



- Annual Report -

2013-14



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BOARD OF DIRECTORS

Farmers appoint six of the Beef + Lamb New Zealand 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 also appointed to provide a meat processor and exporter perspective to the board.



JAMES PARSONS

*Farmer Representative,
Northern North Island*

Served since: 2009
Term expires: 2015
09 438 8563 | 021 206 3208
james.parsons@beeflambnz.com

James farms a 478 hectare hill country farm in Tangowahine, Northland, running a Coopworth sheep stud, commercial ewes, bulls and breeding cows.



GEORGE TATHAM

*Farmer Representative,
Eastern North Island*

Served since: 2014
Term expires: 2017
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.



KIRSTEN BRYANT

*Farmer Representative,
Western North Island*

Served since: 2010
Term expires: 2016
06 342 7755 | 027 275 1690
oneida.hills@xtra.co.nz

Kirsten farms three sheep and beef properties in the Taumarunui and Wanganui districts: 1174 hectares at Kirikau, 410 hectares at Piriaka and 485 hectares at Fordell.



ANDY FOX

*Farmer Representative,
Northern South Island*

Served since: 2006
Term expires: 2015
03 314 3763 | 027 519 9642
foxaj@xtra.co.nz

Andy farms mainly sheep and beef on 1405 hectares at Scargill Valley, one hour north of Christchurch.



ANNE MUNRO

*Farmer Representative,
Central South Island*

Served since: 2010
Term expires: 2016
03 685 5772 | 027 228 9627
munropa@farmside.co.nz

Anne farms a 1037 hectare hill country property in the Mackenzie district. The farm runs a diversity of livestock - currently 3500 Romney-cross sheep, 240 breeding cows, 60 goats and 345 grazing dairy stock.



ANDREW MORRISON

*Farmer Representative,
Southern South Island*

Served since: 2014
Term expires: 2017
03 2071 856 | 027 664 4620
beak.lisa@gmail.com

Andrew farms sheep and beef properties comprising 1033 hectares in Southland and Otago.



MARK CLARKSON

*Processor-Exporter
Appointee*

Served since: 2012
Term expires: 2015
03 358 2200 | 027 432 8896
mark.clarkson@anzcofoods.com

Mark is the Managing Director of ANZCO Foods Group. ANZCO operates seven processing sites (Riverlands and CMP), three manufactured foods plants, as well as farming a 20,000 head capacity cattle feedlot.



SAM LEWIS

*Processor-Exporter
Appointee*

Served since: 2014
Term expires: 2017
07 870 2425 | 021 815 658
samuel.lewis@xtra.co.nz

Sam Lewis is a Director and Chairman of AFFCO New Zealand, a position he has held since the early 90s. He was previously a member of the MIA and has been involved with Federated Farmers for 40 years.

CHAIRMAN'S REPORT

It has been encouraging to see a lift in beef pricing and relatively stable sheep meat pricing for producers in the 2013-14 year.

Unfortunately rainfall has been less cooperative for many parts of the country which seems to be a recurring theme. Despite this and the fact more sheep and beef production is coming from hill country, sheep productivity in particular continues to defy the odds with average lamb carcass weights at some of the highest levels ever. This is a testament to the improving management and genetics employed by farmers.

Your farmer organisation - Beef + Lamb New Zealand - has an absolute focus on improving farmer profitability. There are numerous ways in which profits can be improved, yet a hallmark of any successful organisation is focus and staying true to its mission and purpose. Beef + Lamb New Zealand provides unbiased and relevant information directly and indirectly to sheep and beef producers better than anyone else. On top of this we have farmers' backs in the areas of trade access, market development, the environment and attracting the best and brightest into our sector. While we may be the best at serving all sheep and beef producers in this way, we also know we can and must do this better. It is vital that we stay true to our mission and purpose or the opportunities in these areas will go begging.

There is never a dull moment in the meat industry and 2013-14 was no exception. Your board and staff care deeply about seeing a strong and cohesive processing sector, however it needs to be recognised that unlike farmers Beef + Lamb New Zealand isn't a shareholder in any processing facilities, nor an expert on their operations or cost structures. While we encourage the meat industry players to realise the in-market and procurement opportunities highlighted in the 2011 Red Meat Sector Strategy, we are acutely aware of the significant pre-farm gate

opportunities which are our responsibility to facilitate. Consequently we make no apology for staying the course on areas within our mandate and expertise. We owe it to our farmers not to be just a 'good' industry organisation, but to continually build momentum and excellence at all costs, through our areas of expertise and influence.

