

2020

— Annual Report —



By Farmers. For Farmers™



By Farmers. For Farmers™

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CHAIRMAN AND CEO'S

Report



Andrew Morrison
CHAIRMAN



Sam McIvor
CEO

When we reflect on the 12 months this Annual Report covers, from October 2019 through to September 2020, what an extraordinary time it has been. When this financial year started, we were focused on the Government's climate change and freshwater reforms, preparing for a possible no deal Brexit, preparing to launch Taste Pure Nature in China, and getting ready for what ended up being a widespread drought across much of the country.

Within a few months we were watching the COVID-19 pandemic spread throughout the world as New Zealand and other countries went into lockdown.

What this year has demonstrated is both the incredible importance of our farmers to New Zealand and the amazing resilience of the red meat sector to the challenges we have faced. Despite the restrictions needed to halt the spread of COVID-19 as well as the drought and floods, the way farmers and processors responded was exemplary.

Our resilience was illustrated by the fact red meat exports held up strongly in the face of significant export disruptions. That's thanks to our deep trading relationships across 120 markets which allowed us to repurpose and redirect product as disruptions occurred. We also saw a near record lambing percentage of 130.3 percent.

Likewise, during lockdown our teams pivoted to working and delivering for farmers remotely, with our online extension webinars proving hugely popular alongside our other online resources such as factsheets, podcasts, and web-based tools. This came after they had already delivered a mammoth effort in the final months of 2019 helping run national roadshows to help farmers understand and respond to the Government's environmental reforms.

Even with all this disruption going on, we still had longer term issues to work on. New regulations from the Government on climate change, freshwater, and indigenous biodiversity have all needed our focus, as have related regional plan changes.

There has also been the start of an overhaul of the vocational training sector, with Beef + Lamb New Zealand playing a leading role in ensuring these reforms will deliver both the training and people our sector needs to continue to thrive into the future.

The ongoing phased eradication of *Mycoplasma bovis* (*M. bovis*), a huge task in its own right, is making excellent progress. Despite a small cluster having been picked up at the time of writing, the trajectory continues to be positive, and it illustrates the importance of ensuring all animal movements are logged in NAIT as well as following appropriate biosecurity procedures on farm. The *M. bovis* response has illustrated the importance of strong Government and industry partnerships, and we acknowledge the cooperation of MPI, and DairyNZ in this eradication programme.

We have also made progress on better telling the farmer story to the New Zealand public and around the world. Taste Pure Nature's launch in the United States has been a success, with increased awareness and preference for New Zealand beef and lamb. Even in China, where Taste Pure Nature's initial launch was disrupted by the outbreak of COVID-19, we successfully re-energised the campaign as China emerged

from lockdown. Chinese consumers are increasingly looking for trusted, natural, healthy foods, and Taste Pure Nature is successfully signposting New Zealand red meat that meets those needs.

Domestically, we supported the launch of Open Farms, with farmers across New Zealand opening their gates and inviting the public on-farm to experience first-hand the care and dedication you have for both your animals and our environment. We also announced the results of significant pieces of research and analysis into the carbon sequestration taking place on-farm and the economic and social contribution of our sector to New Zealand. You can read more about both of those later in this Annual Report.

He Waka Eke Noa, the partnership between the Government and primary sector on agricultural emissions, was set up this year and is making good progress. Independent research that shows sheep and beef farms are offsetting between 63 percent and 118 percent of their on-farm agricultural emissions through woody vegetation on farm, will help further make the case for the Government to recognise on farm sequestration as part of our response to climate change.

Looking ahead, while vaccines are now becoming available for COVID-19, there are still significant challenges for our sector. First, vaccines could take up to two years to become widely available and, with many Northern Hemisphere countries going back into lockdown as a winter surge of the virus happens, there will continue to be disruptions in the short term. There are also still some disruptions in global logistics, and these may be exacerbated by the exit from the European Union single market by the United Kingdom. We continue to work with the New Zealand Government to push back against the proposal to split our existing quotas between the United Kingdom and European Union, while also ensuring we fight to get a good deal for agriculture in the free trade agreements currently being negotiated with both parties.

Locally, the New Zealand Government will be returning to issues paused before the election such as the National Policy Statements on Indigenous Biodiversity and Highly Productive Soils, while there are sizable fixes still needed to its new freshwater regulations to make them workable. Climate change will continue to be a major issue and its urgency is gathering momentum internationally. Our customers, whether here or overseas, are also demanding to know more about where their food has come from and how it was produced and climate change is high on their agenda.

The good news is that our sector is in as good a position as possible to respond to these challenges, and Beef + Lamb New Zealand is rolling out tools and resources to help you adapt to this new world. A good example in 2021 will be our focus on Farm Planning, which will be crucial to demonstrating both to regulators and consumers how you're managing the environmental footprint of your farm.

We also have our six-yearly referendum in 2021. We're looking forward to discussing with you your needs and priorities, and our strategy for the future. We believe Beef + Lamb New Zealand is playing a crucial role for farmers, especially in partnership with other primary sector organisations, and we're keen to continue that work on your behalf.

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: 2021
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 comprising over 60,000 sheep and beef SU. 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.



PHIL SMITH

Farmer-elected Director,
Northern South Island

Served since: 2015
Term expires: 2021
03 315 8677
027 222 7927
balmoral@amuri.net

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



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.



MARK CLARKSON

Processor-Exporter
Director

Served since: 2012
Term expires: 2021
027 432 8896
mclarksonnz@gmail.com

Mark was managing director of ANZCO Foods Ltd from 2004 to 2017 and was previously a member of the Meat Industry Association Council.



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.



**MELISSA CLARK-
REYNOLDS**

Independent Director

Served since: 2017
Term expires: 2020
021 333 394
mclarkr@gmail.com

Melissa is a Digital Strategist and Professional Director - with 25 years experience as an entrepreneur and in the business start-up community.



KATE WYETH

Associate Director

Served since: 2020
Term expires: 2021
027 818 1002
jkwyth362@gmail.com

Kate is a sheep and beef farmer in the Wairarapa. She also works as a facilitator for AWDT. Previously she has worked as an agribusiness consultant for BakerAg.

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 investment portfolio and from 1 October 2019 took over responsibility for B+LNZ Genetics when it became a business unit within B+LNZ Ltd.



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 that achieve B+LNZ's Market Development strategic objectives and outcomes.



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.



JEREMY BAKER
Chief Insight Officer

Jeremy joined B+LNZ in January 2018 as Chief Insight Officer leading the Wellington-based Insight and Economic Service team which delivers data-driven insights that help inform B+LNZ's policies and decisions. Jeremy also has responsibility for B+LNZ's work in the sector's people and capability space.



ROWENA HUME
General Manager Communications and Engagement

Rowena leads the communications team and implements B+LNZ's engagement and public relations strategy, focusing on building influential relationships with key stakeholders, particularly at government level.



MATT WARD
General Manager North Island

Matt joined B+LNZ in January 2018 as the General Manager North Island. He helps the Extension and Economic Service teams throughout the North Island deliver for our farmers. Matt is based in Hamilton.



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 is based in Christchurch.

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 \$9.8 billion, and raw wool adding another \$404 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

26.8m 



50%
North Island



50%
South Island

Beef cattle

3.9m 



70%
North Island



30%
South Island

Dairy cattle

6.3m 



60%
North Island



40%
South Island

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, free range, hormone and GMO free red meat

Labelled grass-fed sales have been increasing by 20-30 percent per year.

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 will be overseen 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 19.1kg



In 1990 on average 1 lamb per ewe was born
On average now 1.3 lambs per ewe are born



In 1990 lamb exports were 47% carcasses and 53% cuts
Lamb exports are now 2% carcasses and 98% 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.

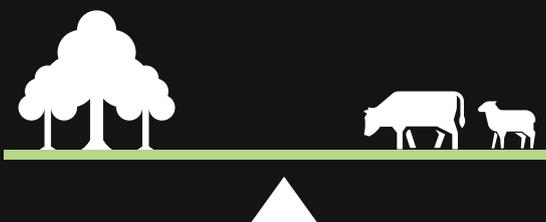


We have reduced our absolute greenhouse gas emissions

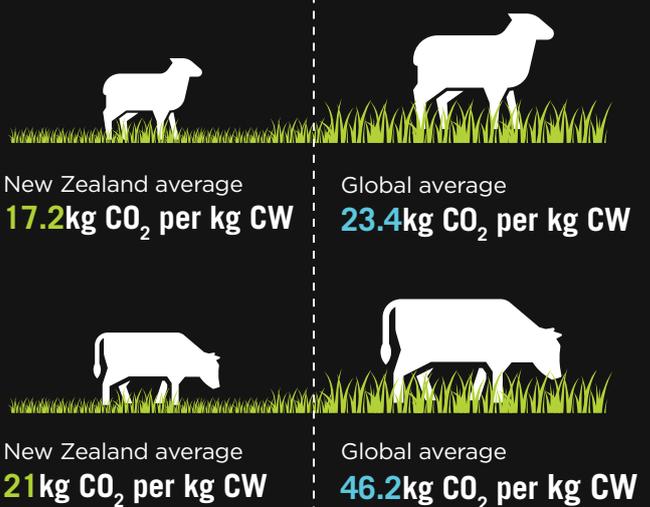
BY **OVER 30%** since 1990



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.



The carbon footprint of sheep and beef production (on-farm Life Cycle Analysis) is estimated to be around half the average figure globally.¹



The sector has been investing in science to reduce emissions for 17 years, through the Pastoral Greenhouse Gas Research Consortium, and we are confident that this investment will ensure it can further reduce its footprint.

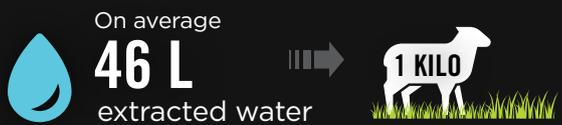
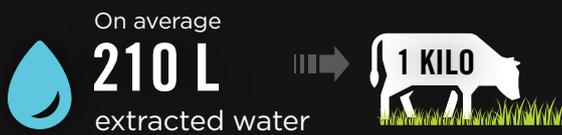
¹Estimates by B+LNZ using NZ LW and global CW figures in research by Stewart Ledgard: AgResearch, 2011

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. It does not use grains or other crops used in livestock production globally.

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

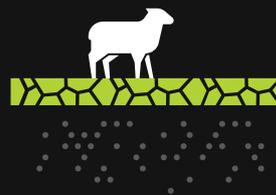


NZ Horticulture/arable

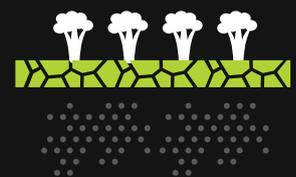


New Zealand sheep and beef production nitrogen leaching rates are on average the lowest of any form of food production.

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, compared to an average for forestry of 6gN/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.

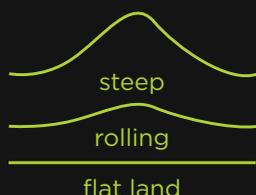
²Zonderland-Thomassen et. al., 2014



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 while land used for dairying and forestry has increased by 900,000 and 400,000 hectares respectively.

93%



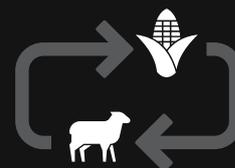
93 percent of the land that remains under sheep and beef production in New Zealand is unsuitable for cropping or horticulture because it is rolling or steep.



