been at play too.



Free trade agreements

The major piece of news, announced in October 2021, was the agreement in principle for a free trade agreement (FTA) with the UK, which will deliver significantly improved access for beef, sheepmeat, and co-products. For sheepmeat and beef, quota volumes will progressively increase over a 10-year period, with full tariff removal at year 15 with no additional safeguards. Co-products will have full tariffs eliminated at entry into force, which will mean processors will be able to extract additional value from carcasses from the start of the agreement.

For beef, this will start at a 12,000 tonne quota, with a zero in quota rate (compared to the 454 tonne quota we have today). This will save New Zealand farmers around \$44 million a year in tariffs each year from year one.

The volumes will then rise to 60,000 tonnes over 15 years, after which unlimited quantities of beef will be able to enter the UK tariff and duty free.

For the first 10 years, any beef exported over the quota will be subject to full tariffs of up to 70 percent. For years 11-15, any beef exported over the



safeguard will only attract a tariff of 20 percent.

For sheepmeat, New Zealand already has access of 114,000 tonnes through our quotas at the World Trade Organization. This FTA will give us an additional quota of 35,000 tonnes for the first four years, after which it will rise to a further 50,000 tonnes. Like beef, after year 15 we will have tariff and duty-free access for unlimited quantities.

While the length of the transition period is longer than B+LNZ would have preferred, this does reflect the political realities of negotiating such a complex

deal, and we acknowledge the work of negotiators and Trade Minister Damien O'Connor for their work on this deal.

On the other side of the channel, negotiations continue with the EU. While the EU had publicly stated that they would like to see an agreement in principle by the end of 2021, at the time of writing no progress on this had been announced.

In other FTA news, China has applied to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), while the Regional Comprehensive Economic Partnership (RCEP) came into force this year too.

Barriers to International Trade report

Every two years B+LNZ and MIA publish our 'Barriers to International Trade' report, which highlights progress made on removing quota, tariff, and non-tariff barriers, the current state of play, and what the road ahead looks like in terms of trade liberalisation on protectionism as the case may be.

This edition of the report has come at a crucial time, with New Zealand looking ahead to economic recovery from disruptions caused by the COVID-19 pandemic and its associated impacts on our export industries. As a small, export dependent nation, New Zealand depends on a strong multi-lateral trading system that provides a level playing field with robust rules that can be used to hold larger players to account.

The report identified that while 58 percent of the sector's trade is

covered by FTAs, that could be lifted to 73 percent if and when the UK and EU FTAs are concluded. The current network of FTAs provide savings of approximately \$596 million in tariffs each year, though there remains a real risk to the multi-lateral trading system with an increase in protectionist rhetoric and the failure of the World Trade Organization to reach consensus on the reappointment of Appellate Body members, thus rendering this important arbitration body ineffective.

There remains some \$176 million in total tariff burden on New Zealand's red meat product exports in 2020, with non-tariff barriers also continuing to impact red meat exports by imposing additional production and administrative costs while also causing unnecessary delays and uncertainty.

You can find the full report at www.beeflambnz.com/trade-policy



In 2020 the sector saved over \$596 million in duties due to FTAs.

In 2020 the sector still faced an estimated tariff burden of \$176 million.



2010	2020
<div style="display: flex; align-items: center; justify-content: center;"> ↓ 52% </div>	

In the period between 2010 and 2020, the total tariff burden on the sector reduced 52 percent, from \$370 million in 2010 to \$176 million in 2020.

58 percent of the sector's exports by value were covered by FTAs in force.



Levy Expenditure

Funded by levies of \$31 million (\$30.4 million in 2021) and New Zealand Meat Board grant funding of \$1 million in 2022 (\$1.0 million in 2021).

