



Providing value to dairy farmers for their beef levy

Beef + Lamb New Zealand is focused on providing significant return on investment for dairy farmers' beef levies.

The dairy, sheep and beef industries are linked, through activities such as:

- non-replacement dairy calves in beef finishing
- the provision of beef semen or bulls
- grazing young stock
- wintering dairy cows
- providing feed.

Cull cows are a significant source of NZ's exported beef.

Given these relationships B+LNZ continually looks at further opportunities for integration between the sectors. We work collaboratively with DairyNZ and others such as Federated Farmers in areas of mutual concern and to avoid duplication of resources.

Some of our work is specifically focused on dairy while we frequently run a dairy lens across other B+LNZ work.

What levies do dairy farmers pay?

Dairy farmers pay beef levies on cull dairy cows (\$5.20 per head at slaughter).

Beef levies are also paid (\$5.20 per head at slaughter) on cull dairy heifers and bulls. No levies payable on bobby calves.

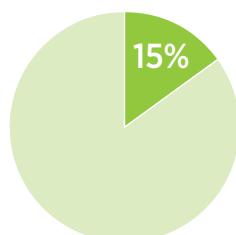
How much do dairy farmers pay in beef levies?

On average, dairy farmers pay around \$425 a year in beef levies. In total dairy farmers accounted for around 15 percent of B+LNZ's levy income in the 22/23 financial year.

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How are dairy farmers' beef levies invested?

B+LNZ invests levies in two main areas:

- post-farm-gate investment that seeks to maximise the value of animals sent for slaughter
- on-farm research and extension investments where we need to take a leading approach to addressing challenges or there are industry-wide issues to solve.

The largest investment is on-farm research and extension, including:

- R&D and extension aimed at eradicating Facial Eczema from cattle in NZ
- internal parasite research and extension to reduce the risk of drench resistance and optimise the use of drenches and other management tools to minimise impacts on cattle production
- genetics research and tools to maximise the value dairy farmers can capture from the use of beef genetics
- collaborating with other industry players on how the value of non-replacement dairy calves is maximised.

Post-farm-gate investment is focused on:

- opening up new market access for beef by advocating for and supporting the government's negotiation of Free Trade Agreements (FTAs)
- advocating with government and internationally for the removal of non-tariff trade barriers that reduce farmer returns
- international advocacy and collaboration on issues that threaten livestock farming and our beef industry
- research into the unique nutritional attributes of NZ grass-fed beef
- promotion of NZ beef and its attributes in international markets
- promotion of beef consumption domestically, in partnership with processors and retailers, and growing the trust and reputation of NZ beef production systems.

Key beef levy-funded B+LNZ projects that benefit dairy farmers

Dairy-beef Progeny Test

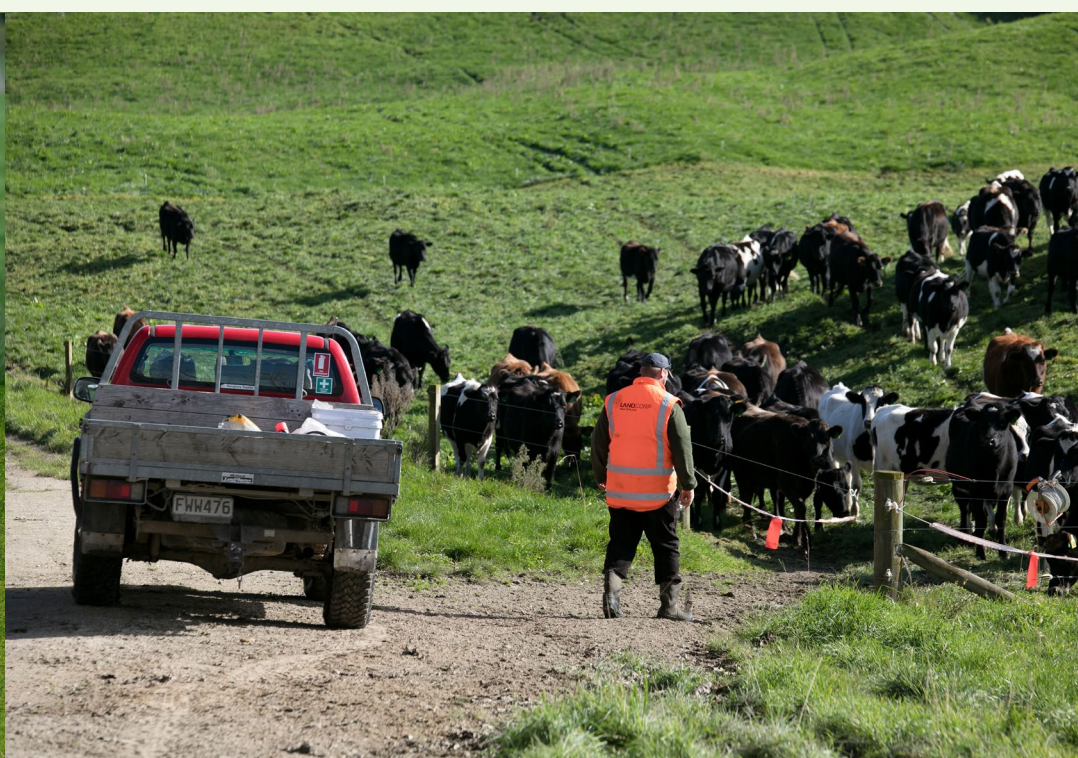
- **Improving the quality of NZ dairy-beef** by identifying superior beef bulls and enabling their widespread use across dairy herds – for short gestation, easy-calving genetics that also offer finishers fast-growing animals to meet processors' carcass specifications.
- Farm modelling has highlighted the value of using top-ranked and proven beef bulls versus average bulls across dairy herds, and opportunities for dairy and beef farmers to work together for mutual advantage.
- The progeny test database has **400,000 measurements on over 16,500 animals**.
- B+LNZ partners with LIC to ensure the best bulls get into the semen catalogues and are widely available to dairy farmers. Several bulls in the 2024 LIC catalogue have come through the B+LNZ Dairy-beef Progeny Test.