2.8m ha native vegetation
on sheep and beef farms

On average, approximately 25 percent of sheep and beef farms are covered by native vegetation, 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 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 5% higher than 10 years ago

Net meat production for the All Classes Sheep and Beef Farm was provisionally 115 kg per hectare for 2019-20; down on 2018-19 due to the impact of widespread drought in the country. Net lamb production per ha decreased by 1%, as farmers carefully managed their stock to adapt to challenging climate and market conditions. Net cattle meat production also declined, for similar reasons.

NET MEAT PRODUCTION



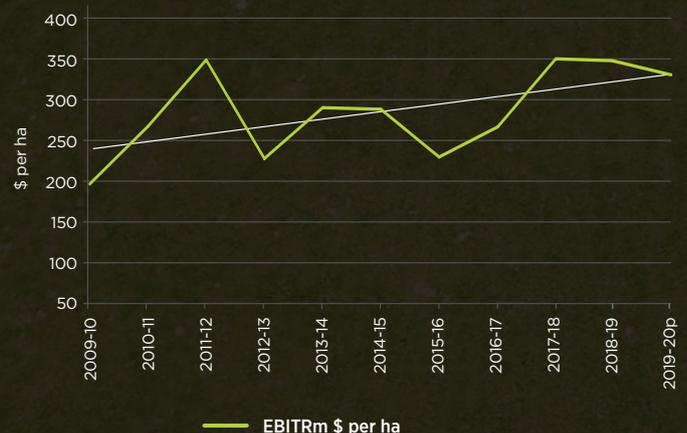
Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

Sheep and beef farming is resilient

↘ Provisionally down 5% on 2018-19

Earnings before Interest, Tax, Rent and paid managers salary (EBITRm) for the All Classes Sheep and Beef Farm at \$328 per ha provisionally decreased 5% for 2019-20. This was largely driven by a reduction of Wool and Dairy Grazing Revenue (-14% and -6% respectively). Sheep and Cattle Revenues remained steady, owing to strong export sales in the early months of the season, before the impacts of drought and disruptions by COVID-19. Farm Working Expenses were unchanged. The drought prompted farmers to spend more (+16%) on Feed and Grazing, while fertiliser expenditure was reduced (-5%). Average interest and rent expenditure was down (-10%) due to lower interest rates and some debt reduction on the previous year.

FARM PROFITABILITY (EBITRm)



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

TRACKING

Snapshot
November 2020

Industry confidence **43%**

In 12 months which sheep and beef farmers faced drought, floods, increased government regulation, Brexit, and disruptions both locally and with export markets due to COVID-19, it is not surprising that industry confidence continued to slide during the year to reach a three-year low. While the sector was able to repurpose product during those export disruptions, and global demand for New Zealand red meat remains strong, farmers are worried about increasing compliance costs and perceived anti-farming sentiment.

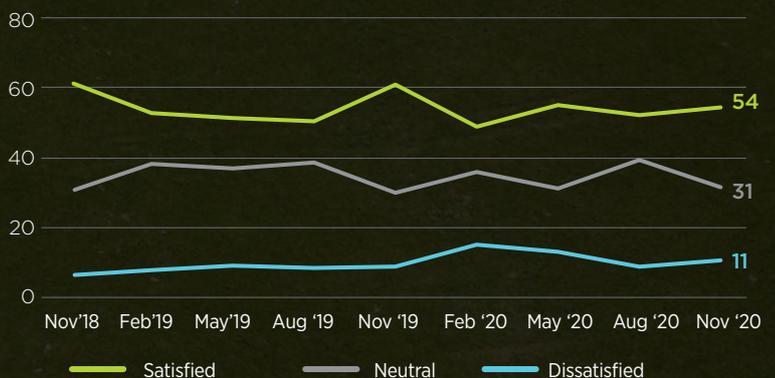


*Stated percentages do not add to 100 due to rounding.

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

Satisfaction with B+LNZ **54%**

While satisfaction with B+LNZ was down 6 percentage points on November 2019, throughout 2020 it remained consistent with previous years, with the downturn in satisfaction closely linked to farmer confidence about the sheep and beef sector as a whole. B+LNZ's quarterly surveying of farmer sentiment also identified an opportunity for the organisation to better engage with younger farmers, with B+LNZ's new Farming Excellence strategy set to help in this regard.



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

Knowledge of what B+LNZ does **71%**

Knowledge of B+LNZ and what it does remained high with 71% of farmers being aware of what the organisation does on their behalf. This reflects ongoing efforts from B+LNZ to proactively communicate with farmers across a variety of channels, including (where possible) face-to-face events, direct mail outs, digital channels, and advertising and inserts in farming publications. More work is being undertaken to help to organisation better reach the remaining 29% of farmers who have little understanding of what the organisation does. (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 2017-22

Vision

Our desired future for NZ's sheep and beef producers

Profitable farmers, thriving farming communities, valued by all New Zealanders

Purpose

How and why we do what we do

Insights and actions driving tangible impact for farmers

Priorities

How we generate impact



Unlocking market potential



Enhancing our environmental position



Supporting farming excellence



Government & public insight & engagement

Principles

How and why we do what we do



By Farmers. For Farmers

Partner for impact



Unlocking market potential



Supporting farming excellence

What does success look like in 2022?

Key goals that will guide our operational activities over the next 5 years

- 1 Through consumer insight, the NZ Red Meat Sector Story, NZ Farm Assurance Programme and Market Innovation creates a platform for improved pricing.
- 2 Market access through FTA's has increased enabling maximum market value to be captured and returned to farmers.
- 3 Farmers have grown profitability through productivity, efficiency and improved cost of production.
- 4 The time and cost of regulatory compliance has been streamlined.
- 5 Farmers are recognised for their commitment to the environment while maintaining the productive capacity of land.
- 6 Farmers have access to the right people with the right skills and a new generation of leaders is developing.
- 7 Dairy farmers, beef farmers, and industry working together to maximise opportunities.
- 8 Insights drive rapid product and service development with tangible value captured by farmers.

Insights driven

Know our communities

Outcomes not outputs



Enhancing our environmental position

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Government & public insight & engagement

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01



Unlocking market potential

Championing our world class farmers, and unlocking the sector's full market potential

TASTE PURE NATURE

Total levy Investment* in this strategic pillar was \$8.3m for 2020. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
Market Development	\$7.5 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	\$0.8 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*

Unlocking market potential

Key achievements in 2020

- Successfully launched the sector's Taste Pure Nature country of origin brand in China while also continuing to build momentum in the United States through growing collaboration with processing companies, leading to increases in awareness of and preference for New Zealand beef and lamb
- Prepared for Brexit, helped the sector navigate the rapidly changing trade disruptions created by the COVID-19 pandemic, and worked with the Government on the United Kingdom and European Union free trade agreements and associated issues
- New Zealand Farm Assurance Programme continues to deliver benefits, with a reduction in physical on-farm audits of 37 percent, saving the industry \$1.9 million in audit fees over three years
- Continued to provide thought leadership with the launch of new research on the future of New Zealand's red meat sector, including a new research project on regenerative agriculture

TASTE PURE NATURE

B+LNZ and meat processing and exporting companies have successfully adapted the Taste Pure Nature origin programme in response to COVID-19, and it's proving to be a critical platform to position the sector with consumers during this time.

Taste Pure Nature was launched in China in January 2020, following its US launch in 2019. The marketing is targeted at a consumer segment we call the 'conscious foodie'.

NATIONAL WEBINAR SERIES

Global Market and Taste Pure Nature webinar

You can watch this update, part of B+LNZ's National Webinar Series, here: www.beeflambnz.com/blnz-national-webinar-series



Taste Pure Nature

Watch the highlights of our marketing program in the US and China, telling our grass-fed beef and lamb story.

www.bit.ly/3qyxB4U

US update

Over the last year, B+LNZ and processing companies have been building brand awareness and preference for New Zealand grass-fed red meat in the US through several digital marketing campaigns, in collaboration with processing companies.

Our research shows COVID-19 has heightened the global trend of conscious foodie consumers seeking safe and sustainable food, and as a result we adjusted our messaging to amplify our sustainability story and world-leading food safety systems.

In late 2019, we brought a group of key US foodie influencers to New Zealand. Their activities reached more than 40 million people and garnered more than 126,500 social media engagements.

We've continued working with Good Morning America which is proving to be very successful. In the lead-up to the Superbowl, a recipe by Chef George Duran had over 70 million impressions online including through social media. We used Earth Day to tell New Zealand's farming story in the US - nine Instagram posts were seen more than 750,000 times.



We've worked with Silver Fern Farms, Firstlight Foods, Atkins Ranch, and The Lamb Company on specific campaigns driving consumers to their product under the Taste Pure Nature brand.

We also recently partnered with New Zealand Trade and Enterprise and others in the 'Made With Care' campaign, to collectively promote

New Zealand's food and beverage sector on the global stage.

We're continuing to focus on telling New Zealand's sustainability story to the right audiences and looking for opportunities to collaborate with processing companies and using influencer activity to reach our growing audience.



China launch

Despite COVID-19, processing and exporting companies were keen to launch Taste Pure Nature in China as they saw an opportunity to position New Zealand as the source of premium, healthy and safe grass-fed beef and lamb.

Taste Pure Nature was piloted in retail outlets in the Shandong province of China in January in a collaborative campaign with ANZCO, Greenlea Premier Meats and Silver Fern Farms. While the

timing was affected by the outbreak of COVID-19, a supermarket is now rolling out the brand in 200 retail stores.

Another retail campaign with ANZCO saw sizeable crowds visit 13 of Beijing's ultra-high-end 7 Fresh stores, to experience New Zealand's grass-fed beef through curated instore experiences. As part of the campaign, influencer Hu-Hu-Sheng-Wei-Er (Tiger) posted a video to his followers about New Zealand grass-fed beef on Chinese social media channel Weibo, which has

been viewed more than 284,000 times.

Another significant new campaign with Alliance Group was also launched online, linked to a major e-commerce channel. B+LNZ is continuously monitoring the Chinese market and consumer preferences through social media monitoring and will tailor marketing efforts to address consumer needs. We'll also continue to expand our marketing activities in China to meet the growing interest in New Zealand's grass-fed beef and lamb.



New Zealand Farm Assurance Programme

The New Zealand Farm Assurance Programme (NZFAP) continues to go from strength to strength, especially with NZFAP underpinning the Taste Pure Nature brand. NZFAP is delivering on many of the benefits it set out to, such as eliminating duplication, reducing costs, and encouraging more farmers and meat processing companies to adopt the standard.

The overwhelming majority of processors are now auditing to the NZFAP standard, meaning the total number of audits required of farms overall has decreased by 4,644 over a three-year period, with a reduction in physical on-farm audits of 37 percent. This is estimated to have saved the industry NZ\$1.9 million in audit fees over three years.

Alongside the savings in reduced audit duplication, NZFAP will help build the reputation of New Zealand's red meat sector and underpin the work we're doing in our domestic and international markets promoting red meat. Visit www.nzfap.com



Future of the red meat sector and regenerative agriculture

In late 2019 B+LNZ released the Shaping the Future of the Red Meat Sector report identifying the emerging trends influencing the future of the red meat sector and how the industry can respond to them. The study, conducted in partnership with leading research firm Kantar Singapore and key industry partners, identified seven priority areas for the sector so it can thrive in the future. You can read the full report on the B+LNZ website: www.beeflambnz.com/news-views/shaping-future-red-meat-sector-report



As part of responding to the trends identified in the report, B+LNZ has recently started significant research into the global market potential of **regenerative agriculture**. This research will provide valuable insights into what consumers think regenerative agriculture is, and whether they're

willing to pay a premium for its products. In early September the study received a boost with the Ministry for Primary Industries (MPI) providing \$390,000 in funding, and the wine industry and Bragato Research Institute are now also involved. Results from the study are expected in early 2021.