Priorities	Actual 2020-21 \$,000	Budget 2021-22 \$,000
Supporting Farming Excellence	\$12,976	\$16,527
Increasing Market Returns	\$8,164	\$8,613
Championing the Sector	\$5,986	\$6,895
Administration	\$3,055	\$3,097
Total Levy Expenditure	\$30,181	\$35,132

Budget 2021-22

	Beef Levy Dollars Per Head	Sheepmeat Levy Dollars Per Head
Supporting Farming Excellence	2.59	0.42
Increasing Market Returns	1.64	0.18
Championing the Sector	1.21	0.16
Administration	0.57	0.07
	6.01	0.83
Income		
Levy	5.20	0.75
NZMB Industry Good Grant	0.18	0.02
Interest Income	0.05	0.01
	5.43	0.78
Levy Stream (Deficit) For The Year (funded from Reserves)	(-0.58)	(-0.05)

Note: Numbers have been rounded

B+LNZ Governance Statement

The Board has responsibility for the strategic direction of B+LNZ, approving business strategy and objectives, and the monitoring performance of the Chief Executive Officer.

The B+LNZ Board has adopted a Board Charter which sets out the responsibilities of the board, the delegations to management and a Board review of performance.

The Board comprises six farmer directors, two industry directors and an independent director.

An associate director position is offered by the Board to create a development opportunity for aspiring directors from the sector. This position was filled by Kate Wyeth over the last financial year.

The Board met eight times in the financial year and held extra meetings as required.

The Board has two Committee's both shared with the New Zealand Meat Board (NZMB).

Audit & Risk Committee: This committee assists the Board with its governance responsibilities for financial reporting, external audit, and risk management.

The Audit & Risk Committee comprises Martin Coup (Chair), Bayden Barber, Tony Egan, Sarah Paterson (NZMB director) and George Tatham.

People and Culture Committee: This Committee assists the Board in the oversight of the remuneration policies for the B+LNZ team, reviews for the CEO and his reports and the oversight of culture and development with the B+LNZ.

The People & Culture Committee comprises Scott Gower (Chair), Kate Acland, Alex Guilleux (from August 2021), Renee Hogg (NZMB director until August 2021), Nicky Hyslop, and Andrew Morrison.

	Board Meeting	Audit & Risk Committee	People & Culture Committee
Number of Meetings	8	3	4
A Morrison	8		4
K Acland (from March 2021)	4		2
B Barber (from February 2021)	6	1	
M Clark-Reynolds (until December 2020)	2	1	
M Clarkson (Until March 2021)	2		
M Coup	8	3	
T Egan	8	3	
S Gower	8	1	2
A Guilleux (from July 2021)	3		
N Hyslop	8		4
P Smith (until March 2021)	3		2
G Tatham	8	3	
K Wyeth (Associate)	8		

Gender Diversity

The gender breakdown across the B+LNZ team from governance, Leadership Team and the B+LNZ team as at 30 September is set out below.

	This Year		Last Year	
	Female	Male	Female	Male
Directors (incl. Associate)	3	7	3	7
Leadership Team	2	6	1	8
Team	65	34	60	31

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2021

	Group Year Ended 2021			Group Year Ended 2020		
	Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars						
Non Exchange Revenue						
Levies Received	30,419	30,419	-	29,761	29,761	-
Biosecurity Levies Received	3,060	3,060	-	1,481	1,481	-
Other Non Exchange Income	4,155	4,155	-	4,891	4,891	-
Exchange Revenue						
Other income	4,502	4,502	-	4,640	4,640	-
Total Income	42,136	42,136	-	40,773	40,773	-
Operating expenses	(41,087)	(40,664)	(423)	(40,794)	(39,678)	(1,116)
Net operating surplus/ (deficit) from operating activities	1,049	1,472	(423)	(21)	1,095	(1,116)
Net finance income	117	117	-	405	405	-
Net operating surplus/ (deficit) for the year before income tax	1,116	1,589	(423)	384	1,500	(1,116)
Income tax expense	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year	1,116	1,589	(423)	384	1,500	(1,116)
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the year	1,116	1,589	(423)	384	1,500	(1,116)
Attributable to:						
Levy payers	1,589	1,589	-	1,500	1,500	-
Meat Education Fund	-	-	-	(229)	-	(229)
Special Reserves	(423)	-	(423)	(887)	-	(887)
	1,116	1,589	(423)	384	1,500	(1,116)