A notable area that farmers have been crying out for support is the environment. As well as a strategic partnership with Federated Farmers we have allocated an additional \$1 million towards supporting sheep and beef producers as we all come to grips with regional councils implementing the National Policy Statement for Freshwater Management 2014. This is over and above the large number of Land and Environmental Plan farmer workshops, industry forums and government engagements we have undertaken on your behalf.

Two significant programmes endorsed by farmers at prior Annual Meetings have got underway in 2013-14. Notably Beef + Lamb Genetics and the Red Meat Profit Partnership. Both have attracted significant government and third party investment and are a real win for our sector. Today's farmers benefit significantly from wise research investments and programmes of the past. In the same vein, these two initiatives are an investment for tomorrow's farmers.

It's been a busy year for our trade policy team who have a single minded focus on ensuring the Government's trade negotiators secure the best possible deals for sheep and beef producers. The highlight of the trade policy year was the entry into force of New Zealand's Free Trade Agreement (FTA) with Taiwan. Taiwan was our fourth-largest beef market by value and fifth-largest by volume in 2013. The FTA will remove Taiwan's tariffs on those beef exports by 2015 which will give us a competitive advantage in that market.



NZ
\$8.5B VALUE OF THE NEW ZEALAND RED MEAT SECTOR
12,300 COMMERCIAL NEW ZEALAND SHEEP AND BEEF FARMING BUSINESSES

“Developing a winner’s attitude and unshakeable confidence irrespective of product prices must also become values synonymous with our farmers”

To deliver on our vision for 'a confident and profitable sheep and beef industry', unshakeable confidence and self-belief are two traits that need to become synonymous with our sector. Through the Red Meat Profit Partnership, we have researched what makes our high performance farmers tick, and these traits shine out. These leading farmers are not foolish optimists but confident realists who navigate challenges and invest in opportunities with a fierce determination and self-belief.

Research shows that farmers are very values driven people. Honesty, decency, work ethic, investing for the next generation, a love for the land and animals, community and family are values that we farmers live and breathe regardless of the schedule. Developing a winner's attitude and unshakeable confidence irrespective of product prices must also become values synonymous with our farmers.

In the coming year expect to see strong leadership from your organisation through celebrating success, and building pride in being a sheep and beef farmer. While we must never fall into the trap of blind optimism, we owe it to our children and the next generation of farmers to leave a legacy where every failure, challenge and opportunity is approached confidently. Such a sector will never starve for investment, innovation and attracting new talent.

I want to acknowledge our passionate and committed Beef + Lamb New Zealand staff, Farmer Councillors who volunteer their time, and my fellow directors for your hard work and commitment to the vision of a confident and profitable sheep and beef industry. I would ask that you would partner with them in pursuit of that vision.

To my fellow farmers and industry participants, Beef + Lamb New Zealand is an organisation funded and run by farmers for farmers. It is a privilege to serve farmers through leading and governing your organisation.

James Parsons
 Chairman
 Beef + Lamb New Zealand

CEO'S REPORT

Supporting a confident and profitable sheep and beef industry is central to everything Beef + Lamb New Zealand does. As staff of your organisation, this is what guides us and drives us.

The organisation's strategic priorities support us as we look to deliver tools and services that help you as farmers make informed business decisions for your farms. Our other role, in the wider context of the sector, is to collectively represent your interests as farmers. We coined the organisational tagline *By farmers. For farmers* several years ago because it's sheep and beef farmers who determine much of the activity of Beef + Lamb New Zealand and are involved in decision making at every level, from Board governance to operational delivery in the regions, and in guiding what we do in areas such as research and development, and our work on environmental issues.

