



BULLETIN

It has been a busy year for the sheep and beef sector. Sheepmeat prices are strong and beef prices remain solid, however there's some global and domestic uncertainty for farmers.

A key focus for me has been on strategy and ensuring that B+LNZ is positioned to support the sector's future. Two changes coming out of our **strategy refresh** were elevating the environment and engagement with urban communities on behalf of farmers to sit among our organisation's top four goals.

As part of our focus on the environment, we've been part of the recent **pledge by Farmer Leaders to make New Zealand's rivers swimmable for future generations**. We're working with farmers on an action plan to deliver that future.

As part of positioning the industry to meet future challenges, B+LNZ recently launched a **study into the implications of the development of alternative proteins on the sector**. I am really interested to see what comes out of this work as I see threats but also potential opportunities if we are able to position our grass fed beef and lamb successfully.

In order to drive new ideas and challenge our thinking, the Board has appointed **Melissa Clark-Reynolds ONZM, to be the first Independent Director to the B+LNZ board**. Melissa is an entrepreneur and CEO of a number of technology companies. She is a Governor of Radio NZ and sits on the Boards of Kiwi Insurance, Jasmox, and Softed.

But despite all the best planning, the thing about farming is that it always throws you curveballs. Several weeks ago, an outbreak of ***Mycolasma bovis (M. bovis)*** was confirmed on a South Island dairy farm. We are working closely with MPI and other industry groups to contain the disease. This is a reminder of how important biosecurity is for New Zealand.

Regards,

Sam McIvor
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Beef + Lamb New Zealand

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CLEAN RIVERS PLEDGE

B+LNZ is proud to be a part of the Clean Rivers Pledge, committing to a goal shared with all New Zealanders of making New Zealand rivers swimmable for future generations.



ALTERNATIVE PROTEINS

B+LNZ has kicked off its new Innovation Programme with the "Alternative Proteins Project".



NEW B+LNZ DIRECTOR

Melissa will bring a different perspective to B+LNZ to help support our vision for a thriving sheep and beef sector.



BEEF + LAMB NEW ZEALAND STRATEGY REFRESH

We've just gone through a process of refreshing B+LNZ's strategy to identify the key priorities for the sector and what work we need to do as an organisation to address these areas. Our vision is for **profitable farmers, thriving farming communities, and a sector which is valued by all New Zealanders**. We'll be focusing on the following four key priorities over the next five years.



Supporting farming excellence;



Better engaging with government and urban communities on behalf of farmers;



Unlocking market potential;



Enhancing the sector's environmental reputation.

RED MEAT STORY DEVELOPMENT

The development of the Red Meat story remains a major priority for Beef + Lamb New Zealand and good progress has been made in the last couple of months.

So far we've put in place the NZ Farm Assurance Programme, via the Red Meat Profit Partnership (RMPP). The Farm Assurance Programme will underpin the red meat story, letting consumers know where the product is from, how it was raised and that it's safe for their family to eat. Additionally, the NZFAP streamlines the audit process for farmers and so if they supply more than one meat company, only one audit is needed.

The main focus of the development of the story over the last couple of months

has been on understanding the groups of consumers globally that buy red meat - through building "personas".

We need to understand how these people experience food and make decisions related to buying red meat. These insights will help us shape our story.

The marketing team has visited the following key markets - USA, China, Indonesia, UAE, UK, India and here at home - talking to consumers to develop the "personas" and test prototype elements of the Red Meat Story. Here is a link to what some of our consumers have said about the ideas we are testing.

[→ WATCH VIDEO](#)



JOINT MIA/B+LNZ GOVERNMENT POLICY PRIORITIES

In advance of the election, we teamed up with the Meat Industry Association to present political parties with our sector's priorities. The following is a link to the joint MIA/B+LNZ political manifesto called "A Blueprint for Partnership".

[→ READ ONLINE](#)

The point of the manifesto is to ensure that as the various political parties develop their policies they are aware of what the sector is working on, and where we need their help. At a glance the key policy areas highlighted in the manifesto include the Sector's commitment to:

- The environment
- The highest animal welfare standards
- Confidence in food safety
- Better trade access
- A strong biosecurity system
- Innovation and growth
- Health and safety
- Developing a skilled workforce

The manifesto is part of an overarching objective of B+LNZ to better engage with members of parliament. Feedback during the B+LNZ strategy refresh highlighted that farmers wanted us to lift our engagement and to tell their story better, particularly in areas like environmental protection.