Cross-sector work on non-replacement dairy calves

- B+LNZ, DairyNZ, MPI, the Meat Industry Association, DCANZ, genetics providers and farmers **together finding workable solutions**.
- Investigating potential markets to determine consumers' wants and assessing farming system adaptations.
- Surveying calf rearers and finishers to identify drivers and barriers to increasing the use of non-replacement dairy calves.

Combatting internal parasites

- B+LNZ is the sole funder of Wormwise, giving farmers the tools to minimise the impact of parasites on production and combat parasite resistance on farms.
- Delivering **Wormwise for Dairy** – veterinarian and programme manager Dr Ginny Dodunski is working across the sector to help dairy farmers and heifer graziers understand and manage parasites.
- Creating tools and resources specifically for dairy farmers, who have triple drench resistance starting to appear in their cattle systems.
- Leading research in NZ and internationally to find **new solutions** to the cost of parasites on animal performance – includes new ways to diagnose resistance and infection in young cattle.



Facial Eczema (FE)

- Leading an ambitious, collaborative \$20.75 million seven-year **programme to eliminate the impacts of FE in NZ** (total impacts estimated at \$332 million per year across the sheep, beef, dairy and deer sectors).
- Working across the beef and dairy cattle industry, investigating all aspects of the disease, its prevention and treatment. Partnering with farmers and leading research scientists at AgResearch and other Crown Research Institutes, universities, and expert consultants across NZ.
- **Developing a test to better diagnose subclinical FE.** If successful, will allow farmers to diagnose and treat animals more effectively, while providing a new tool to aid in genetic selection for parasite resistance.
- Understanding the species of fungus associated with FE in NZ, and identifying gene-editing options that could limit the exposure of animals to the toxin associated with FE.

Dairy-beef market access

- B+LNZ has played an influential role in securing FTAs to **increase beef access into global markets.**
- CPTPP secured access for NZ beef into Japan and is **reducing tariffs** from 38.5 percent to 9 percent in 2033.
 - The NZ-Korea FTA will see tariffs fall from 40 percent to zero in 2029.
 - The **UK FTA has secured outstanding access for beef** where before NZ had practically none. In the first year NZ has a duty-free beef quota of 12,000 tonnes, increasing to 38,820 tonnes in year ten, after which beef exports will be tariff-free (although a safeguard mechanism is in place from years 11-15). There are greater opportunities for cull cow beef through access for manufactured and cooked products.
 - The EU FTA will slowly improve beef access over seven years to 10,000 tonnes (from 1,102 tonnes product weight previously).
 - Tariff reduction benefits flow through to schedule payments.
- Advocating with MIA for the **removal of the most impactful barriers** (non-tariff barriers cost the red meat sector \$1.5 billion in 2022).
- **Furthering our sustainably-produced beef story globally** - on the Board of the Global Roundtable for Sustainable Beef and the Board of the International Meat Secretariat which are key international groups advocating for beef production and consumption internationally and include some of our largest customers.
- Attending UN FAO and COP events **advocating for international policy that protects beef production** and recognises the importance of red meat for global nutrition - and for fairer metrics for measuring methane's impact on global warming.
- B+LNZ representatives in key overseas markets (UK and Europe, and the US) troubleshooting, maintaining quotas and representing beef interests.
- Partnering with the MIA in China to gather intelligence and monitor emerging issues including ensuring risks to access are minimised.





Taste Pure Nature origin brand

- B+LNZ, with the red meat sector, developed this country-of-origin brand campaign to raise awareness of, and drive preference for, grass-fed beef and lamb from NZ.
- Significantly increased awareness of NZ's grass-fed farming system among targeted 'conscious foodies' in China and the US, and aspiration to purchase grass-fed NZ beef.
- Both the US and China are very significant markets for ingredients beef (the main output from cull dairy cows) and this work is **driving demand NZ's grassfed, free range burger beef**.
- Independent cost benefit analysis on Taste Pure Nature's impact = **\$8 return for every dollar spent**.
- B+LNZ led the development of the meat industry's Farm Assurance Programme (NZFAP) that underpins exports, and currently chairs the programme's Board.

Domestic marketing of beef

- B+LNZ, in partnership with retailers and processors, invests \$3.6 million annually to drive consumption of beef domestically and underpin confidence in the product and industry.
- Specifically funding the '**Good things start with NZ beef and lamb**' campaign featuring Stacey Waaka.
- Securing a deal as an official partner of the NZ Olympic Committee which will involve a campaign around NZ producers "feeding the fern".
- Significant investment in nutrition education and advocacy on the important role beef plays in nutrition for all ages.
- Ongoing independent tracking shows **consumer trust and reputation in the NZ beef sector is strong** and trending upwards.
- Working to combat misinformation about beef and beef production.

Pasture Raised Advantage research

- Jointly funding research exploring the differences between pasture-raised beef and both grain-fed beef and alternative proteins - the first clinical trial of its kind to compare the effects of flexitarian and vegetarian lifestyles on a range of health and wellbeing outcomes.
- This **groundbreaking study** showed red meat is a better source of protein than a processed plant-based alternative.
- Also found that pasture-raised meat contains more omega-3 polyunsaturated fat than grain-finished meat - unsaturated fats are more beneficial for health than other fats.