Beef + Lamb New Zealand Farmer Councils are made up of sheep and beef farmers and they set the extension agenda for their own patches because they are well placed to know what activities are going to get best uptake for greatest effect. In the Southern South Island region, for example, there has been a big focus on eliminating clover root weevil while across the boundary in Central South Island, farmers have been interested in the impact lucerne could have on their farming business and so those topics have been selected for focus. This regional approach and the differences it enables are central to us delivering what is valuable for farmers in your own region.



Extension activity happening on

128

FARM SITES THROUGHOUT NEW ZEALAND, TRIALLING, TESTING AND MONITORING INNOVATION

“We’ve had great turnouts to our field days during the year. We clocked 17,269 visits to events”

Farmers are also guiding the organisation's research spend. The Farmer Research Advisory Group has recommended a range of new work which will include improving hogget performance, developing a vaccine for pneumonia and finding a control for the Argentine stem weevil.

We've also had great turnouts to our field days during the year. We clocked 17,269 visits to events. We've also got extension activity happening on 128 farm sites throughout New Zealand, trialling, testing and monitoring innovation. Included in this Annual Report also is a scorecard that shows how we've gone against the targets we set this year, how we performed last year by comparison, and where we want to get to next year.

Several new calculators have been added to our online interactive toolbox that's part of our website. There is a production calculator that will work out the volumes of meat and wool being produced on your farm and an export calculator that shows beef and lamb exports by volume and value, so that you can better understand where beef and lamb products are going and how this changes over time.

Another of Beef + Lamb New Zealand's priorities is to attract and retain a talented workforce and this year saw a range of activity that included funding training opportunities and educational scholarships. Farmers tell us that one of the most important things for them is to support bright young people coming into the industry because they want to know the industry will be in good hands in the future.

Beef + Lamb New Zealand Genetics has made great strides since it was set up earlier in the year, holding a forum in Dunedin involving 100 sheep breeders, completing initial work on a major upgrade of the SIL genetic engine, developing a smartphone ram selection application called FlockFinder, establishing a New Zealand beef progeny test, and continuing research activity around developing improved breeding objectives and more accurate genetic evaluations.

Beef + Lamb New Zealand is an active partner in the Red Meat Profit Partnership, advising and guiding on the deliverables that will be valuable to sheep and beef farmers. There is a range of activity to roll out over the next six years and coming up will be benchmarking data so farmers can compare how their farm business is performing relative to others – including the best performers, easier access to the information that can help improve on-farm profitability and more investment in programmes that ensure our industry attracts the very best people.

Farmers tell us they like to see and read what other farmers are up to and this Annual Report carries a selection of stories featuring farmers trialling and testing new ideas alongside Beef + Lamb New Zealand. I hope you enjoy reading them.

Scott Champion
Chief Executive Officer
Beef + Lamb New Zealand

Our Strategy

A confident and profitable sheep and beef industry

VISION FOR THE SECTOR

Help farmers make informed business decisions and promote their collective interests

PURPOSE OF B+LNZ

PRIORITIES

Supporting informed business decisions

- + **Investing** in research and development that meets the needs of farmers and the sector
- + **Developing** farm and farmer capability
- + **Delivering** knowledge that drives farm performance

Promoting collective interests

- + **Attract and retain** talent for the sector
- + **Supporting** the sector's market opportunities
- + **Advocating** for farmers' ability to operate
- + **Building** our sector's confidence and profile within communities

PRINCIPLES

Know our farmers

Build partnerships to deliver

By farmers. For farmers

2014-15 - BUDGET SPREAD OF ACTIVITY

Beef

	Per Head
Levy Paid	\$4.40
NZMB Funding	\$0.25
	\$4.65
Expenditure	
Market Development	1.69
Market Access	0.35
Research & Development	0.68
Extension	1.12
Environment	0.24
Administration	0.68
Information & Analysis	0.32
People & Capability	0.17
	\$5.25
Deficit from Levy Reserves	(\$0.60)

Sheepmeat

	Per Head
Levy Paid	\$0.60
NZMB Funding	\$0.10
	\$0.70
Expenditure	
Market Development	0.19
Market Access	0.05
Research & Development	0.15
Extension	0.22
Environment	0.02
Administration	0.08
Information & Analysis	0.06
People & Capability	0.01
	\$0.78
Deficit from Levy Reserves	(\$0.08)

GOVERNANCE STATEMENT

The Board of Directors is committed to a governance framework for Beef + Lamb New Zealand Limited that ensures the strategic guidance of the company, the effective monitoring of Management by the Board, and the Board's accountability to the Company and the stakeholders (New Zealand farmers).

