

# *Growing a stronger future together*

B+LNZ is your organisation. We invest your levies to champion our sector, support farming excellence and increase market returns. Have your say on our future together.

## LEVY PROPOSAL

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**Your levy** ✓ **vote**  
*Stronger together*







Growing  
a stronger  
future  
together





# Your levy vote 2021

## ***The 2021 sheepmeat and beef levy referendum is your chance to have a say on the future of our industry.***

B+LNZ is your organisation and its sole purpose is to work on farmers' behalf, particularly in areas where individuals can't. There's strength in unity and B+LNZ carefully invests levies in areas that will help ensure a sustainable and profitable future.

It's vital you vote on the levy that funds B+LNZ's work. It's easy – you just need to indicate whether you support three key things.

**The first two questions relate to whether B+LNZ continues to exist:**

- 1** If you own sheep, you're being asked whether a compulsory levy on sheepmeat should remain.
- 2** If you own cattle, you're being asked whether a compulsory levy on beef should remain.

A **'NO'** result on either the sheepmeat levy or beef levy means B+LNZ activity in that levy area will stop.

**If 'NO' on both, B+LNZ will be wound up and there will be no organisation solely working on behalf of sheep and beef producers.**

**There's also a specific question about the amount of levy payable under the current levy order on sheepmeat from 1 October this year:**

- 3** If you own sheep, you're being asked whether you support a small increase in the sheepmeat levy rate (by 5c to 75c per head).

A **'NO'** result for this levy rate proposal would mean B+LNZ can't deliver on all the things farmers have told us they want us to.

This booklet outlines what you're voting on in more detail.

We strongly encourage you to find out more and have your say.



**Sam McIvor,**  
CEO, Beef + Lamb  
New Zealand



**Andrew Morrison,**  
Chairman, Beef + Lamb  
New Zealand

# About the levy vote

As a levy payer, this is your opportunity to have a say on whether Beef + Lamb New Zealand continues to exist as your organisation.

Your levy enables B+LNZ to invest in industry-good activities relating to sheepmeat and beef. There's more information about these activities in the following pages.

## Why vote?

It's important you have your say. B+LNZ is farmer-owned and farmer-funded. We focus on supporting farmers directly on-farm but we also work in areas that farmers can't individually, such as having a voice with government policymakers domestically on key issues and globally to ensure our markets remain open.

The opportunity to vote on whether you want this activity to continue comes only once every six years. Voting is easy – just a simple 'yes' or 'no' on three key questions.

## What are you voting on?

You're being asked to vote on three things, depending on whether you own sheep or cattle (or both).

### Whether B+LNZ continues to exist

If you own sheep, you're being asked:

- 1** *Do you support continuing a compulsory levy on New Zealand sheepmeat for the funding of industry-good activities as outlined in the accompanying 'Levy Information' Document?*

If you own cattle, you're being asked:

- 2** *Do you support continuing a compulsory levy on New Zealand beef for the funding of industry-good activities as outlined in the accompanying 'Levy Information' Document?*

These first two questions you're voting on are about whether B+LNZ continues to collect levies - without these levies, B+LNZ will not exist to benefit you as an individual farmer.

During levy referendums, we're required to set levy ceilings – this is the maximum the levy can be moved to before the next referendum in six years' time. Indicating your support for the continuation of compulsory levies means you accept a levy ceiling increase as part of the current referendum. The proposed increase in the ceiling rates are below – but it's important to note that any change to the levy rates during the 2022-2028 period above the proposed current levels would be subject to consultation and require strong farmer support. **That means you'll always have a say in whether there are changes to what you pay.**

<b>Sheepmeat</b> Current levy ceiling: 75c per head of sheep	Proposed new sheepmeat levy ceiling (2022-2028) with changes subject to consultation and farmer support: 95c per head of sheep
<b>Beef</b> Current levy ceiling: \$5.40 per head of cattle	Proposed new beef levy ceiling (2022-2028) with changes subject to consultation and farmer support: \$5.95 per head of cattle

### The sheepmeat levy rates from 1 October 2021

If you own sheep, there's a third question you're being asked:

- 3** *Do you support an increase in the sheepmeat levy from \$0.70 to \$0.75 from 1 October 2021 under the existing Commodities Levies (Meat) Order 2015 as outlined in the accompanying 'Levy Information' Document?*

We're proposing a small increase in the sheepmeat levy rate payable under the current levy order, which would apply from 1 October 2021. The proposed increase in the levy rate is 5c to 75c per head. This would raise an additional \$1.1 million in funding – see the next section for why this is needed.