TRADE ACCESS

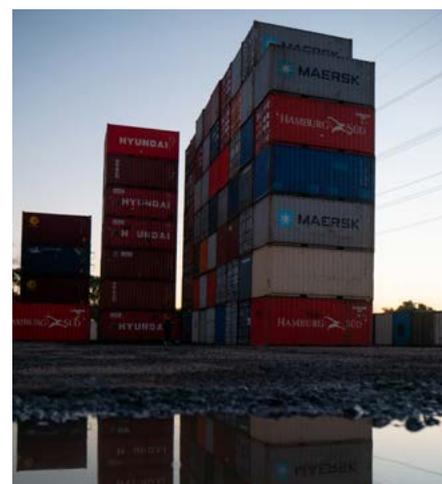
COVID-19 has reinforced the importance of maintaining open markets. With significant impacts on agricultural production globally, we're watching key markets to ensure there are no moves to restrict imports. The Government's recent efforts are appreciated.

B+LNZ have been working with international partners to strengthen the global trading environment. We represent New Zealand on the International Beef Alliance (IBA), whose members are responsible for 66 percent of the world's beef exports.

With the increase in global protectionism, our united voice on trade liberalisation is more important than ever. The latest IBA statement, from its recent virtual annual conference, is here:

www.tinyurl.com/y56mfj4h

B+LNZ also recently hosted a Global Trade Update webinar with guest speaker Vangelis Vitalis, one of New Zealand's top trade negotiators, to give farmers insights into the global trade policy situation. You can watch the webinar here: www.beeflambnz.com/global-trade-update-recap



NZ/UK and NZ/EU FTA negotiations

B+LNZ has increased its advocacy both here and in Europe over the last year to support our market access interests into the United Kingdom and European Union.

In terms of Brexit, we have continued to strongly oppose the current proposal to split quotas and continue to advocate for a long-term solution that does not erode our World Trade Organization (WTO) rights and that allows exporters to make sensible business decisions.

We're strongly supportive of New Zealand's Free Trade Agreement (FTA) negotiations with both the UK and EU, to improve on our existing WTO access. We're in constant discussions with the New Zealand Government around these negotiations.

There has been strong pushback this year in the UK and EU from their farmers about doing FTA negotiations with what they claim are countries with lower environmental and food safety standards. A key focus of our advocacy has been on ensuring people understand how high New Zealand standards are.

Our representative in Brussels has been working hard to share information about New Zealand's farming systems and regulatory framework with EU and UK officials and influencers and we have done submissions to the EU parliament around this. We've also invited key UK and EU government representatives based in New Zealand to visit our farms to see our high environmental standards and to show we would not pose any risks to their industries.

Brexit

Brexit has been a major focus throughout the year, and while the United Kingdom formally withdrew from the European Union on 31 January 2020, they remained in the single market for a transition period that ended on 31 December 2020. The United Kingdom and European Union are continuing to negotiate the detail of their trading relationship from 1 January 2021 onwards. The resurgence of COVID-19 in the Northern Hemisphere's winter and associated

lockdowns put additional pressure on the two parties reaching and ratifying an agreement before the new year.

Work undertaken by the New Zealand Meat Board (NZMB) prepared the sector for a variety of scenarios and therefore sought to minimise disruption for farmers, companies and the market. Farmers and processors, supported by Government, have shown themselves to be agile in the face of market disruption and we expect this to apply with Brexit.



02



Supporting farming excellence

*Providing insights, tools and services that
build better farm businesses*



Total levy Investment* in this strategic pillar was \$12.5m for 2020. The following table is a summary of the key initiatives within this pillar.

Name	Project cost** \$,000	Description	Contribution to strategic priority
Red Meat Profit Partnership	1,386	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.	Co-ordinate and deliver insights, tools, and services to farmers to better understand our sector, build capability, and improve farm sustainability, productivity, and profitability.
Extension delivery	3,097	Plan and implement regional research and extension plans that reflect regional and national needs. Deliver events and support to farmers and Farmer Councils.	
Farmer Council operations	202		
Beef + Lamb New Zealand Genetics	3,701	Develop and implement next generation genetics solutions, such as nProve, to boost farm profits and efficiency.	
Research and Development	2,160	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 34-35.	
Sector capability	958	Supporting sector employment and training.	

* 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 2020

- Successfully pivoted from a primarily face-to-face extension model to online channels in response to COVID-19 pandemic lockdowns and event restrictions
- Integrated Beef + Lamb New Zealand Genetics with the launch of new tools such as nProve, a new breeding value for methane, and new genetics programmes, as well as carrying on existing work despite COVID-19 disruptions
- Launched a new Farming Excellence strategy to drive a world class research, innovation, and extension programme for farmers
- Published a new Dairy-Beef book, highlighting Beef + Lamb New Zealand's work undertaken on behalf of dairy farmers, often in conjunction with industry partners such as DairyNZ

New Farming Excellence Strategy

At the end of September, B+LNZ launched its Farming Excellence Strategy to inform the design of tools, resources and programmes. The aim is to have a world-class research and extension programme. This strategy, based on six inter-connected programmes with a process of continual feedback, ensures information, tools and resources are making a tangible difference to farmers, their businesses and farming communities. The strategy was developed after extensive consultation with farmers, farming groups, and B+LNZ's Farmer Council and will help ensure B+LNZ's work remains relevant and accessible for sheep and beef farmers operating in an increasingly complex environment. Along with the traditional focus on driving improvements in productivity, efficiency, and cost reductions, the strategy also incorporates additional factors that are becoming increasingly relevant on farm, including consumer expectations, environmental and biosecurity concerns, social licence and government policies.

Find out more: www.beeflambnz.com/farming-excellence-strategy



Online Extension

When COVID-19 restrictions meant B+LNZ face-to-face extension events had to be cancelled, our extension teams adapted quickly and online webinars which proved very popular, reaching a wide audience and attracting large numbers of participants. These online extension activities have given B+LNZ the opportunity to reach and interact with a wider range of people than through traditional extension methods such as field days and workshops.

As a result of this success, B+LNZ's regional teams are continuing to investigate how to best integrate online events into the mix of extension delivery in the coming year. B+LNZ has also established a new National Webinar series covering topics of national interest to farmers such as essential freshwater policy, the Taste Pure Nature programme, and an update on the global trade situation. These have also proven popular and are likely to continue.



Red Meat Profit Partnership

Beef + Lamb New Zealand is one of ten partners in the Red Meat Profit Partnership (RMPP) Primary Growth Partnership, a programme which is playing a key role in lifting the performance of the sheep and beef sector. RMPP concludes in March 2021. MPI agreed to extend the programme until 31 March 2021 as a result of COVID-19. This has given the Action Network Programme, and associated Action Groups in particular, more time to establish and cement the benefits of this world leading initiative. The RMPP Action Network is made up of Action Groups which support farmers to develop the confidence to turn ideas into action on-farm. There are now 200 Action Groups in New Zealand. With an average of eight farms per group, this means about 1800 farm businesses have joined this nationwide initiative that results in individual farms working with others in their group to develop and implement plans to improve productivity and profitability.

Farmers have reported significant beneficial change to the productivity, profitability and sustainability and there was a positive spill-over to the wider sheep and beef industry. The RMPP Action Network represents transformational thinking and the missing piece in the extension puzzle. It is a proven approach to support farmers to make positive changes in a range of areas such as farm systems and the environment. Farmers have benefited from working and learning alongside other farmers and the advice of trusted independent experts to give them the confidence to make on-farm changes and improve their bottom-line. B+LNZ is adopting the Action Group extension and adoption model into its business to help support the delivery of B+LNZ's 'Farming Excellence Strategy to ensure all sheep and beef farmers have the opportunity to benefit from the success of the RMPP Action Network's small group learning approach.

RMPP developed several tools and resources to help farmers measure their farm business performance, make more informed decisions and improve their productivity and profitability. At the heart of these initiatives was a desire to help farmers collect, understand and analyse data to enable them to get a more complete picture of their farm business and where they could improve. There have been more than 22,000 "visits" to RMPP funded tools such as learning modules and key performance



indicators within the Beef + Lamb New Zealand Knowledge Hub

Electronic Animal Status Declarations (eASD), developed by RMPP in conjunction with OSPRI, enables farmers to complete and submit animal status declaration (ASD) forms electronically by smartphone or online. eASD is saving farmers, livestock representatives and meat processors' time and reducing costs, while offering New Zealand advantages in animal product traceability and market access. Approximately 6,000 farmers are now using eASD forms. eASD also proved its value for farmers during COVID-19 Alert Levels 3 and 4, with its contactless system meaning no paper touching.

The Taking Ownership of Your Financials workshop builds farmers' confidence in understanding the financial performance of the farm business, where the farm is performing well and areas with further potential. The Farm Business Transition and Succession workshop takes farm businesses through what can be a very difficult process. It covers understanding, management and ownership of the family farm business. The Aspiring to Farm Business Management workshop has been developed for individuals or couples wishing to manage or own a sheep and beef farm business. The workshop covers the many ways to enter farm ownership – share farming, leasing, equity partnership or straight-out

purchase. Over 600 rural professionals and farmers have undertaken facilitation training while programmes delivered by the Agri-Women's Development Trust (AWDT) (funded by RMPP) have attracted strong interest with more than 1,500 women attending over 100 workshops

RMPP also delivered a range of initiatives to attract top talent to the sector and encourage young people to consider red meat farming as a career option. Approximately 28,000 students were exposed to sector careers with a focus on school leavers, tertiary students nearing graduation or people already in the workforce but actively looking to change careers

The New Zealand Farm Assurance Programme (NZFAP) is the foundation on which the red meat industry can deliver an authentic and independently verified best-practice animal raising and production assurance standard to millions of consumers worldwide. Approximately 6,000 suppliers (65 percent of commercial farming businesses) are now registered for NZFAP, which is run by the industry-owned New Zealand Farm Assurance Incorporated. Seventeen members including all export and most domestic processing companies are participating. NZFAP was launched by RMPP in conjunction with its processing partners and the deer industry to streamline on-farm audit and certification within a single farm programme.

Learn more about RMPP:

www.rmpp.co.nz

B+LNZ Genetics

Activities underpinning profitable breeding decisions

nProve

In September 2020, B+LNZ Genetics pressed “live” on nProve - a new tool for New Zealand farmers that makes it easier to find the best rams for their operation. Utilising new software and technology, the launch reinforces New Zealand’s position as a trailblazer in sheep genetics. Using a series of buttons and slider scales, farmers describe what they need from their ram team, then – with a simple click of a button – nProve generates a list of breeders whose rams tick those same boxes. Feedback from industry has been overwhelmingly positive and analytics show it has been well-received in the market, with an average of 537 visitors to nprove.nz each month since its launch, many visiting more than once during the first 12 weeks of its release.