The principal functions of the Board of Directors are:

- setting the governance framework
- strategic planning and risk management
- monitoring
- authorisation
- fiscal control.

The Board has adopted the following governance objectives (which are in line with best practice principles recommended by the Securities Commission of New Zealand):

The Board will:

- lay solid foundations for management and oversight
- structure itself to add value
- promote ethical and responsible decision making
- use committees where this enhances its effectiveness in key areas, while retaining Board responsibility
- foster constructive relationships with livestock farmers that encourage them to engage with Beef + Lamb New Zealand
- encourage enhanced performance
- safeguard the integrity of its reporting (both financial and business performance) and make timely disclosures on Beef + Lamb New Zealand's affairs
- ensure that the Company has appropriate processes to recognise and manage risk
- remunerate fairly and responsibly.

The Board has two standing committees to assist it in discharging its responsibilities:

- Audit & Risk Committee
- Honoraria, Remuneration & Expense Committee.

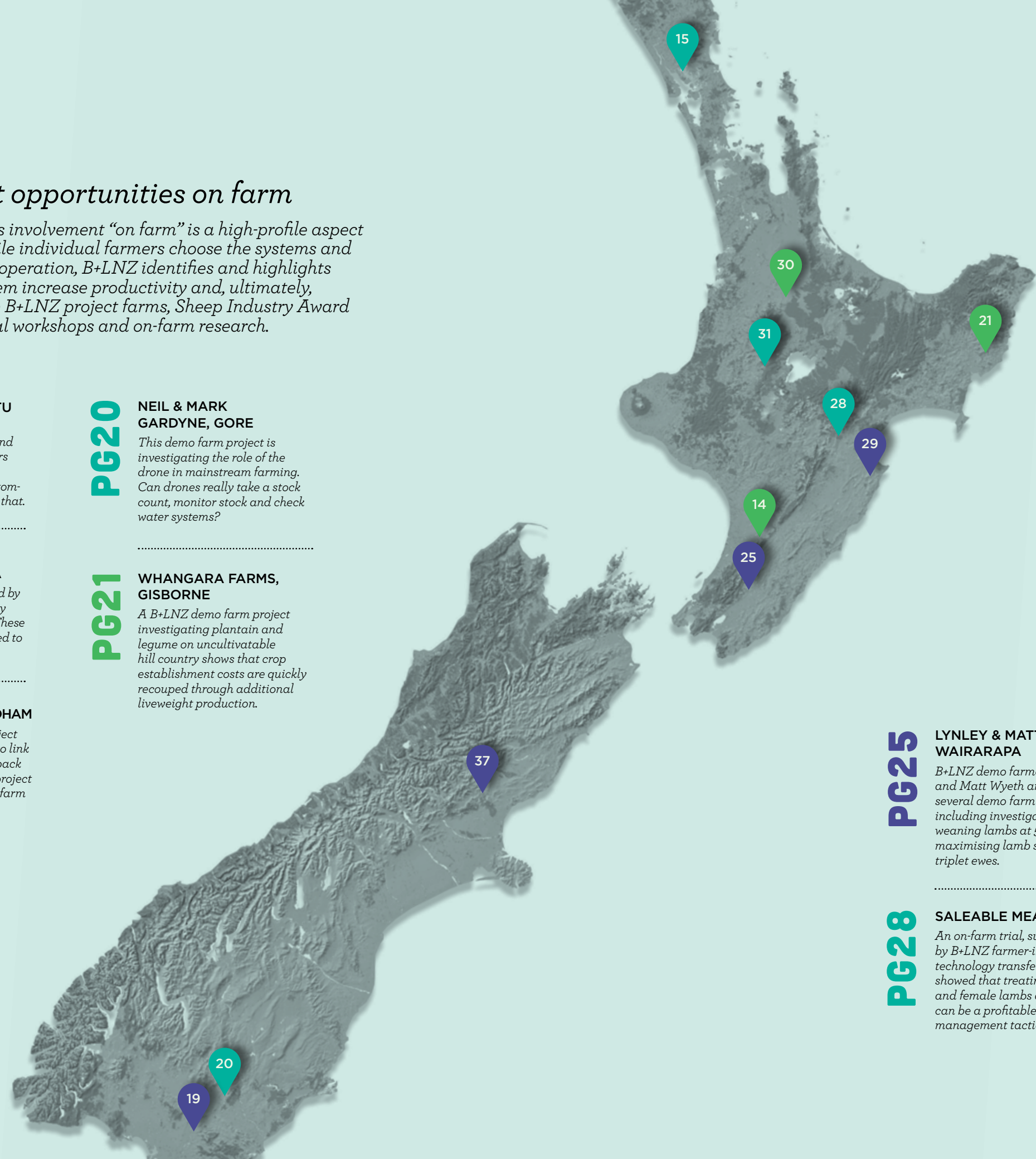
Each committee operates in accordance with its Board-approved charter, which is annually reviewed by the Board. Special ad hoc project committees are formed as required. All committees make recommendations to the Board.