**The levy rate for beef will remain unchanged at its current level of \$5.20 per head.**

## Why does B+LNZ need a 5c increase in the sheepmeat levy under the current levy order?

We are facing a period of significant upheaval.

The red meat sector is experiencing a wave of national environmental regulatory changes driven by the Government, which will flow through to regional plans and to the farm gate.

It has never been more important that we tell our story domestically, secure improved market access and capture greater value from our exports. B+LNZ's role is to help build a country of origin brand and then work with processing companies to support their own marketing efforts.

It is important we maintain our levels of activity in these areas.

However, over the last few years we have reduced our investment in research and development. Farmers have told us they want to see B+LNZ reinvest in key areas such as the control of internal parasites and facial eczema.

We have not made this decision to increase the sheepmeat levy lightly. Levy-payers aren't being asked to cover all the costs of these activities – the proposed increase will also be balanced by utilising cash reserves and leveraging government funding to help us deliver for farmers during this challenging period.

## It's easy to vote

### What

Have your say on the three key questions:

- if you own sheep, answer the question about continuing the sheepmeat levy
- if you own cattle, answer the question about continuing the beef levy
- if you own sheep you can also vote on an additional question about a small increase in the sheepmeat levy under the current levy order.

### Who

All sheep and beef producers are able to participate in the levy referendum.

Beef producers include dairy farmers via the cull cows from their dairy herd. No levy is collected on bobby calves.

Farmers must own livestock on 30 June 2020 to be eligible to vote.

### How

Simply complete and post the enclosed voting paper to the address shown on the paper.

You can also vote online by following the link at [www.electionz.com/blnz2021](http://www.electionz.com/blnz2021) - you'll need to use the unique PIN and password shown on your voting paper.

### When

<b>1 June</b> Voting opens	<b>6 July</b> Last day for postal returns	<b>9 July 12 midday</b> All voting closes	<b>Late July</b> Results announced
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# ***Activities your levies support***

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



***Championing  
the sector***



***Supporting  
farming  
excellence***



***Increasing  
market  
returns***

# Championing the sector



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

## Advocating and tangibly influencing policy development

- We'll continue to listen to farmers' concerns and work on behalf of red meat producers to influence the development of sensible policy settings and get workable rules at the national and regional levels, particularly for the environment.
- We'll support farmers nationally and regionally to engage in policy processes, including through submissions and workshops on regional hearings – particularly since there are 17 regional plans implementing new freshwater rules to be completed over the next four years that will significantly affect red meat producers.
- We'll actively participate in the *He Waka Eke Noa* climate change partnership to ensure farmers do not face a methane tax and that on-farm sequestration is rewarded.
- We'll continue working to fix the Essential Freshwater rules relating to winter grazing and the low-slope map.
- We'll seek a further pause on any new biodiversity rules and, ultimately, changes to the original proposals.
- We'll continue to push for limits on the amount of forestry that can be used as offsets by fossil fuel emitters to prevent further productive land being sold into carbon farming.
- We'll partner with other agricultural industries and organisations for greater influence and impact.

## Telling your story

- We'll continue to lift our work building the trust and reputation of our sector, in collaboration with the Meat Industry Association and B+LNZ Inc.
- We'll make it easy for New Zealanders including the Government and policy-makers to find out about the good work red meat producers are doing by generating positive media stories and building on the evidence-based [www.makingmeatbetter.nz](http://www.makingmeatbetter.nz) website.
- We'll also continue to support initiatives like Open Farms, as the research is clear that people who go on-farm feel more positive about farming.

## Research and data explaining our farm systems, environmental impact and the impact of policy

- We'll continue to invest in timely and robust research that explains our farming systems and their environmental benefits, and which also quantifies the economic and social impacts of policy.
- We'll use this research to effectively shift conversations, as we did with research on sequestration and with the Wairoa case study comparing our sector's contribution with carbon farming.

## World class livestock traceability and biosecurity

- We'll continue working with the Government and dairy industry to eradicate *Mycoplasma bovis*.
- We'll continue to advocate for the Government to prioritise the management of our border to prevent new incursions.
- We'll work with OSPRI, the Government and other sectors to eradicate TB and improve our livestock traceability system, making it easier and more cost-effective for farmers through tools such as e-ASD.