Check out nProve at www.nprove.nz



New Zealand Genetic Evaluation (NZGE)

A number of updates were implemented in 2020 as part of B+LNZ Genetics’ commitment to continuous improvement of the NZGE – ensuring its ability to handle new data, maximise future stability and accuracy whilst minimising re-ranking. These included:

- a review and rationalisation of the wool modules, including re-estimating genetic parameters used to produce breeding values, and a review of the key traits affecting wool price. A revised module was rolled out in October and will deliver more accurate breeding values and indexes to breeders recording wool traits.
- streamlining the evaluation for some of the novel traits (e.g. Wool Quality, CARLA and Methane) where there is a limited amount of recorded data compared to mainstream traits. This removes the need for special runs, improves evaluation stability and makes it easier to add traits in the future.
- increased scalability to enable the evaluation to continue to handle growing amounts of animal data. This involved software enhancements, increasing computing resources, updating the overall orchestration and robust testing.

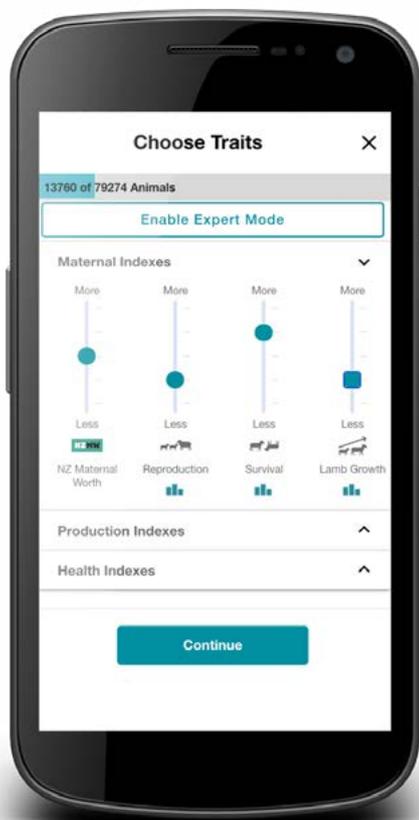
These updates result in a faster, more accurate evaluation, which allows New Zealand sheep breeders to make better, more-timely decisions for their breeding programmes.

New beef programme underway

B+LNZ Genetics started an exciting new seven-year programme of work on behalf of the New Zealand beef industry. It builds on previous research and involves the creation of a new Beef Progeny Test, in response to an increasing demand for high quality food produced with a lower environmental footprint. In 2020, Angus and Hereford heifers were artificially inseminated at Pamu’s Kepler farm in Te Anau, and this will provide the basis for delivering a number of the programme’s objectives for farmers. The sires used create linkages to international datasets and other progeny tests - including the Dairy Beef Progeny Test and the previous Beef Progeny Test. B+LNZ Genetics will continue to measure and monitor progeny and maternal trait data at the previous progeny test farms, but will not continue mating at these sites.

Sheep Progeny Test

The Sheep Progeny Test is a long-standing and critical component of New Zealand’s sheep genetics system. The 2020 mating programme was successful despite coinciding with the Level 4 lockdown. The team responded quickly and worked closely with its community of breeders to ensure that the AI programme on the commercial farm at Glenside Station could continue as planned, as well as a smaller AI programme at the Low Input site. Ewes at the Invermay Hub and SIGC research sites were naturally-mated using local, well-linked sires and the important links across the industry and to previous years’ data was maintained.



Dairy-Beef Progeny Test

Excellent progress is being made on the dairy-beef progeny test, which aims to improve the quality of dairy-beef animals in the industry. Results from this progeny test show that there is a huge pool of bulls available that can be used safely over dairy cows and offer an improvement in gestation length and calf value. None of the test's bulls have caused calving difficulty when used over the cow herd. Last year, B+LNZ Genetics joined forces with the Livestock Improvement Corporation (LIC), to make it easier for dairy farmers to access superior beef genetics. Through the collaboration, beef breeders have a potential path to the large dairy market by working with LIC. The partnership highlights the extra effort B+LNZ is going to ensure we can deliver real value to our dairy farming beef levy payers.

Sheep Breeder Forum 2020

Due to COVID-19, the Sheep Breeder Forum was run as a virtual event. An estimated 90-100 people watched the live stream, with 15-20 percent of viewers indicating they had two or more people watching from their home. Interestingly, 14 percent of the audience who joined were commercial farmers. The virtual aspect of the forum made content accessible to an audience who wouldn't normally be able attend this event due to distance or other commitments.

Breeding the animals New Zealand needs for the future

Low-Input Sheep Progeny Test

The key objectives of this trial are a focus on animal welfare and livestock emissions. In addition to New Zealand Maternal Worth traits, low input traits recorded are Dagginess, Tail Length, Bareness and Parasite Resistance. Measurements recorded on animals will help develop new breeding values for methane emission and feed efficiency, as well.

For some, the idea of “no drench, no dag, no dock” may seem like a recipe for disaster, but the first year of results show it can be done. Of 450 male lambs produced in the first cohort, all but 20 were fit for slaughter by mid-May, and many well before that. Ewe lambs demonstrated similar weight gains. Despite facing a significant worm challenge, and no drench from weaning in December, the average growth rate of male lambs (from weaning to slaughter) was 100g/day (about national average). Despite challenges faced due to COVID-19 restrictions, 15 rams from across New Zealand were included in the 2020 mating programme, representing 10 breeds.

A 'Virtual Field Day' was held in June 2020 to share results from the first year of the trial, with 80 people joining live over the course of the session.

Breeding low-methane emitting sheep

Having launched a breeding value for methane in November 2019, many sheep breeders have been embracing the opportunity to measure the methane emissions in their animals through AgResearch's portable accumulation chambers. PGgRc have supported those breeders who commit to measuring methane, by providing them a cost-offset (50 percent subsidy). Breeders who have breeding values for methane emissions are the first in the world to be able to use these to factor in their selection process, with the aim that their clients will be better off in the future.

Genomics R&D

Some new R&D initiatives started this year to advance the use of genomics (an animal's DNA profile). One project is assessing if phenotype data measured using different approaches to determine meat quality (e.g. near infrared, marbling, hyperspectral imaging, wet chemistry) can be aligned to a single trait for intramuscular fat (IMF) within the SIL/nProve meat quality evaluation.

The other project aims to identify an ideal set of genotype markers for the New Zealand sheep industry genomic evaluations to provide alignment between both maternal and terminal genotype testing. This will provide breeders a single genotype test, which can be used for maternal and terminal sheep, as well as increasing the accuracy and stability of the analysis needed to inform Breeding Values. Both projects are being undertaken by AgResearch and funded by B+LNZ.





Hill Country Futures

B+LNZ leads the \$8.1 million Hill Country Futures programme. The programme has four research strands:

- Stakeholder interviews – information gathered from 170 farmer-focused interviews and six focus group discussions will be used to inform the development of a vision to support a resilient and sustainable hill country future and how this can be achieved.
- Communities to market – using information from the interviews, this area is focused on telling farmer and community stories.
- Biodiversity in forage landscapes – alternative forage species such as new legumes and native plants are being evaluated at a number of sites nationally.
- Landscape classification tools – modelling of forage legume yield from a national perspective is underway.

Monitoring sensor networks have been established that can help support classification of the landscape according to suitability for legume forage options at the farm-scale.

The role and opportunity for soil health, soil carbon and biodiversity in farm planning is being evaluated.

You can find further information at the Hill Country Futures website, which was also launched in 2020: www.hillcountryfutures.co.nz



Pastoral Genomics

B+LNZ was a major funder, along with DairyNZ, in the five-year Pastoral Genomics programme which concluded this year. The programme produced four significant advances:

- It demonstrated that genomic selection can be successfully applied to ryegrass and clover and proved the technology for use in New Zealand and Australia. Early results in experimental plots show a 13 percent increase in dry matter yield compared with a traditional breeding method.
- The development of a machine for measuring phenomics – the physical characteristics of plants – substantially reducing the cost and increasing the accuracy of measurements. The machines have been made available to seed companies.
- The development of easier-to-use software for use in breeding programmes – this is being used by seed company partners.
- Identification of clover plants with novel traits that can be used by seed companies in their breeding programmes.

You can find further information about the outcomes here:

www.pastoralgenomics.com

Future Farm

B+LNZ has taken total ownership of the lease of its first Future Farm, Lanercost. Taking ownership of the lease of the North Canterbury farm gives us the ability to push boundaries on new technologies and farm systems.

The founding partners did a fantastic job with the set-up and will continue to be involved with the farm as well as helping ensure the programme remains grounded in solving the issues farmers face.

Eighteen months on, the Future Farm is now in a fit-for-purpose infrastructure and genetics position, which provides an appropriate launching pad for testing new technologies and farming systems.

More information on the Future Farm programme can be found at: www.futurefarm.co.nz



Facial eczema tolerance testing funded

In July 2020 a pilot study to investigate a potentially ground-breaking facial eczema tolerance test was launched. Funded by B+LNZ and led by AgResearch's Dr Axel Heiser, it will explore the feasibility of a laboratory-based test to determine an animal's tolerance to the toxin associated with facial eczema. If the initial results look promising, the test will require further development and full validation to make it a readily available test for breeders and commercial farmers.

Farm Planning

B+LNZ worked with a range of industry experts to build our farm planning tools, including workbooks and guidance material while also designing the workshops and extension material to help farmers on the road to building their own farm plan. While we know that farm planning is being driven by government, our overarching goal has been to create a process which puts the farmer in the driving seat. Our plan will help farmers to understand their farm and resources more deeply, with compliance being a useful outcome rather than the primary reason to do the plan. The B+LNZ Farm Plan has been built off the existing Land Environment Plan 1, 2 and 3 and focuses on the four pillars of soil, water, greenhouse gases and biodiversity. This year a significant amount of work has gone into ensuring B+LNZ's Farm

Plan matches government regulations as we know them and working across the country to try and help Regional Councils and government departments understand and ultimately endorse B+LNZ's approach.

Led by B+LNZ's General Manager North Island, Matt Ward, building the farm plan has been a collaborative effort with input from New Zealand's leading experts in the field and support from RMPP. Farmer groups in the North and South Islands have helped to prototype and test the plan during its development, as have rural professionals.

In December 2020, B+LNZ appointed well-known agri-business professional Ron Pellow to our Leader Farm Planning role where Ron will be responsible for working with our teams and external partners to roll out the B+LNZ Farm Plan during 2021.



Ron Pellow

Tailored, online resources shine during COVID-19

The COVID-19 pandemic saw B+LNZ's online farmer resources grow in importance. Lockdowns, followed by fewer face-to-face events, meant our webinars, podcasts, website and its online resources, and our social media channels helped farmers find the answers they want in a way that works for them.

Our resources focus on three key themes: Information – answering straight technical questions (such as “How much dry matter do my ewes need each day?”); Innovation – new ideas and techniques for farmers to consider (such as strategic grazing to reduce soil loss and water pollution); and Inspiration – showcasing new possibilities in sheep and beef farming that could make life better for families, communities, and farms (such as Community Catchment Groups).

We also take a “menu” based approach rather than prescriptive “recipes”. That means we won't tell farmers what they should do (like a recipe), but we try to have a range of options and formats, so farmers have a choice of information and ideas and pick the ones that will work for them and their farm.