SHEEP AND BEEF SECTOR SCIENCE STRATEGY UPDATE

Beef + Lamb New Zealand is in the final stages of developing a sheep and beef sector research strategy that is focused on aligning the focus and investment of all stakeholders in the sector. Current activities are focused on working collaboratively with stakeholders to develop a vision for the sector science research. A working group is identifying the major areas of research need across the sector and an ongoing process to align sector and government funding to meet these needs. Representatives from MBIE, MPI, MfE, AgResearch and National Science Challenge are involved alongside B+LNZ in the working group.

B+LNZ has been looking at ways to develop a more effective approach to research for some time. We started with a review of the B+LNZ funded science research activities. Not unexpectedly we found the need for better integration and alignment with other sector science research strategies like the Forage Strategy, and B+LNZ Genetics.

BIOSECURITY

BIOSECURITY THROUGH GOVERNMENT INDUSTRY AGREEMENTS

We know the potential impact that incursions of pests and diseases can have on our farming systems and access to premium markets - management of these risks is consistently rated as a top priority for farmers.

For some time now we've been talking with government about both better protecting ourselves and at the same time preparing for the worst case scenario that we hope will never happen by increasing New Zealand's preparedness for foot and mouth disease.

The Government's preferred mechanism for engaging with industries on biosecurity readiness and response is the Government Industry Agreements

(GIA) framework. GIA is underpinned by the principle that industry beneficiaries of biosecurity services should pay a share of the costs of these and, in return, also take part in priority setting and decision making for biosecurity

B+LNZ will be going out to farmers in the next few months to consult on entering into the GIA.

We will provide much more detail about both the benefits and possible drawbacks, and look forward to a good debate on what is a really significant decision for our sector.

OUTBREAK OF MYCOPLASMA BOVIS

Several weeks ago, an outbreak of *Mycoplasma bovis* (*M. bovis*) was confirmed on a South Island dairy farm.

M. bovis poses no risk to human health or access to overseas markets, but can impact animal welfare and farm productivity if it becomes established in New Zealand.

B+LNZ has been working with other industry groups to assist MPI in its efforts to contain *M. bovis* to its known distribution and to find out how far it may have spread. This will inform later decisions about whether it is possible to eradicate it completely. Whatever the outcome, this is the first time New Zealand's emergency animals' disease response systems and preparedness has been significantly tested and presents an invaluable opportunity to assess the strengths of current arrangements and identify opportunities for improvements.

ENVIRONMENT

The environment is of increasing importance and is expected to remain so for years to come. This is why the environment has been elevated to one of the four priorities in B+LNZ's recent Strategy Refresh. Significant work is underway in a range of areas this year particularly with respect to water quality and climate change.

With so much happening very rapidly, work is underway on refreshing B+LNZ's Environment Strategy to ensure it is bold enough to take sheep and beef farmers through to 2040, making them sustainable environmentally, economically and socially.

The strategy will ensure that farmers have access to the right tools to make improvements and that the right policies are in place. A group of key stakeholders is being interviewed to gain a wide range of perspectives to make sure the goals are bold but realistic.

B+LNZ will also be working over the next few months to better engage with urban communities to ensure they have a deeper understanding of how we farm and what actions we are taking.

WATER

A key priority for B+LNZ is assisting farmers in engaging in the various regional planning processes to develop water quality targets. We are continuing to help farmers prepare and present their submissions in hearings. The value of individual farmers telling their story to the hearing panels is immense. In Southland, many sheep and beef farmers described their individual farm systems and perspectives to assist the Hearing commissioners better understand the impacts, intended or not, of proposed planning rules. Refer to [Environment Southland](#) website for these submissions.

CLIMATE CHANGE

The need to transition the world to a low emissions future is increasingly in the news, with the Parliamentary Commissioner for the Environment recently releasing her [final report](#), looking at the pathway New Zealand will need to take to meet its targets and beyond. While Beef + Lamb New Zealand has continued to argue against biological emissions from livestock being included in the ETS, we are vigorously investigating ways to reduce and account for emissions in our sector.