The Board also maintains a formal set of delegated authorities that clearly define the responsibilities which are delegated to Management and those which are retained by the Board. These delegated authorities are approved by the Board and are subject to formal review by the Board on a regular basis.



Highlighting profit opportunities on farm

Around New Zealand, B+LNZ's involvement "on farm" is a high-profile aspect of the organisation's work. While individual farmers choose the systems and technologies that best fit their operation, B+LNZ identifies and highlights opportunities that can help them increase productivity and, ultimately, profitability. Examples include B+LNZ project farms, Sheep Industry Award recipients' operations, practical workshops and on-farm research.



PG14 **LINKFARM, MANAWATU**
 Can "banded" cultivation of fodder beet decrease costs and increase crop yields? Brothers Scott and Paul Linklater are using strip tillage and a custom-designed machine to do just that.

PG15 **CHRISTINE & GRANT WEST, TANGITERORIA**
 The pugging damage caused by cattle on heavy soil is a costly problem for many farmers. These B+LNZ demo farmers decided to do something about it.

PG19 **WARREN AYERS, WYNDHAM**
 This B+LNZ demo farm project harnessed EID technology to link kilograms of lamb weaned back to individual ewes, but the project team was challenged by on-farm realities.

PG20 **NEIL & MARK GARDYNE, GORE**
 This demo farm project is investigating the role of the drone in mainstream farming. Can drones really take a stock count, monitor stock and check water systems?

PG21 **WHANGARA FARMS, GISBORNE**
 A B+LNZ demo farm project investigating plantain and legume on uncultivable hill country shows that crop establishment costs are quickly recouped through additional liveweight production.

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PG25 **LYNLEY & MATT WYETH, WAIRARAPA**
 B+LNZ demo farmers Lynley and Matt Wyeth are running several demo farm projects, including investigating weaning lambs at 50 days and maximising lamb survival from triplet ewes.

PG28 **SALEABLE MEAT YIELD**
 An on-farm trial, supported by B+LNZ farmer-initiated technology transfer funding, showed that treating male and female lambs differently can be a profitable farm management tactic.

PG29 **EAST COAST FUTURE FORAGE SYSTEMS**
 What forage-based strategies can help East Coast farmers increase on-farm productivity and reduce the risks associated with climate variability?

PG30 **DAIRY BEEF INTEGRATION PROGRAMME**
 This five-year B+LNZ-funded programme is investigating the potential to increase calving ease and produce better animals for beef production, by using proven beef semen and sires in a dairy herd.

PG31 **ALEX & ANNE RICHARDSON, TAUPO**
 Alex Richardson attended a B+LNZ land and environment plan workshop and found it was generally a case of documenting what he was already doing on-farm.

PG37 **ZINO HOLDINGS, HAWARDEN**
 For the 2014 B+LNZ Sheep Industry Awards' Blackdale sheep industry suppliers of the year, lamb is not just lamb. "It's the best form of protein in the world."



FARM

The B+LNZ Farm team's activity straddles much of the organisation's wider work, supporting informed business decisions by investing in research and development that meets the needs of farmers and the sector. It's also focused on developing farm and farmer capability and delivering knowledge that drives farm performance. On the ground, 12 extension staff work alongside the B+LNZ Farmer Councils to deliver field days and programmes relevant to their own regions.