 **22,000**

Farmer resources downloaded

 **117,000**

Average views of tweets each month

 **163,000**

Average views of Facebook posts each month

 **47,000**

Podcast downloads

 **22,000**

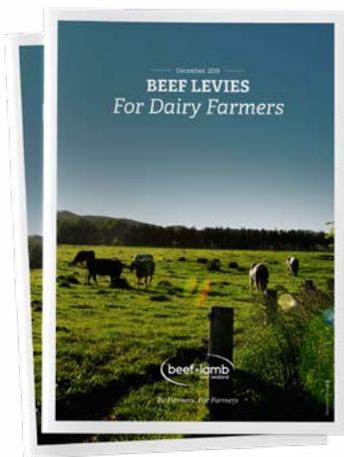
Farmer resources mailed out

Pastoral Greenhouse Gas Research Consortium

Good progress continues to be made by the Pastoral Greenhouse Gas Research Consortium (PGgRc), which B+LNZ is a funder of, into research on reducing agricultural emissions. In a world first, New Zealand sheep farmers now have the ability to breed animals that emit less methane with B+LNZ Genetics launching a 'methane research breeding value'.

The launching of this significant breeding tool is thanks to a 10-year multimillion dollar collaboration between PGgRC, the New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) and AgResearch, supported by the Ministry of Business, Innovation and Employment, and MPI.

For more information:
www.tinyurl.com/y5qe3tfs



New Dairy-Beef Book

In February 2020 B+LNZ launched Beef Levies for Dairy Farmers with overwhelmingly positive feedback from dairy farmers. The book brings together the many projects and initiatives that have been undertaken on behalf of dairy farmers, both by B+LNZ and in conjunction with other industry partners such as DairyNZ.

Projects include the selection of beef genetics that add value to dairy farmer calf crops through to driving higher premiums for New Zealand's grass-fed, naturally raised beef exports – the majority of which originate on dairy farms. You can find a copy of the dairy-beef book here: www.beeflambnz.com/knowledge-hub/PDF/beef-levies-dairy-farmers.pdf

Focus continues for on-farm health and safety

The health and safety of our people and our farmers is paramount. Unfortunately, too many farmers are still getting injured or dying on New Zealand's sheep and beef farms every year. Although COVID-19 disrupted many of our initiatives, B+LNZ remains committed to supporting our farmers to improve health and safety on their farms.

Extending Farm Safety Management System workshop programme:

We continued to offer B+LNZ's Farm Safety Management System workshops on demand. Since these workshops were launched in September 2015, more than 4,000 farmers have attended.

Working with ALHSAG and WorkSafe:

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

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

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

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

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

Looking after our people: Over the past year, we have continued with our Event Safety Management System workshops for staff and facilitators who run our events. We have also put in place internal B+LNZ Safety Management Systems for our staff.



Supporting Māori Farmers

Māori are large-scale operators in the primary sector and play a significant role in leadership. Māori have large sheep and beef land holdings, and as Treaty settlements continue, many trusts and incorporations are looking to invest and drive greater farm performance. B+LNZ is committed to building quality enduring relationships with Māori as partners by acknowledging and understanding the unique role of tangata whenua within New Zealand's land management activities.

In partnership with Māori farmers B+LNZ has developed a strategy with a range of focus areas including better understanding Māori land ownership in sheep and beef farming from a tribal rohe perspective. We are also co-designing extension activities which best suit the ownership and governance structures in Māori farming. Thirdly, B+LNZ is making a significant investment to increase cultural understanding and competency both at its governance and management level.

B+LNZ is also a strong supporter of the Ahuwhenua Excellence in Māori Farming competition, with the Federation of Māori Authorities (FOMA) being a key strategic partner in many initiatives, including He Waka Eka Noa. FOMA is an important partner in connecting with Māori agribusiness, and two key initiatives include supporting environmental planning on Māori farms and understanding farming needs and aspirations to guide B+LNZ's ongoing research innovation and extension activities.

People, Capability, and Training

Attracting and retaining talented people in our sector remains an important focus area for B+LNZ. We were heavily involved, with the Government and primary sector, in the development of the new Food & Fibre Skills Action Plan 2019-22. This aims to fix the skills gaps facing farmers and growers and moving towards a greater alignment between our farmer capability work and our extension activities.

This year B+LNZ has been focused on the establishment of the Workforce Development Council, helping to set up a new Centre of Vocational Excellence for the primary sector, and continuing our own initiatives to support on-farm training and development opportunities for sheep and beef farmers.

We've continued to support cadet farms and agriculture in schools across New Zealand. We're heavily involved in the 'Meat Your Career' school camps for young people to learn about on-farm work, and in partnership with Growing NZ we attend career expos to target students who are making career decisions.

Our Generation Next programme continues to prove successful in the South Island, so we're expanding it to areas of the North Island in 2021. The programme is designed to nurture, assist and encourage current and future farmers within our sector to take leadership roles.

B+LNZ also welcomed the launch of the Government's Opportunity Grows

Here campaign to attract new people into food and fibre sector jobs. With many on-farm jobs found through word-of-mouth, putting linkages in place for people interested in the primary sector is vital to turn that initial interest into a decision to pursue a career on-farm or in the wider sector.

B+LNZ has also been working with industry partners throughout the COVID-19 pandemic to lobby the Government for support to help fill workforce shortages facing the sector due to the country's closed borders.

More information about the work B+LNZ is doing to support capability and training is available here:

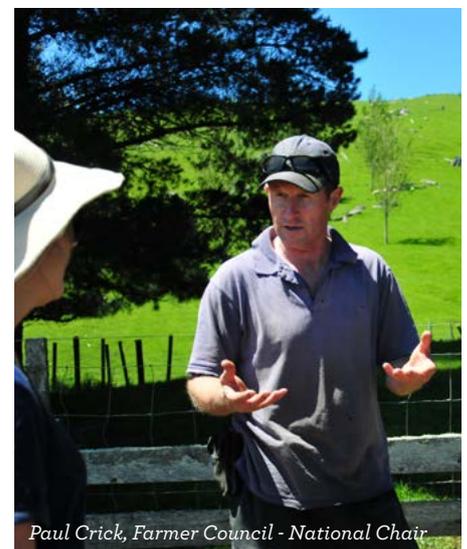
www.beeflambnz.com/supporting-sector-capability-and-training



Farmer Council – Our link with farmers in the field

B+LNZ's Farmer Councils are 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 decision making in the environment and research areas,

working closely with the relevant teams in B+LNZ. All sheep, beef, and dairy levy payers on the B+LNZ electoral roll can participate in the decision making process through their Farmer Council. We seek to ensure we have a cross section of farmers and skill sets on Farmer Council. As an example, we now have a dairy farmer on each of the Farmer Councils. 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.



Paul Crick, Farmer Council - National Chair

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	2019/20 Expenditure (\$,000)
Hill Country Futures	656
Pastoral Genomics	520
The Pasture Raised Advantage Research	125
Ethically and sustainably produced high value lamb	135
Assessing the feasibility of a laboratory test for facial eczema tolerance	95
A multifaceted approach to assessing the impact of long acting anthelmintics on rumen microbes, ewe health and fertility.	81
Ewe udder health & effects on lamb production	10
Improving Post Weaning Growth Rates and Twin lamb and lamb growth management	101
Pasture Management in a Volatile World	60
Grazable shrubs for hill country	55
Assessing change and quality of native woody vegetation on sheep and beef farms - select case studies	10
Protecting our soils - helicropping	10
Catch crops for sediment leaching	10
Catch crops for nitrate control	10

Description of research projects invested in by B+LNZ

2019-2020

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?

The Pastoral Genomics programme uses modern genomic technologies in ryegrass and clover to enhance the profitability and sustainability in NZ pastoral farming. Supported by the MBIE, B+LNZ, DairyNZ, Dairy Australia, Agriseeds, PGG Wrightson Seeds, and AgResearch.

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 in 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.

The overall objective of this Massey University led project is to develop an udder scoring system that can accurately be used by farmers and which is proven to be associated with udder health, lamb survival and lamb growth rates. This project involves Massey University, Lincoln University, and AgResearch.

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 farmer-led MPI SFF project quantifying the benefits of deferred grazing as a low cost method of pasture conversion and renovation. Led by the B+LNZ Mid-Northern Farmer Council, the project includes AgResearch, Ballance Agri-Nutrients, Plant and Food Research, Bay of Plenty, and Waikato Regional Councils.

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 project supports a University of Canterbury Master's student who is using remote sensing and aerial photography images that have been captured over time as well as the ground-truthing of vegetation types and spatial distribution to map the current distribution of native woody vegetation using the vegetation classification framework at five pilot study locations.

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 co-funding contributes to a Lincoln Agritech led MPI SFF project. This farmer-led initiative is aiming to develop and demonstrate the use of catch crops in winter forage grazing rotations as a means to lower their nitrate leaching footprint. Using catch crops successfully will not only reduce nitrate leaching losses but increase N use efficiency and feed production on farm.

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 Veronica Gillett

The Northern North Island was severely impacted by the 2020 summer drought. Concerns around feed supply were also exacerbated by farmers having previously reliable water sources drying up and stock water becoming the most urgent issue. The COVID-19 lockdown then hit at a crucial time for farmers and previously planned events had to be revamped and presented through online platforms.

M. bovis and traceability have continued to be a big focus in the region and B+LNZ has partnered with OSPRI to run a series of online and face-to-face sessions with farmers to boost understanding of the NAIT system.

The multi-sector Extension 350 has continued in Northland with well attended field days being held, demonstrating the benefits of being involved in the programme. While environmental issues have continued to play a part in our events, there remains a lot of interest in production-related topics with a special Sheep Production field day held looking at sheep systems.



Mid Northern North Island - Extension Manager Maria Shanks

Policy was the main focus in the Mid Northern North Island region in 2020. The Hearings Commissioners came out with their findings on the Waikato Regional Council's Plan Change One. While a lot of the feedback from farmers and industry organisations was taken on board, remaining concerns resulted in appeals to the Environment Court.

The region piloted the new B+LNZ Farm Plan workshops in conjunction with King Country River Care. Many new catchments expressed interest in starting groups in their area and we have been rolling out our Catchment Community workshop to help them get started.

The number of face-to-face events was severely impacted by the COVID-19 restrictions and the region switched to online events, articles, podcasts and even a local radio show to help get key messages out to farmers. Overall, the region held 40 events, which was made up of 32 online or workshop-based events and eight field days.



Western North Island - Extension Manager Jason Griffin

COVID-19 forced the postponement of many events in this region including the annual AgInnovation Conference. However, video conferencing was fully utilised for extension delivery and the Farming for Profit programmes subsequently delivered eight online webinars featuring recognised topic experts.

We also collaborated with other regions to deliver two National Ladies Musters online.

Online video conferencing will be used as a mechanism for extension delivery in future Farming for Profit programmes.

An additional Farming for Profit programme for the Whanganui Region was added in 2020 to increase engagement in that area.

It was a challenging year with drought covering much of the country. The Regional Delivery Plan has an overarching theme of building resilient farmers and farm businesses.

The catchment community initiative has been very successful in the Rangitikei region under the Rangitikei Rivers Catchment Collective with over a dozen groups established. Catchment groups are being formed in the Manawatu and interest is developing in the Taranaki.



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

Forestry taking over productive farmland has been the dominant issue in this region over the past year. It was the B+LNZ Farmer Council that initiated the BakerAg Wairoa Case-Study which showed the devastating impact widespread forestry would have on rural communities. This case study was presented at Parliament.

Farming for Profit programmes have been run successfully in both the Wairarapa and Tararua regions with good attendance. These covered a range of topics throughout the year such as tackling policy changes, business and personal resilience, animal health and trees on farm. Drench resistance is becoming more prevalent across the whole region and B+LNZ encouraged RMPP groups to run Wormwise workshops to help educate farmers on parasite management.