We are members of the Ministerial Biological Emissions Reference Group which is gathering the evidence needed for developing policy on how biological emissions from agriculture should be managed.

While the sheep and beef sector has decreased its total emissions by 19% since 1990, more will be needed to reach the world's climate goals. Recognising this, B+LNZ has increased its funding of research by the Pastoral Greenhouse Gas Research Consortium (PGGRC).



B+LNZ is increasing PGGRC funding by an additional \$500,000 over the next two years. The PGGRC is researching novel mitigations that have the potential to reduce biological emissions from ruminant livestock.

BIODIVERSITY

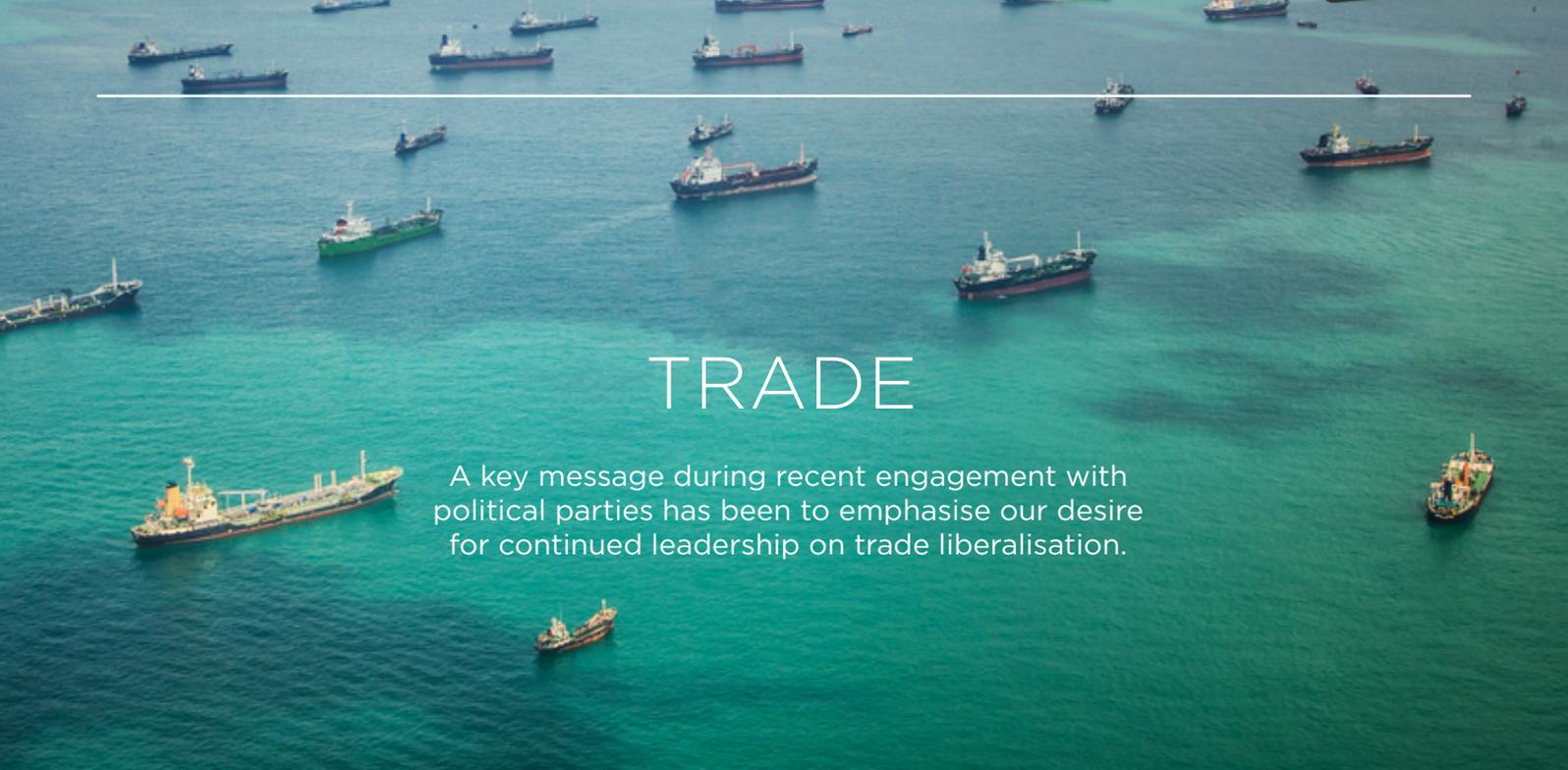
A study released by the University of Waikato Institute for Business Research in May this year showed that two thirds of all Queen Elizabeth II National Trust covenants are on primary production land. [Get the full report here.](#)