Highlights of 2013/14

14 B+LNZ's farm research advisory group (FRAG) was instigated by the Farmer Council, so farmers play a more active role in directing research.

In August, the organisation partnered with the Federation of Maori Authorities to create two joint roles that are now supporting Maori sheep and beef farmers.

15 A B+LNZ environment extension manager was appointed. Alongside this, 39 land and environment planning workshops were held.





Linkfarm, Manawatu

CASE STUDY

IMPROVING THE ECONOMICS OF FODDER BEET

The Manawatu B+LNZ demonstration farm project is testing whether “banded” cultivation of fodder beet has the potential to decrease costs and increase crop yields.

Fodder beet is growing in popularity, thanks to its high yields and metabolisable energy content, but it is relatively expensive to grow (at \$2000-\$2500/ha) and seedlings can be susceptible to strong winds.

The B+LNZ demo farm involved is the Linklater family’s 586ha Manawatu operation, Linkfarm, which is run by Scott Linklater. Meanwhile, younger brother Paul runs Agrilink Contracting.

Essentially, the demo farm project aims to more than halve the cost of the crop to 4c/kgDM by limiting establishment costs to \$1500/ha, while increasing yields to 35tDM/ha.

How? Paul recognised the potential of strip tillage to improve yields and protect both young plants and worked-up soil from the region’s notorious wind. To address the cost of cultivation, he designed and built a machine that would allow cultivation to happen in one pass.

For more info see www.beeflambnz.com/demo-farms

Adapting to farmers’ needs

Moving to the regionally based Farmer Council model in 2010 was a critical change in how B+LNZ operates. The four years since have seen the Councils grow in confidence and effectiveness as they work with local Extension Managers to drive activity in their area. As a result, B+LNZ’s Farm programme is more aligned to farmers’ needs than ever before. During the year, there were 17,269 visits to B+LNZ field days.

17,269

FARMER VISITS TO B+LNZ FIELD DAYS

39

LAND AND ENVIRONMENT PLANNING WORKSHOPS HELD

PROJECT FARMS

The mix of project farms provides a good example of the shifting of B+LNZ activity. More than 100 sites are involved across New Zealand. In addition to the six monitor farms, three focus farms, four profit partnerships and 17 farming for profit programmes, there are also 10 demonstration farms, which test specific innovations in a real farm environment.

FARMER-DRIVEN RESEARCH

B+LNZ’s research activity is carefully thought out to avoid duplication and maximise opportunities for industry partnerships. It proactively seeks third-party funding support, enabling farmer investment to go further. The 2013-14 year saw the establishment of “FRAG” – B+LNZ’s farm research advisory group – an initiative of the B+LNZ Farmer Council. The group sees farmers play a more active role in contributing to research investment decisions and acts as a conduit between farmers and B+LNZ’s Board and research team. To ensure research is more farmer-driven, FRAG draws on Farmer Councils through a series of needs analysis workshops, to inform its recommendations.

MAORI AGRIBUSINESS

In August, B+LNZ partnered with the Federation of Maori Authorities to create two joint roles – Kaiarahi Ahuwhenua Sheep & Beef – for delivering tools and services to support Maori farmers.



GROWING IMPORTANCE OF ENVIRONMENT

Thirty-nine land and environment planning workshops were held across New Zealand during the year. A new position of Environment Extension Manager was created and, as the year ended, an appointment process was under way for a second position, based in the South Island. B+LNZ also worked closely with Federated Farmers during 2013-14, drawing on the skills and expertise of its regional policy staff, to more strongly represent sheep and beef farmer interests at a regional level.

B+LNZ SHEEP INDUSTRY AWARDS

The third B+LNZ Sheep Industry Awards was hosted in Napier, with tickets oversubscribed, as the sector gathered to celebrate sheep breeders, commercial farmers, scientists and industry supporters.

FARM OWNERSHIP AND TRANSITION WORKSHOP

This one-day workshop was piloted through the year to help farmers begin the process of transitioning into or out of a farming property. The organisation also piloted the future land managers programme, aimed at enhancing the industry’s long-term viability by supporting new and aspiring farm managers and owners.