In total, B+LNZ ran or co-hosted 32 different events in the Wairarapa/Tararua areas, reaching 1,475 people. In the Hawke's Bay, Patrick and Izzy Crawshaw's Monitor Farm programme was launched and this attracted widespread interest and community support at the opening field day and subsequent community days. B+LNZ had input into a total of 48 events and workshops in the Hawke's Bay/Gisborne area, reaching 1,768 people. The most significant B+LNZ-supported event was the Ahuwhenua Maori Farmer of the Year Award (Sheep and Beef), which held three successful and well-attended field days.

South Island



Northern South Island - Extension Manager Briar Huggett

COVID-19 disruption meant the increased use of online platforms to deliver the region's extension plan. Webinars were successful over the lockdown period including the Virtual Women's Muster and several Farming for Profit webinars. There was a strong focus on social media as an extension tool for younger audiences and the South Island Instagram gained close to 2,000 followers.

Environment Policy has been a huge focus. Essential Freshwater landed in the middle of the year and farmers and industry alike tried to make sense of how to begin implementing the new rules.

The Generation Next personal development programme was successful despite disruption caused by COVID-19. Generation Next aims to build sector capability, targeting people already working within the industry.



Central South Island - Extension Manager Laura Lake

Collaboration was the theme for 2020 in the Central South Island region. COVID-19 meant a significant increase in online events and while there were some region-specific seminars, we worked alongside the other South Island Extension Managers to organise a number of online activities.

We also increased our social media activity in 2020 and learnt to make the best use of social media platforms for extension work and information transfer.

Environmental regulations dominated much of the physical work in the Central South Island in 2020 and this included meetings and workshops, telling farmers what they need to know and what they need to do in response to government regulations.

Farm management-related extension activities remained an important part of the Regional Delivery Plan.

Southern South Island - Extension Manager Olivia Ross

Due to COVID-19 disruptions, everything from Farm Planning workshops through to Farming for Profit seminars were delivered by video conferencing.

Supporting catchment groups and farmers through environmental regulation changes, particularly around winter grazing, was a big focus area. This includes working collaboratively with other organisations to help farmers make good-practice management decisions. The climate threw some curve balls in 2020 with floods and snow affecting the region at different times. These highlighted the value of cross-sector relationships in being able to provide assistance to those most affected and ensuring resources were available to get businesses up and running again as quickly as possible.

The Generation Next programme continued to grow with strong South Island support.

Over 300 students and career changers took part in the inaugural Food and Fibre Discovery Challenge, which was launched at Southern Field days in Waimumu. Participants discovered career opportunities while learning about the sector as a whole.



03



Enhancing our environmental position

*Strengthening our farmers' reputation
in New Zealand and globally through
sustainable environmental management*

Total levy Investment* in this strategic pillar was \$4.3m for 2020. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
PGgRc	Partner of the Pastoral Greenhouse Gas Consortium, working to reduce greenhouse gas emissions from agriculture.	Strengthen farmers' reputation in NZ and globally through sustainable environmental management.
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 <i>He Waka Eke Noa</i> .	
Farm planning	Establish common rules for farm environment planning and build capability to deliver quality planning.	
Farmer tools	Develop and share farmer tools to optimise and measure environmental change.	

** 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*

Enhancing our environmental position

Key achievements in 2020

- Continued support for on-farm action to improve environmental outcomes, despite COVID-19 disruptions, with new online seminars with farmers in conjunction with DairyNZ
- Met with 3,000 farmers around the country during the Government's consultation on its Essential Freshwater proposals to both help inform our own submission and help farmers make their own
- Achieved significant changes to Waikato Plan Change 1, removing many of the most unworkable provisions from it
- Supported important research into the impact of carbon farming on rural communities with our Wairoa Report on Afforestation, and played a leading role in the setting up of the agricultural sector's response to climate change - *He Waka Eke Noa*
- Funded new research from Auckland University showing that sheep and beef farms are close to being net carbon neutral, with between 63 percent and 118 percent of their on-farm agricultural emissions being offset by on-farm planting
- Facilitated farmer engagement and submissions on reforms of the Emissions Trading Scheme and draft National Policy Statement on Indigenous Biodiversity

The environment has continued to be a major priority for B+LNZ. Our focus in the last year has been on influencing sensible policy development, in response to an ambitious government agenda, through:

- continuing advocacy with Ministers, MPs and officials,
- the funding of solid pieces of research to support our policy positions, and
- supporting farmers to engage in the consultation process.

We have also significantly lifted our support for catchment communities across the country – it has been heartening to see a major increase in momentum. We undertook high-profile information campaigns for farmers on improving winter grazing practices.

Our focus this coming year will be on getting fixes for some of the rules that have been introduced and supporting farmers with the tools to implement the new rules, particularly with respect to water and climate change.

Essential freshwater

We engaged intensively in the essential freshwater regulation development process.

- We met with around 3,000 farmers during the consultation - hearing their concerns helped us develop our submission.
- We developed advice for farmers to make their own submissions and these templates were downloaded more than 3,000 times.
- During the consultation, we released research by BakerAg that estimated the economic cost of the essential freshwater rules and this received good media coverage.

We were able to get some significant improvements on the original proposals, stopping the stocking rate grandparenting and blanket stock exclusion on hill country, but the Government did not listen to our feedback on the impracticality of some of the winter grazing rules and low slope map for stock exclusion.

Since the rules were announced we've been working with other industry organisations and advocating

to the Government and regional councils, to try and get them fixed.

We're working intensively with the Government on the certified freshwater farm plan. B+LNZ has updated its farm plan to cover water, biodiversity, and climate change and we're proposing this as a certified farm plan, as we're confident it will deliver water quality outcomes while also minimising cost and duplication for farmers. We believe the B+LNZ farm plan not only offers farmers good business information but will provide a foundation for farmers to tell their environmental stewardship story and meet market assurance requirements – as well as meeting regulations.

In parallel with this process, B+LNZ has continued to engage intensively in key regional plan changes across New Zealand. A major priority was the Waikato Plan Change 1 process, which was considering very similar policies to those proposed in the essential freshwater consultation. We successfully advocated for changing many of the most unworkable provisions.

Climate change

Carbon farming and the Emissions Trading Scheme (ETS)

A major priority in the last year has been working to raise awareness of the issue of wholesale land use change from sheep and beef farming to carbon farming.

The Government is economically incentivising this land use change through the increasing price of carbon credits distorting what land is worth, and productive farmland is being sold for the future planting of trees – mainly exotic species such as *pinus radiata*. Allowing unlimited offsetting also reduces the incentive for carbon emitters to take proactive actions on reducing their own emissions.

B+LNZ estimates that over 70,000 hectares of sheep and beef farming land has been, or is in the process of being, converted into forestry since the start of 2019, with major implications for rural communities.

We tried to get a mechanism to restrict forestry offsets in the Emissions Trading Reform Bill but were unsuccessful. Since the passage of the Bill, we've continued

to raise concerns about the need for restrictions and, working with Federated Farmers and 50 Shades of Green, we were successful in getting mainstream attention on this issue.

A key factor in our advocacy was the report that highlighted the economic and job impacts of large-scale conversion of sheep and beef farms into forestry in Wairoa. It showed that sheep and beef farms generate around seven jobs per year per 1,000 hectares in the Wairoa community compared to less than one job per year per 1,000 hectares from carbon farming.

You can find the full report by BakerAg on B+LNZ's website: www.beeflambnz.com/research-afforestation-impacts-wairoa

All political parties acknowledged the need for restrictions on land conversion, including Labour. We will be holding them to this in the coming months.

We have also commissioned independent analysis on the amount of conversion of sheep and beef farms into forestry, as the government's statistics are out of date by nearly two years. We are hoping to release this report in the next couple of months.

He Waka Eka Noa

In 2019, the Government agreed to work with our sector on a framework for managing agricultural greenhouse gas emissions, rather than bringing agriculture into the ETS or taxing farmers through a levy at the processor.

We've been heavily involved with He Waka Eke Noa over the last year because this is the sector's opportunity to design a regulatory framework that works for sheep and beef farmers and delivers the environmental outcomes New Zealanders want.

If the sector is successful with this collaborative approach, we hope this can be applied to other policy areas. It's a huge opportunity to take leadership of our issues.

Of the eight workstreams identified by He Waka Eke Noa, four are underway and progressing well:

1. Emissions reporting – specifically how on-farm emissions are reported,
2. On-farm sequestration,
3. Carbon pricing,
4. Farm planning.

A major priority for B+LNZ is to ensure that farmers get recognition for the genuine sequestration happening on their farms. If farmers are to face a price for their emissions, it's only fair they get recognition for their offsets. B+LNZ's view is that farmers should only have an obligation on net emissions at the farm gate.



New Zealand sheep and beef farms close to being net carbon neutral – new research

In October this year, B+LNZ released major new research by Auckland University of Technology that estimates the woody vegetation on New Zealand's sheep and beef farms is offsetting between 63 percent and 118 percent of the on-farm agricultural emissions.

The research strengthens calls for the formal recognition of on-farm carbon sequestration, especially as part of He Waka Eke Noa, with a lot of the vegetation on sheep and beef farms not qualifying for inclusion in the ETS because it does not meet the definition of a forest.

If the mid-point in the report's range is used, on average the woody vegetation on a sheep and beef farm is absorbing about 90 percent of on-farm agricultural emissions. This comes on top of the sector having reduced its absolute greenhouse gas emissions from sheep and beef production by 30 percent since 1990.

While the study did not quantify the sequestration taking place on dairy farms, the findings are helpful for dairy farmers who do have sequestration happening on their farms and would like to get credit for this. The beef emissions figure in the research also included an allocation for dairy-beef.

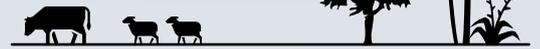
Further research is now underway by AgResearch to use this study to investigate a net carbon footprint for New Zealand beef and lamb using the Global Warming Potential* (GWP*) metric, as research indicates this metric can better reflect the warming impact of different greenhouse gases on the globe.

You can find a copy of the report here: www.beeflambnz.com/net-carbon-report

We have now commissioned research by AgResearch to use this sequestration research to calculate a net carbon footprint per kilogram of New Zealand beef and lamb.

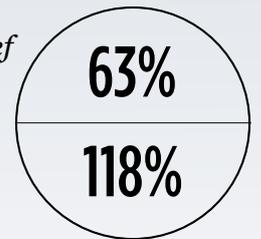
Key findings

New Zealand sheep and beef farmers are well on the way to being carbon neutral



30% **REDUCTION**
in absolute
greenhouse gas
emissions since 1990

Woody vegetation on NZ sheep and beef farms is offsetting between 63% and 118% of their on-farm agricultural emissions





NPS on Indigenous Biodiversity

Another important area of advocacy on behalf of farmers in the last year has been the draft National Policy Statement on Indigenous Biodiversity (NPSIB) the Government released in late 2019.

Our farmers already look after 2.8 million hectares of native vegetation on their farms and farmers largely support the intent of the NPSIB. However, we had significant concerns about the original policy proposals, particularly the definition and treatment of Significant Natural Areas (SNAs).

We ran a roadshow during the consultation – meeting with over 1,000 farmers – to explain the issues and help farmers make a submission.

Our template submissions were widely used.