# Supporting farming excellence

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



## **Farm planning**

- Over the next four years, we'll roll out our new free farm plan to help farmers easily and cost effectively meet their business, consumer, environmental and regulatory needs.
- We believe farm plans should be simple, private, focused on the right environmental and business outcomes and largely be able to be done by farmers themselves. We want elements of our farm plan to be recognised as the Certified Freshwater Farm Plan to avoid more prescriptive rules and to make farmers' lives easier.
- We've worked with processing companies to align our farm plan with farm assurance so it is linked to our markets and streamlines processes for farmers.
- We'll work with industry partners to deliver a digital farm plan that allows farmers to more easily record their data and minimise duplication.

## **Tailored extension to improve productivity, profitability and environmental outcomes**

- Working with our Farmer Councils, we'll continue to provide cutting-edge extension programmes, tools, resources and support tailored to your region.
- We're continue to work with DairyNZ on providing advice to farmers like winter grazing and heifer rearing.
- We'll continue to support Action Groups and Catchment Groups with expert advice, tools and resources.
- We'll develop a specially tailored extension programme in partnership with Māori farmers.

## **Investing in genetics to position our sector for the future**

- We'll continue to invest in genetics tools like Sheep Improvement Ltd (SIL), the world-leading sheep genetic evaluation engine, and the innovative nProve breeder selection tool – we'll add more features and new tools over time.
- The new 'Informing New Zealand Beef' programme will provide tools and infrastructure for farmers to improve the genetic performance of their herds, including by lowering their environmental footprint through traits such as low methane production.
- We'll continue and expand our efforts to help our dairy farmers identify the best bulls through the dairy-beef progeny test – informed by benefits such as short gestations and ease of calving, more marketable calves and, for beef finishers, superior growth rates and carcass traits.

## **Investing in research to improve on-farm productivity**

- Based on farmer feedback, we'll invest in research to develop better tools to manage internal parasite resistance and facial eczema.
- We'll invest in research aimed at testing future farming systems and technologies that aid sustainability and profitability by balancing the environment, animal performance and productivity.
- We'll continue to invest with industry partners and Government on tools and technologies that can reduce methane production from animals.

## **Building the capability of our sector**

- We'll enhance our partnerships with organisations like Primary ITO and cadet farms that help farmers attract, develop and retain people with the right skills and experience, and continue programmes like GenNext that develop skills and leadership both on-and-off farm.
- We'll build resources to support farmers with the employment process on- and off-farm so they can make better decisions when hiring staff, and we'll provide tools and ideas to help them grow and develop their teams.





# Increasing market returns



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

## Dismantling trade barriers

- In collaboration with the Meat Industry Association, we'll continue our advocacy to maintain and enhance farmers' market access, particularly in New Zealand's FTA negotiations with the EU and UK. We'll continue to push for resolution of the splitting of New Zealand's WTO red meat quotas into the EU and UK.
- We'll build support for open trade with overseas governments and agricultural industry groups through our representation in Wellington, Brussels and Washington.
- The Chinese market will remain a priority – we'll help the industry capture better market insights, manage risks and extract maximum long-term value through enhanced relationships.
- We'll identify and advocate for access to new markets such as India to create future opportunities.

## Building value through the Taste Pure Nature (TPN) brand

- We'll increase the reach and impact of the Taste Pure Nature origin brand in partnership with processors and exporters in the US, China and New Zealand – helping raise awareness of and increasing preference for New Zealand grass-fed meat, including manufacturing beef, ultimately raising the value of our exports.
- We'll seek additional funding from the Government for Taste Pure Nature to make your levy money go further and we'll track the market spend to demonstrate how it results in increased farm gate returns.

## Understanding consumer trends and identifying future market opportunities

- We'll continue to invest in tracking consumer trends and deep market insights to identify new market opportunities and ways to better position our red meat.
- We'll build on our recent research into alternative proteins and the future of meat, and our current research into the opportunities for New Zealand from regenerative agriculture.
- We're working with DairyNZ on a research programme to capture more value from bobby calves. Looking right along the supply chain, we'll identify opportunities for new consumer products (e.g. rose veal), examine implications for processing and test beef/dairy on-farm systems (considering issues like greenhouse gases, calf rearing and genetics, and solutions such as sexed semen).

## Research to enhance the positioning of New Zealand beef and lamb

- We'll invest in research and consumer insights to evolve the Taste Pure Nature brand to better tell our sustainability story and position red meat at the premium end of the market.
- We'll complete research into the carbon footprint of New Zealand beef and lamb, using the latest science and understanding of sequestration. Our investment in research comparing the nutritional difference between grass-fed, grain-fed and alternative proteins will continue.