B+LNZ GENETICS

B+LNZ Genetics is a fully owned subsidiary of B+LNZ, established during 2014. It combines the previous investments in Ovita, Sheep Improvement Ltd and the B+LNZ Central Progeny Test. Over time, it will develop tools that allow commercial farmers to more easily access genetic information.



CASE STUDY

COUNTERING THE COST OF PUGGING

The worry of cattle causing pugging damage was keeping B+LNZ demonstration farmers Christine and Grant West awake at night. Literally. So they decided to do something about it.

The Northland farmers recently completed a B+LNZ demo farm project focused on minimising pugging damage. The Wests estimated pugging was costing them \$30,000 annually in lost pasture production.

The farm is winter wet and spring dry, with heavy clay soils and a lot of kikuyu grass. And it’s this combination of kikuyu and heavy soil that is the problem. Kikuyu is a difficult pasture to manage and requires heavy-duty cattle grazing to keep on top of it at key times of year.

The Wests built a 20mx30m covered stand-off pad – described by the couple as the “poor man’s” version, costing \$125,000 and consisting of a clear roof and rolled limestone floor, which slopes down to a concrete-covered effluent collection pit.

Unfortunately, a major storm during 2014 ripped the roof off, creating a scenario of significant costs and environmental issues. While the roof has been repaired, the incident highlighted that the stand-off pad solution to pugging was not without its own set of challenges.

For more info see beeflambnz.com/demo-farms

Christine & Grant West, Tangiteroria



MARKET

B+LNZ works to improve market opportunities including access for beef and lamb, through trade and technical policy activity. In market, promotional strategies and partnerships create a preference for New Zealand beef and lamb, based on “country of origin” promotion. At home, B+LNZ identifies and prioritises advocacy needs, supporting farmers’ ability to operate.

Highlights of 2013/14

18

Influencing consumers at the point of purchase through in-store tastings of New Zealand beef and lamb, alongside increased use of social media.

20

B+LNZ’s technical policy team was heavily involved in New Zealand’s Foot and Mouth Disease Preparedness programme.

21

The Free Trade Agreement with Korea progressed towards a successful conclusion.



Market development

B+LNZ takes a five-pronged approach to international market development activity: point of sale promotion, food service promotion, education, web and social media, and market research. These all serve to highlight the qualities of New Zealand beef and lamb, and create consumer preference for New Zealand products.

POINT OF SALE PROMOTION

B+LNZ works with retail and supermarket outlets to promote New Zealand beef and lamb to consumers, predominantly using cooking demonstrations and in-store tastings.

During 2013-14, the German import and retail trade continued to grow its programme of in-store tastings, with about 800 tasting days over the period – up from 759 two years earlier.

B+LNZ worked with COFCO – one of the largest beef importers in China – to run in-store tastings of New Zealand grass-fed beef through COFCO’s Joycom retail outlets, with each store doubling sales of the product. A promotion in the high-end Ole supermarket in Beijing’s financial district saw New Zealand beef sales increase by 50 per cent. For the past three years, B+LNZ has worked with Chinese high-end department store Dalian Meikaile and its importer to promote grass-fed beef. The latest tastings resulted in a 25 per cent increase in sales over the duration of the promotion.

In Korea, chilled New Zealand grass-fed beef was trialled at E-Mart, one of the country’s three leading supermarket chains.

FOOD SERVICE PROMOTION

Taiwan is a significant market for New Zealand grass-fed beef and B+LNZ has worked for several years with various restaurants, including MOS Burger. The past year’s promotion involved introducing two new products to the MOS menu – a smoked beef burger and sandwich.

A B+LNZ promotion which ran in Taiwan’s Royal Host restaurants from January to June saw sales increase 10 per cent. The Noble Family Steakhouse 2013-14 promotion was sponsorship of a TV commercial, which boosted sales of the three New Zealand grass-fed beef products by up to 19 per cent. In South Taiwan, a new steak meal was launched in the Happy Corner Steakhouses.

From December to February, China’s Café De Coral introduced a dish called the tenderloin sizzling plate. Sales volumes increased by 53 per cent over the promotion period and the dish is now a regular on the menu.