We welcome the Government’s decision to postpone a decision on the NPSIB until early 2021. Given the amount of work that needs to be done on freshwater and climate change, we’re asking the new Labour Government to delay this process further.

We are concerned about farmers’ capacity to take on any further new policies and believe the biggest environmental gains will be achieved from getting the water rules right and focusing on implementation, and on progressing He Waka Eke Noa.

Support for on-farm action on the environment

In parallel with other policy work, B+LNZ has continued to engage with farmers to improve their environment practices. A major priority has been lifting our support for catchment communities – we’re now working with over 50 groups across the country.

Improving winter grazing practices has also been a major priority. Since winter 2019, B+LNZ has held a number of joint workshops with DairyNZ across the country, including a new workshop series with agri-professionals to ensure they had the best and latest advice for farmers.

B+LNZ and DairyNZ also ran a number of online seminars with farmers during the first COVID-19 lockdown. The first webinar in Southland had over 300 registrations and it’s estimated that around 400 people took part on the day as whole farm teams tuned in.

B+LNZ has been refreshing its Land and Environment Plan (LEP) into the all-encompassing and dynamic Farm Plan that will help farmers future-proof their businesses in a practical and cost-effective way.



04



Government and public insight and engagement

Backing our farmers on the issues that count

Total levy Investment* in this strategic pillar was \$3.4m for 2020. The following table is a summary of the key initiatives within this pillar which is largely staff time.

Name	Description	Contribution to strategic priority
Keeping farmers informed	Understand the needs of the sector, keep farmers informed and connected.	Advocate on policy issues on behalf of farmers and increase public understanding and support for farmers.
Biosecurity	Manage biosecurity issues, including <i>M. bovis</i> , and develop and implement programmes to minimise future risks.	
Telling the farmer story	Tell a strong story about the value of farming and contribution to thriving rural and regional communities.	
Insights & risk management	Proactively identify and develop insights that drive action on risks and opportunities for farmers and the sector.	
Policy programme	Implement a policy programme that addresses policy and regulatory issues for the sector.	

** 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*

Government and public insight and engagement

Key achievements in 2020

- Launched major reports on the economic and social contributions of the red meat sector to New Zealand, showing over 92,000 jobs supported and \$12 billion in industry added value each year
- Supported telling the farmer story both to policy makers and the New Zealand public, with extensive engagement with Government Ministers, Members of Parliament, and officials across a number of crucial areas such as trade, climate change, fresh water, afforestation, sector capability, and indigenous biodiversity
- Was a founding partner of the launch of the Open Farms initiative, which saw farmers around the country open their gates to the public to help build knowledge and trust between urban and rural New Zealand
- Worked with the Meat Industry Association to refresh the sector's Red Meat Sector Strategy, and launched our election manifesto on how parties contesting the 2020 General Election could support New Zealand's red meat sector

This year we released two major reports on the economic and social contributions of the red meat sector to New Zealand. The reports showed our sector accounts for over 92,000 jobs and adds \$12 billion in industry added value each year. You can read the full reports here: www.beeflambnz.com/sector-value-research

Policy advocacy

B+LNZ works in policy areas that farmers can't individually work in, providing our farmers with a strong voice. Our role engaging with both local and central government decision makers is always important, but it has increased significantly as the scale and pace of regulatory change facing the sector increases.

In the past year, B+LNZ has coordinated numerous meetings between farmers, scientists and other experts with the Prime Minister, Ministers, MPs, and officials. While farmers don't see most of these meetings happening behind the scenes, one of the larger events was bringing in a range of farmers from across the country to meet with officials and MPs from across Parliament to put their concerns about the wholesale conversion of sheep and beef farms to carbon farming directly to decision makers.

This year has seen ongoing and increased collaboration with industry partners, particularly the Meat Industry Association (MIA), Federated Farmers and DairyNZ, to increase efficiency and information-sharing and to give us an even stronger voice where required.

In June, together with the MIA, B+LNZ released the red meat sector's 2020 election manifesto, which laid out how an incoming government could help the sector manage its biggest challenges while also enabling it to take advantage of the emerging opportunities for our farmers. This received good media coverage and a positive response from Government.

We commissioned major pieces of research to support our policy and advocacy with credible facts – including the Wairoa report on the impact of afforestation, an economic analysis of the impact of the essential freshwater rules, and research on the

amount of sequestration on sheep and beef farms – continue to be widely referenced by a range of external parties, as well as by B+LNZ.



Telling the farmer story

B+LNZ has also focused on improving public perceptions of the sheep and beef sector.

Research conducted by B+LNZ in 2019 found that while generally the public was supportive of the sector, there was a lack of knowledge of the

economic contribution of the sector and lack of knowledge of our farming systems. People who had recently been on a farm were much more likely to feel positive about farmers.

For that reason, in 2020 B+LNZ was a founding partner of the launch

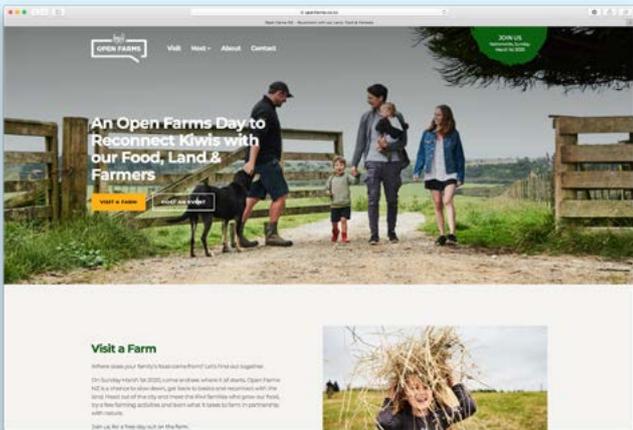
of the Open Farms initiative, which saw farm gates across the country opened up to the public in March. A survey of attendees showed this had a positive impact on their views about farming. B+LNZ strongly encourages more farmers to volunteer to host a farm visit in 2021.

We also partnered with Meat the Need

to deliver high quality nutritious meat to New Zealanders in need. Our domestic marketing arm, B+LNZ Inc, also ran a community support programme providing meat for charity fundraising initiatives.

The two reports jointly commissioned with the MIA that highlighted the economic and social contribution of the red meat sector to New Zealand were a key part of our work to improve public perceptions.

More work is underway to continue to lift the profile of the sector and build a better understanding about the environmental performance of sheep and beef farms with the New Zealand public. A key initiative to help with this is the upcoming launch of a website containing important facts about the way we farm in New Zealand and what this means for the animals we farm, consumers, the environment, and communities.



Red meat sector strategy and B+LNZ strategy

Over 2020, B+LNZ and the MIA worked together to refresh the red meat sector strategy. The sector has made great progress since the strategy was last updated in 2011 and has, in fact, been one of New Zealand’s standout sectors over the past decade. However, the environment in which we work and the opportunities and challenges we face today are very different. Collaboration across the sector is more important than ever and the red meat sector strategy provides a foundation for continued cooperation and collective effort, identifying the prioritised activities and critical enablers for our sector.

The new red meat sector strategy was released in December 2020 and it will be used to guide the refresh of B+LNZ’s individual strategy. B+LNZ is reviewing our priorities so that they most reflect farmers’ needs and will have the greatest impact for them. This will be released in 2021 in the lead-up to the referendum so farmers have a clear idea of the key deliverables B+LNZ will target under each priority area over the next few years.

You can read the new red meat sector strategy on B+LNZ’s website: www.beeflambnz.com/news-views/red-meat-sector-strategy-2020



70 years of proven insights - B+LNZ’s Economic Service

Underpinning much of the policy and advocacy work B+LNZ does on behalf of farmers are the data and insights produced by our Economic Service, which in July 2020 celebrated its 70th anniversary. The service was originally established in 1950 as a joint venture between the Meat Board and Wool Board with the goal of collecting and documenting factual information about farm production and economics.

While the bedrock of the Economic Service’s data - the Sheep and Beef Farm Survey - has grown in complexity over the years, it’s still collected on an individualised farm basis meaning the insights, forecasts, and trends being produced by the Economic Service are based on actual data and not “model” or “average” farms, giving it real strength.

Since its inception, over 3,000 farmers have volunteered their time and information for the survey, with some farms having been in the survey for over 50 years.

Along with their regular publications, such as the New Season Outlook and Mid-Season Update, the Economic Service provides insights, data, and analysis for other work B+LNZ undertakes such as the report produced in 2020 showing the economic and social contribution of the red meat sector to New Zealand. Their data also proved especially valuable during the response to COVID-19, because it enabled B+LNZ to demonstrate to policy makers the importance of the red meat sector in supporting New Zealand’s economic resilience.

The importance of the Economic Service was also recognised through our long-serving B+LNZ economist Rob Davison (ONZM) being awarded the Outstanding Contribution to New Zealand’s Primary Industries Award at 2020’s Primary Industries Summit. With over 40 years’ experience with B+LNZ (and the organisation’s previous incarnations), Rob works on issues as varied as climate change policy to forecasting meat production. Over Rob’s time with the Economic Service, he’s witnessed sheep and



Rob Davison and Sam McIvor - Primary Industries New Zealand Summit & Awards 2020

beef farmers deal with the oil-shock of the 1970s, hitting “peak-sheep” and the subsidies of the early 1980s, deregulation in 1984, and the floating of the New Zealand dollar.

↓ **7,800**

Downloads of Economic Service reports and publications

⊕ ⊖ = **66,500**

The number of times Economic Service online tools and calculators have been used

Mycoplasma bovis

The third anniversary of the detection of *M. bovis* in New Zealand in July 2020 saw only two farms in the country remaining with infected cattle. An unwelcome, but not completely unexpected, cluster in Canterbury in the latter half of 2020 saw the number of infected properties increase to 10 by the end of 2020 – with all cases confined to the Canterbury region.

To give a sense of the scale of the work that has gone into the programme over the past three years, as of 10 December 2020 there were:

- 10 active properties (out of 260 active properties over the course of the response),
- 102 properties under Notices of Direction (of the over 2,000 properties that have been put under a Notice as part of the response),
- 86 active compensation claims (of 2,438 claims lodged, and after \$187.6m of compensation had been paid out).

The programme's National Surveillance tools have been proving their worth, with bulk tank milk screening and beef cattle surveillance providing confidence that *M. bovis* is not widespread.

As part of this National Surveillance, 11,000 dairy farms across New Zealand went through bulk tank milk screening in November, which continued to indicate there is no widespread infection associated with the Canterbury cluster. The Beef Surveillance Programme, which screens beef cattle not connected to known infected properties and takes place alongside TB testing and at meat processors had, as of 16 December 2020, tested 125,100 beef cattle from over 6,000 farms with no infected beef farms being found from this surveillance to date.

We can be increasingly confident that the programme is on track to show the absence of *M. bovis* in New Zealand. This will take a number of years of 'proof of absence' surveillance to achieve, over which it will remain important to ensure NAIT records are up to date. An independent Technical Advisory Group has been appointed to review plans for this 'proof of absence' phase.

Over the course of the programme, MPI, B+LNZ and DairyNZ have worked to continually improve and refine the programme as we learnt. In the coming year, it will be important to



build on this by taking a step back and reflecting on how what we have learnt from *M. bovis* can be put to effect to improve New Zealand's wider biosecurity system. This will ensure our investment in the response delivers benefits far beyond the predicted economic impacts of *M. bovis* itself.