These statements are to be read in conjunction with the notes on page 59. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2021

	Parent Year Ended 2021				
In thousands of New Zealand dollars	Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	Total
Non Exchange Revenue					
Levies Received	14,818	15,600	30,419	-	30,419
Biosecurity Levies Received	3,060	-	3,060	-	3,060
Other Non Exchange Income	1,833	1,991	3,823	-	3,823
Exchange Revenue					
Other income	1,829	2,144	3,974	-	3,974
Total Income	21,540	19,735	41,276	-	41,276
Operating expenses	(20,226)	(18,997)	(39,224)	(423)	(39,647)
Net operating surplus/ (deficit) from operating activities	1,314	738	2,052	(423)	1,629
Net finance income	48	68	116	-	116
Impairment of Investment in Subsidiary Companies	(109)	(157)	(266)	-	(266)
Net operating surplus/ (deficit) for the year before income tax	1,253	649	1,902	(423)	1,479
Income tax expense	-	-	-	-	-
Net operating surplus/ (deficit) for the year	1,253	649	1,902	(423)	1,479
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the year	1,253	649	1,902	(423)	1,479
Attributable to:					
Levy payers	1,253	649	1,902	-	1,902
Meat Education Fund	-	-	-	-	-
Special Reserves	-	-	-	(423)	(423)
	1,253	649	1,902	(423)	1,479
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:					
			(313)		
B+LNZ Investments Ltd			(9)		
Pastoral Genomics Ltd			(96)		
B+LNZ Emissions Company Ltd			(208)		
B+LNZ Genetics Ltd			-		
Group Net operating surplus/ (deficit) for the year- Levy Stream			1,589		

These statements are to be read in conjunction with the notes on page 59. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2020

	Parent Year Ended 2020				
In thousands of New Zealand dollarsw	Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	Total
Non Exchange Revenue					
Levies Received	13,964	15,797	29,761	-	31,242
Biosecurity Levies Received	1,481	-	1,481	-	
Other Non Exchange Income	1,748	2,470	4,218	-	4,218
Exchange Revenue					
Other income	1,964	2,222	4,186	-	4,186
Total Income	19,157	20,489	39,646	-	39,646
Operating expenses	(18,984)	(19,286)	(38,270)	(1,116)	(39,386)
Net operating surplus/ (deficit) from operating activities	173	1,203	1,376	(1,116)	260
Net finance income	193	206	399	-	399
Impairment of Investment in Subsidiary Companies	(143)	(198)	(341)	-	(341)
Net operating surplus/ (deficit) for the year before income tax	223	1,211	1,434	(1,116)	318
Income tax expense	-	-	-	-	-
Net operating surplus/ (deficit) for the year	223	1,211	1,434	(1,116)	318
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the year	223	1,211	1,434	(1,116)	318
Attributable to:					
Levy payers	223	1,211	1,434	-	1,434
Meat Education Fund	-	-	-	(229)	(229)
Special Reserves	-	-	-	(887)	(887)
	223	1,211	1,434	(1,116)	318
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:			66		
B+LNZ Investments Ltd			(257)		
Pastoral Genomics Ltd			96		
B+LNZ Emissions Company Ltd			227		
B+LNZ Genetics Ltd			-		
Group Net operating surplus/ (deficit) for the year- Levy Stream			1,500		

These statements are to be read in conjunction with the notes on page 59. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2020	23,589	23,589	23,047	23,047
Total comprehensive income for the year				
Surplus/(Deficit) for the year	1,166	1,166	1,479	1,479
Total comprehensive income for the year	1,166	1,166	1,479	1,479
Balance at 30 September 2021	24,755	24,755	24,526	24,526

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2019	23,205	23,205	22,729	22,729
Total comprehensive income for the year				
Surplus/(Deficit) for the year	384	384	318	318
Total comprehensive income for the year	384	384	318	318
Balance at 30 September 2020	23,589	23,589	23,047	23,047

These statements are to be read in conjunction with the notes on page 59. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

