

## **Beef + Lamb New Zealand Chair James Parsons' speech to AGM**

At our core, B+LNZ is what I describe as a values-driven organisation. These values are the very values farmers have. This is integral to the organisation being connected and authentic with farmers. Family, community, honesty, hard work, hospitality, decency, inter-generational, innovation and a solutions-focus, are values we hold very close.

As we developed a fresh strategy last year, this came through loud and clear. This is illustrated through our vision of "Profitable farmers, thriving farming communities, valued by all New Zealanders".

Thriving farming communities is one of the core criteria that we test our activities against. This requires farming businesses to be profitable, attract the next generation and be sustainable long term -- environmentally, financially and socially.

The way we contribute to this vision is by providing the best insights to farmers, government, consumers and the New Zealand public when they have to make decisions that can affect farming communities' ability to thrive. It is a purpose that we are deeply passionate about. It also provides a fantastic drafting gate to help us prioritise what we should be doing -- what's in and what's out.

I wish to touch on some key themes and observations.

### **Government**

Despite farmers' concerns pre-election, the new Government has been good to work with. I'm sure no one here would argue with the goal of improving water quality, having a lighter environmental footprint, reducing poverty and moving further up the value curve. Often, we all want the same thing, however, the debate centres around how we achieve the goal. To date, on the back of our new Government engagement strategy, Ministers have been very engaged and open to hearing ideas on the "how". By partnering with other organisations such as Federated Farmers, our currency in these conversations is the ability to deliver deep insights about the sheep and beef sector that help inform good policy.

We accept sheep and beef farming has an environmental impact, yet despite this, our sheep and beef farmers are world leaders. The Government has set an ambitious target of being carbon neutral by 2050 and the sheep and beef sector has reduced its carbon emissions by 19% since 1990, whilst maintaining production. The opportunity is to continually improve and share the innovations we develop in tackling these challenges with other countries, so we can make the world a better place.

### **Insights**

As I mentioned, our currency as an organisation is providing the best insights to help inform key decision makers. The just-released B+LNZ Alternative Proteins report is an example of an insight which has provided thought leadership in this area. It has addressed the questions: is this a fad, a threat or an opportunity?

Another recent insight we are about to release is a University of Canterbury report we commissioned on the amount of biodiversity on New Zealand sheep and beef farms. Their research

found 2.7 million hectares, or 24% of New Zealand's indigenous habitat, is on the 8.8m hectares farmed by sheep and beef farmers.

Returning to climate change. A question we have been asking as a Board recently is can we be carbon neutral – given the progress we have already made in reducing our carbon emissions?

I'm often asked what do I mean by carbon neutral? When I describe carbon neutrality for a sheep and beef farm, I'm talking about the amount of emissions produced off that land area balanced by the amount of carbon sequestration on that same land area. Under true ETS accounting, we may not be carbon neutral, however when we factor in that 24% of New Zealand's indigenous bush is on sheep and beef farms plus riparian plantings, in addition to exotic woodlots, we may well be surprised about how close we actually are to this ambition. Work is underway as we speak to understand this better.

With the new Insights team in place, with a just-established advisory board to guide the Insights work programme, you can expect many more thought leadership pieces to begin flowing from B+LNZ.

### **Profitability**

The tariff burden the beef sector pays and non-tariff barriers our exports face has a significant impact on profitability and whether farming communities thrive.

TPP - now CPTPP - is of real significance to the beef sector. The Ministry of Foreign Affairs and Trade and Government need to be commended for concluding this negotiation. And credit should also go to the previous Government for the years of hard work leading up to this point. This helps reduce the \$119 per cattle beast we still face in terms of tariffs on our exports.

Brexit risks are ongoing. Shortly we will be announcing a senior resource to be posted to London to work with UK and European farming groups and Government. This will be jointly funded by the Meat Industry Association and Beef + Lamb NZ. We are not looking to profit from Brexit. However, we also expect that under WTO rules, New Zealand should not be any worse off as UK and Europe negotiate their divorce.

The Red Meat Sector Story also aims to lift the prices we receive, aiding profitability and finally our R&D and Extension programmes are continually pushing to lift productivity and reduce costs.

### **Thriving Farming Communities**

I want to circle back to our purpose of Thriving Farming Communities. This is our “why”, it drives us and is core criteria that we assess all our activities against.

With the Government's one billion trees policy, coupled with its climate change policies, we do have real concerns that well intended but perhaps not fully worked through policies may result in blanket afforestation of hill country farms, similar to what we saw in the 1990's. As I mentioned earlier, the environmental goals are good. But we are actively engaged in the “How” discussion so that we don't see farming communities sacrificed as an unintended consequence.

Lastly, I wish to share a few reflections from on my time on the Board. Today is my last day after nine years as a Director, the last four as Chairman. I've been really blessed to be a part of B+LNZ and

also to assist in a leadership role for the sector which I have a deep passion for. It has been very satisfying to see the organisation steadily improve over that period – and credit needs to go to all those that have made that happen.

Farmer Council, management and board members – current and retired. So often in these roles you don't see the fruit of your decisions for many years. I have received credit for a lot of decisions that were made prior to my time on the board. My sincere hope is that future board members will receive accolades for decisions that I have played a part in during my tenure.

It has been a great nine years on the Board. Many people have been asking what I will be doing now? Amongst my own business interests, I'm looking forward to spending more time with my wife and three sons – aged 13, 11 and 8. Helping as a rugby coach is something I haven't been able to do till now.

Two years ago, I started a conversation with the Board about Chair succession, flagging I would not seek re-election. This has afforded a good induction of the incoming Chair. Tomorrow, the Board is expected to confirm Deputy Chairman Andrew Morrison as the new Chairman. I have huge confidence in Andrew. He will bring many attributes that I don't have and it will be healthy for the organisation to have fresh leadership and ideas.

I'd also like to congratulate Martin Coup from Aria, King Country, who has successfully gained farmer support to become the new Northern North Island Director for B+LNZ as I retire.

Thank you to Sam McIvor and all the management team for their passionate focus on building a great organisation. To my fellow Directors, you've been great to work with and been very supportive. Finally, my fellow farmers – we only exist as an organisation to serve your collective interests. Thank you for the trust and support over the years.

We have an amazing sector, one that is envied by most other sheep and beef sectors around the world. The people, our culture and values, coupled with this amazing land resource that we are stewards of for generations to come, mean we are world leaders. The sector we are today is the sum total of our choices over the last 50 years. Our opportunity is to continually improve and share the innovations we develop in tackling what are global challenges with other countries, so we make the world a better place. Let's ensure the decisions we make leave a positive legacy for our children and grandchildren in years to come.