47%
of all covenants
are on sheep
and beef farms

Some farms have more than one covenant and many farmers open their covenants to the community, often partnering with schools and local community groups.

The Parliamentary Commissioner for the Environment (PCE) recently released her report on Saving New Zealand's birds. In it, the PCE identifies the need to seek the restoration of abundant, resilient and diverse birdlife on the New Zealand, and the hope to be much more than just bird museums on off-shore islands that few can ever visit. Sheep and beef farmers are enthusiastic protectors of the birds and bush that remain and voluntarily work to ensure that these remain in perpetuity.



TRADE

A key message during recent engagement with political parties has been to emphasise our desire for continued leadership on trade liberalisation.

Given that 90 percent of New Zealand's sheepmeat and 83 percent of beef production is exported, trade liberalisation is vitally important.

Despite the setbacks last year with the Brexit vote and the US's decision to pull out of the TPP Agreement, there has been some positive progress so far this year. On the FTA front, it was recently announced New Zealand would be entering into FTA negotiations with the Pacific Alliance which includes Mexico, Colombia, Chile and Peru/ Good progress is being made towards launching FTA negotiations with the EU.

B+LNZ also welcomes the government's increased resourcing towards tackling non-tariff barriers and welcomes the progress this year in re-opening red meat trade with Iran and the establishment of a trial with China to export chilled beef and sheepmeat.

BREXIT

James Parsons, B+LNZ Chairman and Andrew Morrison, B+LNZ Deputy Chairman visited the UK and Continental Europe in July to gain insights on progress in talks between the UK and EU under Brexit and to understand their implications for New Zealand. The Sector remains focused on ensuring that the quality and quantity of New Zealand's sheep and beef access into the EU is not eroded.

EU-NZ FTA

While the Sector's immediate priority is ensuring there is no erosion in our current WTO access into the UK and

EU27, the Sector is also very supportive of the government's efforts to improve on this access in the medium term with both the European Union (and eventually with the United Kingdom). In particular, NZ's beef access into the EU is highly constrained by very small quotas.

The Sector therefore welcomes the completion of the scoping discussions with the EU and is hoping the EU will launch formal FTA negotiations by the end of the year.

TPP MINUS ONE

The Sector strongly supports the Government's continued efforts to try to bring the Trans-Pacific Partnership Agreement into effect despite the US's decision to withdraw earlier this year.

There remains significant value for the Sector from the TPP Agreement without the US - particularly in terms of improved access into Japan, Mexico and Canada. Japan in particular applies tariffs of 38.5 percent on beef and last year New Zealand's beef exports to Japan alone faced duties of \$55 million in 2016.

Because of the complexity of the process, the Sector's preference is that

there are no changes to the substance of the trade agreement otherwise each country will try to take out their most sensitive areas and the Agreement will unravel.

JAPANESE SAFEGUARD ON FROZEN BEEF

On 28 July Japan triggered WTO safeguard measures on frozen beef imports, increasing the tariff from 38.5 percent to 50 percent from 1 August 2017 to 31 March 2018.

This occurrence reinforces the importance of trade agreements, and of TPP11.

The NZ beef industry is at a significant disadvantage in the absence of a preferential agreement with Japan. While tariffs on all other countries have been raised to 50%, Australia's will remain at 27.2% percent due to their Economic Partnership agreement with Japan. This gives them a them a massive 23% tariff advantage over all other trading partners, including NZ.

If the Trans-Pacific Partnership agreement was in force, NZ would be exempt from the WTO safeguard.

**\$212 million
in tariffs
saved last
year due to
FTAs.**

**STILL
MORE
TO BE
DONE**

**\$231 million paid
last year with an
estimated \$1 billion
on NTB's in Asia
Pacific alone.**