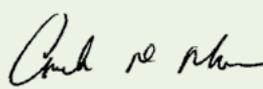
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

In thousands of New Zealand dollars	Group 2021	Group 2020	Parent 2021	Parent 2020
EQUITY EMPLOYED				
Retained earnings	24,755	23,589	24,526	23,047
TOTAL EQUITY EMPLOYED	24,755	23,589	24,526	23,047
Represented by:				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	8,378	7,066	8,050	6,125
Trade and other exchange receivables	809	2,159	780	2,126
Non-exchange Receivables	2,708	2,602	2,707	1,601
Term Deposits	16,510	15,067	16,510	15,067
Derivative financial instruments	32	9	32	9
Livestock on Hand	642	650	-	-
Advance to Subsidiary Company	-	-	450	510
TOTAL CURRENT ASSETS	29,079	27,553	28,529	26,438
NON-CURRENT ASSETS				
Property, plant & equipment	686	668	532	481
Intangible assets	259	375	259	375
Investments in subsidiary companies	-	-	255	391
Term receivables- Exchange	46	62	46	62
TOTAL NON-CURRENT ASSETS	991	1,105	1,092	1,309
TOTAL ASSETS	30,070	28,658	29,621	27,747
CURRENT LIABILITIES				
Trade and other payables	4,058	3,525	3,838	3,156
Income in Advance	382	632	382	632
Derivative financial instruments	19	18	19	18
Deferred Revenue	86	26	86	26
Provisions	-	37	-	37
Employee entitlements	707	726	707	726
TOTAL CURRENT LIABILITIES	5,252	4,964	5,032	4,595
NON CURRENT LIABILITIES				
Lease Liabilities	63	105	63	105
TOTAL NON-CURRENT LIABILITIES	63	105	63	105
TOTAL LIABILITIES	5,315	5,069	5,095	4,700
NET ASSETS	24,755	23,589	24,526	23,047

The Board of Directors authorised these financial statements for issue on 8 December 2021.

This statement is to be read in conjunction with the notes on page 59. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



A Morrison
Chairman



M Coup
Chairman Audit & Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

In thousands of New Zealand dollars	Group Year ended 2021	Group Year ended 2020
Net cash flows from operating activities	3,112	2,015
Net cash flows from/(to) investing activities	(1,800)	(5,713)
Net increase/(decrease) in cash and cash equivalents	1,312	(3,698)

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

- These summary accounts have been prepared in accordance with NZGAAP for a public benefit entity as it relates to summary financial statements.
- The specific disclosures included in the summary financial report have been extracted from the audited financial statements dated 8 December 2021. The audit opinion expressed was unqualified.
- This summary report does not provide the detail included in the full financial report and reports the financial result for the Beef + Lamb New Zealand group only. The full financial report including both the Parent and Group financial statements has been prepared in accordance with NZGAAP and complies with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards), and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit public benefit entities.
- If you require a complete set of the annual financial report please contact Chief Operating Officer, Beef + Lamb New Zealand, P O Box 121, Wellington or phone 04 473 9150. Alternatively the Financial Statements are available on website www.beeflambnz.com.

STATUTORY DISCLOSURES

Disclosure of Interests by Directors

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

Directors have disclosed interests in transactions with associated and subsidiary companies and these are disclosed in Note 11 of the full Financial Statements.

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

Board of Directors Fees	2021 (\$000)	2020 (\$000)
Chairman	74	70
Directors	37	34
Chair of Board Committees	4	-
Beef + Lamb NZ Genetics Ltd (Group Only) - Independent Chairman	-	8

The above fees represent the annualised fees payable to Directors. The Company pays no other fees to Directors for their representation on subsidiary or other related organisations.

Farmers approved an increase in total director fees to \$370,240 at the 2020 annual meeting. The Board elected not to apply the increase or the pool in the 2020 financial year.