# How are your levies invested?

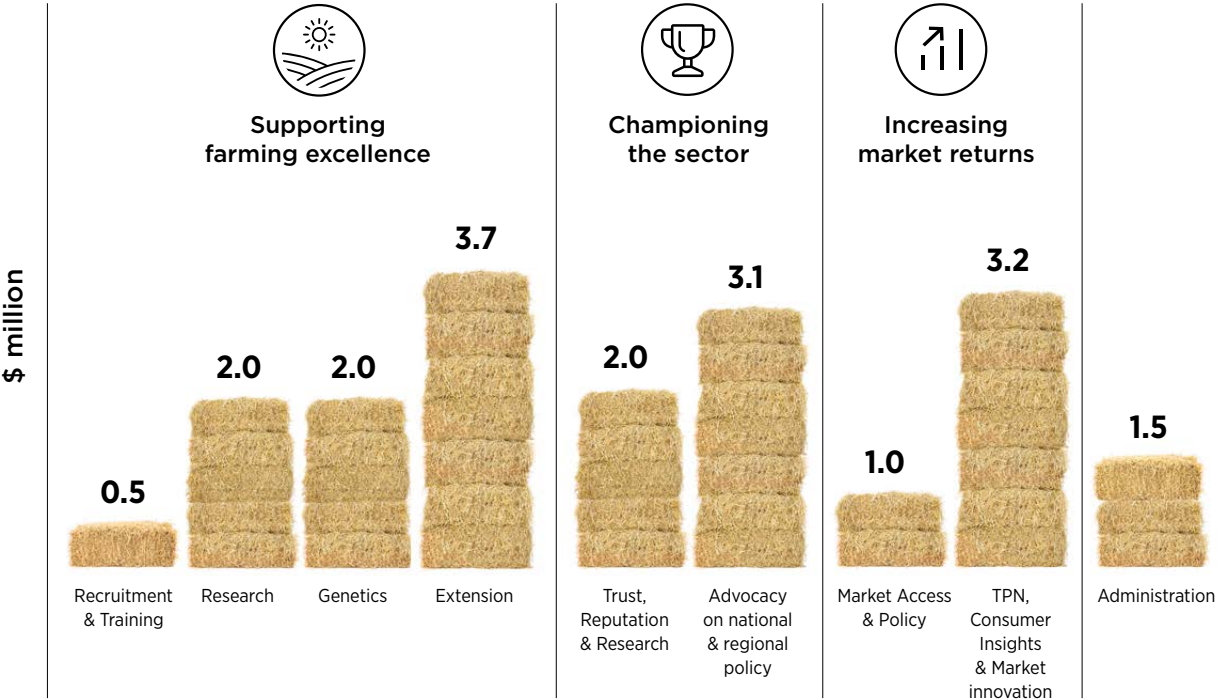
The following is a breakdown of how your levies (after accounting for other income received) are invested within the two levy streams in the 2021-22 financial year.

## Sheepmeat

In 2021-22, we’re budgeting to raise \$16.5 million from the sheepmeat levy, \$500,000 from NZMB grant funding and interest income, and utilise \$2.1 million of existing reserves of \$8.6 million.

During the 2023/2024 financial year we’ll carry out an in-depth review of income, activity priorities and reserve levels to ensure we’re spending the right amount on the right activities.

If the increase in the sheepmeat levy from 1 October 2021 is not supported some programmes will have reduced investment (likely the increased research and advocacy farmers have told us they want, although we’ll look at all programmes).