Levy Expenditure

Funded by levies and New Zealand Meat Board grant funding of \$1.2 million in 2020 and \$1.0 million in 2021.

Priorities	Actual 2019-20 \$,000	Budget 2020-21 \$,000
 Supporting Farming Excellence (incl. final year RMPP funding \$3 million in 2021)	12,585	14,328
 Unlocking Market Potential	8,352	7,808
 Enhancing our Environmental Position	4,329	5,277
 Government and Public Insight & Engagement	3,469	3,600
 Building a Great Organisation	2,322	3,167
Total Levy Expenditure	31,057	34,181

Budget 2020-21

SHEEPMEAT LEVY

	Dollars Per Head	Cents Per Kg ¹
Supporting Farming Excellence	\$0.34	1.87¢
Unlocking Market Potential	\$0.24	1.36¢
Enhancing our Environmental Position	\$0.12	0.66¢
Government and Public Insight and Engagement	\$0.08	0.47¢
Building a Great Organisation	\$0.07	0.41¢
	\$0.86	4.78¢
Income		
Levy	\$0.70	3.89¢
NZMB Industry Good Grant	\$0.03	0.16¢
Interest Income	\$0.01	0.05¢
	\$0.74	4.10¢
Levy Stream (Deficit) For The Year (funded from Reserves)	(\$0.12)	(0.68¢)

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

Note: Numbers have been rounded

BEEF LEVY

	Dollars Per Head	Cents Per Kg ¹
Supporting Farming Excellence	\$2.67	0.95¢
Unlocking Market Potential	\$0.97	0.35¢
Enhancing our Environmental Position	\$1.02	0.37¢
Government and Public Insight and Engagement	\$0.67	0.24¢
Building a Great Organisation	\$0.59	0.21¢
	\$5.92	2.11¢
Income		
Levy	\$5.20	1.86¢
NZMB Industry Good Grant	\$0.15	0.05¢
Interest Income	\$0.06	0.02¢
	\$5.41	1.93¢
Levy Stream (Deficit) For The Year (funded from Reserves)	(\$0.51)	(0.18¢)

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

B+LNZ Governance Statement

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

The B+LNZ Board and senior management have all adopted code of Values and Behaviour to which to hold each other to account.

The Board has two Committee's:

Audit & Risk Committee

This committee assists the Board with its governance responsibilities for financial reporting & external audit, risk

management, internal control, compliance with laws and regulations, code of conduct compliance and delegated authorities for management. This Committee meets with KPMG (the Auditor) and has reviewed the statutory financial statements.

This Committee has a shared function with the New Zealand Meat Board.

People and Culture Committee

This Committee assists the Board in the oversight of the remuneration policies for the B+LNZ team and reviews for the CEO and his reports.

This Committee has shared function with the New Zealand Meat Board.

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2020

	Note	Group Year Ended 2020			Group Year Ended 2019		
		Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars							
Non Exchange Revenue							
Levies Received	4	31,242	31,242	-	29,293	29,293	-
Other Non Exchange Income	4	4,891	4,891	-	7,777	5,924	1,853
Exchange Revenue							
Other income		4,640	4,640	-	4,770	4,770	-
Total Income		40,773	40,773	-	41,840	39,987	1,853
Operating expenses	6	(40,794)	(39,678)	(1,116)	(41,441)	(39,424)	(2,017)
Net operating surplus/ (deficit) from operating activities		(21)	1,095	(1,116)	399	563	(164)
Net finance income	5	405	405	-	541	509	32
Net operating surplus/ (deficit) for the year before income tax		384	1,500	(1,116)	940	1,072	(132)
Income tax expense	7	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year		384	1,500	(1,116)	940	1,072	(132)
<i>Other comprehensive income</i>		-	-	-	-	-	-
Total comprehensive income for the year		384	1,500	(1,116)	940	1,072	(132)
Attributable to:							
Levy payers	12	1,500	1,500	-	1,072	1,072	-
Meat Education Fund		(229)	-	(229)	(121)	-	(121)
Special Reserves		(887)	-	(887)	(11)	-	(11)
		384	1,500	(1,116)	940	1,072	(132)

These statements are to be read in conjunction with the notes on page 55. 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

	Note	Parent Year Ended 2020				Total
		Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	
In thousands of New Zealand dollars						
Non Exchange Revenue						
Levies Received	4	15,445	15,797	31,242	-	31,242
Other Non Exchange Income	4	1,748	2,470	4,218	-	4,218
Exchange Revenue						
Other income	4	1,964	2,222	4,186	-	4,186
Total Income		19,157	20,489	39,646	-	39,646
Operating expenses	6	(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	5	193	206	399	-	399
Impairment of Investment in Subsidiary Companies	11	(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	7	-	-	-	-	-
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	12	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 55. 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

In thousands of New Zealand dollars	Parent Year Ended 2019				
	Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	Total
Non Exchange Revenue					
Levies Received	13,699	15,594	29,293	-	29,293
Other Non Exchange Income	2,485	2,669	5,154	1,853	7,007
Exchange Revenue					
Other income	1,350	1,658	3,008	-	3,008
Total Income	17,534	19,921	37,455	1,853	39,308
Operating expenses	(16,418)	(19,997)	(36,414)	(2,017)	(38,431)
Net operating surplus/ (deficit) from operating activities	1,116	(76)	1,041	(164)	877
Net finance income	228	259	486	32	518
Net operating surplus/ (deficit) for the year before income tax	1,344	183	1,527	(132)	1,395
Income tax expense	-	-	-	-	-
Net operating surplus/ (deficit) for the year	1,344	183	1,527	(132)	1,395
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the year	1,344	183	1,527	(132)	1,395
Attributable to:					
Levy payers	1,344	183	1,527	-	1,527
Meat Education Fund	-	-	-	(121)	(121)
Special Reserves	-	-	-	(11)	(11)
	1,344	183	1,527	(132)	1,395
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:			(455)		
B+LNZ Investments Ltd			24		
Pastoral Genomics Ltd			(126)		
B+LNZ Emissions Company Ltd			(147)		
B+LNZ Genetics Ltd			(206)		
Group Net operating surplus/ (deficit) for the year- Levy Stream			1,072		

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 55. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

In thousands of New Zealand dollars	Note	Group 2020	Group 2019	Parent 2020	Parent 2019
EQUITY EMPLOYED					
Retained earnings	12	23,589	23,205	23,047	22,729
TOTAL EQUITY EMPLOYED		23,589	23,205	23,047	22,729
Represented by:					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		7,066	10,764	6,125	9,398
Trade and other exchange receivables	8	2,159	2,875	2,126	2,596
Non-exchange Receivables	8	2,602	2,120	2,601	1,957
Term Deposits	9	15,067	11,000	15,067	11,000
Derivative financial instruments	10	9	22	9	22
Livestock on Hand		650	328	-	-
Advance to Partner (Lanercost)		-	57	-	-
Advance to Subsidiary Company		-	-	510	360
TOTAL CURRENT ASSETS		27,553	27,166	26,438	25,333
NON-CURRENT ASSETS					
Property, plant & equipment		668	532	481	383
Intangible assets		375	236	375	236
Investments in subsidiary companies	11	-	-	391	582
Term receivables- Exchange		62	95	62	95
TOTAL NON-CURRENT ASSETS		1,105	863	1,309	1,296
TOTAL ASSETS		28,658	28,029	27,747	26,629
CURRENT LIABILITIES					
Trade and other payables		3,525	3,468	3,156	2,567
Income in Advance		632	473	632	473
Derivative financial instruments	10	18	1	18	1
Deferred Revenue		26	115	26	115
Provisions		37	-	37	-
Employee entitlements		726	621	726	598
TOTAL CURRENT LIABILITIES		4,964	4,678	4,595	3,754
NON CURRENT LIABILITIES					
Lease Liabilities		105	146	105	146
TOTAL NON-CURRENT LIABILITIES		105	146	105	146
TOTAL LIABILITIES		5,069	4,824	4,700	3,900
NET ASSETS		23,589	23,205	23,047	22,729

The Board of Directors authorised these financial statements for issue on 2 December 2020.

This statement is to be read in conjunction with the notes on page 55. 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 2020

In thousands of New Zealand dollars	Group Year ended 2020	Group Year ended 2019
Net cash flows from operating activities	2,015	(1,045)
Net cash flows from/(to) investing activities	(5,713)	2,339
Net increase/(decrease) in cash and cash equivalents	(3,698)	1,294

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 2 December 2020. 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 New Zealand equivalents to International Financial Reporting Standards (NZIFRS) and other applicable Financial Reporting Standards, as appropriate for 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	2020 (\$000)	2019 (\$000)
Chairman	70	70
Directors	34	34
Beef + Lamb NZ Genetics Ltd (Group Only)		
– Independent Chairman	8	35
– Independent Directors	-	15

The above fees represent the annualised fees payable to Directors. Beef + Lamb New Zealand Limited pay 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 increase was to be apportioned as follows:

- Chairman's remuneration is increased from \$70,000 to \$72,800 an increase of \$2,800 or 4%;
- B+LNZ Director fees are increased from \$34,000 to \$34,680 an increase of \$680 or 2%; and
- a pool of \$20,000 is established to aid and reflect the differing director workloads due to the current industry operating environment which will be reviewed annually.

The B+LNZ Board subsequently resolved that this approved fee increase would not be implemented in the 2020 financial year.

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		Employee Remuneration
	2020	2019	
Remuneration Range			
100-109	4	8	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.
110-119	5	7	
120-129	6	3	
130-139	2	2	
140-149	3	1	
150-159	2	5	
160-169	3	3	
170-179	1	5	
180-189	7	-	
190-199	1	-	
200-209	-	1	
210-219	-	1	
220-229	4	1	
270-279	-	1	
280-289	1	-	
290-299	-	1	
301-310	-	1	
330-339	1	-	

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 2020. 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)	Melissa Clark-Reynolds, Mark Clarkson, Martin Coup, Tony Egan, Nicky Hyslop, Andrew Morrison, George Tatham, Philip Smith, Scott Gower
Subsidiary Companies	
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	George Tatham (Chairman from August 2019 until January 2020), Sam Mclvor (A), Cros Spooner (A)
Associates	
Beef + Lamb New Zealand Incorporated	Andrew Morrison (A), Sam Lewis (R), Sam Mclvor (A)
North Canterbury Future Farm Management Ltd (fully owned from 1 July 2020)	Andrew Morrison, Sam Mclvor
Red Meat Profit Partnership General Partner Ltd.	Malcolm Bailey, Graham Brown, Alan McDermott, Sam Mclvor, Jane Smith, George Tatham, Bob Cottrell, Wayne Allan
Pastoral Genomics Ltd	Nicky Hyslop
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison



Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the summary company and group financial statements

Opinion

In our opinion, the accompanying summary company and group financial statements of Beef+Lamb New Zealand (the 'company') and its subsidiaries (the 'group') on pages 51 to 55:

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

The accompanying summary company and group financial statements comprises:

- the summary company and group statement of financial position as at 30 September 2020;
- 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. Our opinion excludes the statutory disclosures included on page 55.



Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (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 report is made solely to the stakeholder as a body. Our audit work has been undertaken so that we might state to the stakeholder 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 stakeholder as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the summary Company and Group 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 Company and Group Financial Statements

Our responsibility is to express an opinion on whether the summary company and group financial statements are consistent, in all material respects, with (or are a 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 2 December 2020.

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 group.

KPMG
Wellington
2 December 2020



www.beeflambnz.com