The 2021 annual meeting approved an increase in director fees as follows:

- Chairman's remuneration is increased from \$72,800 to \$74,000 an increase of \$1,200 or 2%;
- B+LNZ Director fees are increased from \$34,680 to \$37,000 an increase of \$2,320 or 7%; and

The B+LNZ Board approved an additional \$4,000 per annum from the director fees pool paid to each of the Audit & Risk Committee and People & Culture Committee chairs (Martin Coup and Scott Gower).

The total director fees pool approved by farmers is \$390,000.

Directors' Indemnity and Insurance

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

Use of Company Information by Directors

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

(\$,000)	Number of Employees	
Remuneration Range	2021	2020
100-109	6	4
110-119	10	5
120-129	4	6
130-139	2	2
140-149	6	3
150-159	1	2
160-169	4	3
170-179	4	1
180-189	4	7
190-199	-	1
210-219	2	-
220-229	2	4
270-279	1	-
280-289	-	1
330-339	1	1

Employee Remuneration

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

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

The People & Culture Committee of the company's Board approves the company's remuneration policy.

Subsidiary and Associated Company Directors

The following persons held the office of Director of the respective subsidiaries and associates during the year to 30 September 2021. Directors appointed (A) or who resigned (R) during the year are indicated. Staff appointments do not receive Directors fees or other benefits as a Director.

Meat and Wool Trust Ltd (Shareholder Beef + Lamb New Zealand Ltd)	Kate Acland (A), Bayden Barber (A), Melissa Clark-Reynolds (R), Mark Clarkson (R), Martin Coup, Tony Egan, Scott Gower, Alex Guilleux (A), Nicky Hyslop, Andrew Morrison, George Tatham, Philip Smith (R).
Subsidiary Companies and Associates	
B+LNZ Clover Company Ltd Holds B+LNZ interest in Pastoral Genomics Research Consortium	Sam Mclvor
B+LNZ Emissions Company Ltd Holds B+LNZ interest in Pastoral Greenhouse Gas Research Consortium	Sam Mclvor
B+LNZ Investments Ltd Holds B+LNZ interest in the North Canterbury Future Farm	Sam Mclvor
Taste Pure Nature Ltd Licences meat exporters with Taste Pure Nature branding	Sam Mclvor
Primary Resources Ltd Non-trading	Andrew Morrison
B+LNZ Genetics Ltd Non-trading	George Tatham, Sam Mclvor, Cros Spooner
Beef + Lamb New Zealand Incorporated	Andrew Morrison, Sam Mclvor
North Canterbury Future Farm Management Ltd (fully owned from 1 July 2020)	Sam Mclvor
Red Meat Profit Partnership General Partner Ltd. Ceased operating 31 March 2021	Malcolm Bailey, Graham Brown, Alan McDermott, Sam Mclvor, Jane Smith, George Tatham, Bob Cottrell, Wayne Allan
Pastoral Genomics Ltd Ceased operating 30 June 2021	Nicky Hyslop
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison



Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the company and group summary financial statements

Opinion

In our opinion, the accompanying company and group summary financial statements of Beef + Lamb New Zealand (the 'company') and its subsidiaries (the 'group') on pages 54 to 59:

- i. Have been correctly derived from the audited company and group financial statements for the year ended on that date; and
- ii. Are a fair summary of the company and group financial statements, in accordance with PBE FRS 43 Summary Financial Statements.

The accompanying company and group summary financial statements comprises:

- the summary company and group statement of financial position as at 30 September 2021;
- the summary company and group statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)') 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We are independent of the company and group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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



Use of this independent auditor's report

This independent auditor's report is made solely to the stakeholders as a body. Our audit work has been undertaken so that we might state to the stakeholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the stakeholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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Responsibilities of the Directors for the summary financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the summary company and group financial statements in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary company and group set of financial statements that is correctly derived from the audited company and group financial statements.



Auditor's responsibilities for the summary financial statements

Our responsibility is to express an opinion on whether the summary company and group financial statements are consistent, in all material aspects, with (or are fair summary of) the audited company and group financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA NZ) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We expressed an unmodified audit opinion on the company and group financial statements in our audit report dated 8 December 2021.

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



KPMG
Wellington

8 December 2021



www.beeflambnz.com