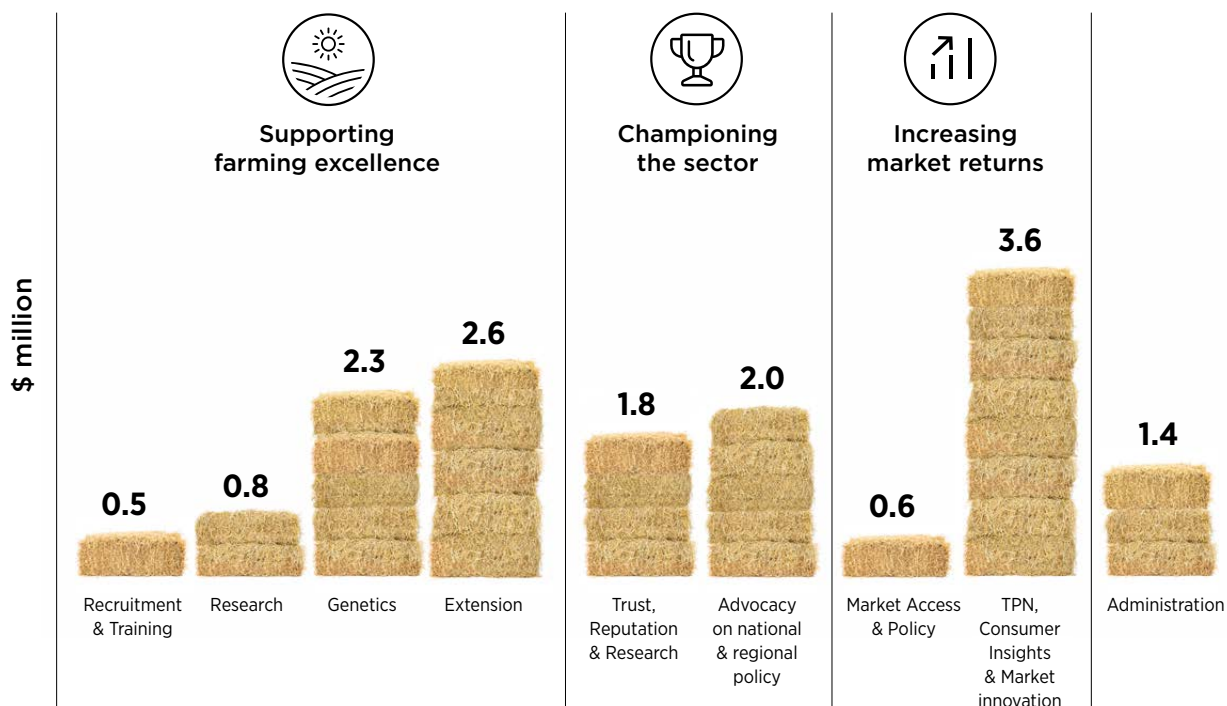
*Note to graphs: Investment is smaller in areas where B+LNZ’s main focus is on partnering with others, leveraging income from other sources or where costs are primarily for staff time.*





In 2021-22 we're budgeting to raise \$14.3 million from the beef levy, \$500,000 from NZMB grant funding and interest income, and utilise \$0.9 million from existing reserves of \$8.4 million.

As with sheepmeat activities, during the 2023/24 year we'll carry out an in-depth review of income, activity priorities and reserve levels to ensure we're spending the right amount on the right activities in an ongoing fiscally sustainable manner.



## How does B+LNZ maximise the value of my levy?

B+LNZ works in areas that farmers can't individually and partners with other industry organisations for greater impact and efficiency. By pooling farmers' money we are also able to leverage or influence outside investment.

In addition to the \$31 million of budgeted levy income in the 2021-22 financial year, we're expecting to achieve additional Government funding and other income that would increase the total budget income by \$13 million to a total of \$44 million.

In the levy period from 2016-2021, B+LNZ leveraged outside funding of around \$63 million through the likes of B+LNZ Genetics, Pastoral Genomics, the Pastoral Greenhouse Gas Research Consortium, and the Red Meat Profit Partnership.

We'll be applying for additional funding from the Government for Taste Pure Nature and our facial eczema and internal parasite research. This will lift other income by an expected \$5.7 million in the 2021-22 financial year alone. These programmes are expected to attract external funding for a three to five year period.

## ? What happens if you vote no?

Voting 'NO' on the continuation of the sheepmeat and beef levies means you don't support B+LNZ continuing.

A 'NO' result in either levy area (sheepmeat or beef) would mean B+LNZ activity in that area would cease – if 'NO' on both, B+LNZ would be wound up and would no longer exist.

**A NO vote would mean:**

- **NO** united voice for red meat producers on international market access.
- **NO** investment in marketing our story to local and international consumers, no Taste Pure Nature.
- **NO** more on-farm research or leveraging of Government research investment.
- **NO** more tools and resources that make a real difference to on-farm productivity and profitability and environmental performance.
- Less influence with Government on policy developments solely of importance to red meat producers, such as the environment.
- **NO** research to tell our environmental story to the New Zealand public.
- **NO** industry information and insights into farm performance to advocate on behalf of red meat producers.
- **NO** sector influence and leveraging of funds to attract, train and retain the right people for our farms.

## i If you want to find out more

 **Attend an event:** see the separate document in your levy pack for a list of referendum events

 **Email:** [enquiries@beeflambnz.com](mailto:enquiries@beeflambnz.com)

 **Phone:** 0800 BEEFLAMB (0800 233 352)

 **Visit our website:** [www.beeflambnz.com](http://www.beeflambnz.com)

 **Talk to your local Director**

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Nicky Hyslop	Director Central South Island	027 474 4149
Kate Acland	Director Northern South Island	021 558 558
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Martin Coup	Director Northern North Island	027 232 5254
Tony Egan	Processor – Exporter Director	021 572 530
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