Also, the Korean buffet restaurant chain Frigga worked with B+LNZ to develop three new grass-fed beef dishes.

EDUCATION

Trade seminars were hosted in Taiwan and Japan attracting a total of 390 sector participants. The seminars provide an overview of the New Zealand beef industry, food safety, nutrition and the specific attributes of New Zealand grass-fed beef.

B+LNZ partnered with 10 top restaurants in Germany to promote New Zealand lamb. Five chefs came to New Zealand in January, to better understand the environment and farming features. Since returning home, they’ve lent their weight and names to print articles promoting New Zealand lamb, as well as producing recipes with New Zealand lamb as the centrepiece. These recipes have been used on B+LNZ’s website and Facebook pages and will form the basis for a 2015 New Zealand lamb cookbook for the German market.

Consumer workshops showcase New Zealand farming and grass-fed beef, showing consumers how to cook the product at home and letting them know where they can buy it. For example, a Japanese Facebook promotion for parents promoted the importance of beef in children’s diets, while a September promotion in Tokyo targeted consumers who wanted to “improve their bodies with New Zealand grass-fed beef”.

WEB AND SOCIAL MEDIA

Social media and B+LNZ’s various websites play an increasingly important role in market development activities. B+LNZ has Facebook pages in the UK, Germany, Japan, Korea and Taiwan, focusing on either beef or lamb. It also has local-language websites designed specifically for each market.

In 2013-14, two social media trial campaigns were run on Facebook to increase engagement with consumers. In Germany, an Easter raffle offered five New Zealand Easter packages and resulted in 690 “likes” over the two weeks of the promotion. In Japan, the Niku no Hi (Meat Day) Facebook campaign ran for six months and attracted 6913 new “likes”.

At the end of September, B+LNZ’s number of global Facebook fans stood at 36,699.



THE POTENTIAL OF EID TECHNOLOGY

Is it cost effective to use EID technology to link kilograms of lamb weaned back to individual ewes?

Southland farmer Warren Ayers has EID tagged his stud ewes since 2006 and the commercial two-tooths since 2009. “I was aware I wasn’t using the tags to their full potential.”

His B+LNZ demonstration farm project involved EID tagging the lambs at tailing, then setting up a single-file gate between paddocks with the EID panel reader attached. Ewes and lambs could walk freely from paddock to paddock. The plan was that, after 10 paddock shifts, there would be enough recorded data to be able to confidently link which lambs belonged to which ewes – based on the proximity of specific lambs to specific ewes during the paddock-to-paddock movements.

However, the ewes and lambs were not keen on moving single file through the gates. The data gathered was of variable quality and the costs were significant.

Warren concluded that the idea could have potential within a stud operation, but was not cost effective for a commercial farmer.

For more info see www.beeflambnz.com/demo-farms



Warren Ayers, Wyndham

Café De Coral promotion prompted

53%

INCREASE IN SALES

800

IN-STORE TASTINGS IN GERMANY

MARKET RESEARCH

Part of B+LNZ’s market development programme involves conducting regular consumer research. The findings are used to evaluate current programmes and develop future programmes and messages. For example, the most recent research in Taiwan shows the consumers say New Zealand grass-fed beef is delicious (46%), healthy (33%), safe (32%) and high quality (30%). A quarter of consumers recognise the New Zealand grass-fed beef logo and three-quarters say the logo made them more willing to buy the beef.

46%

OF CONSUMERS IN TAIWAN SAY NEW ZEALAND GRASS-FED BEEF IS DELICIOUS

B+LNZ’s global Facebook fans =

36,699



DRONES FOR MAINSTREAM FARMING

A B+LNZ demonstration farm project is drilling down into the workability of agricultural drones for mainstream farming.

Southland farmer Neil Gardyne, son Mark and a wider project team are working on creating a system where piloting and computer skills are not required to obtain a stock count.

A solid start has been made, whereby the drone flies to a specific paddock and takes several digital images. While software can count the stock, the team is still working on the logistics of getting the drone to "talk" to the computer.

Another project goal was to monitor stock and water infrastructure – and that goal has been achieved.

The economics of the drone are also being explored. What value does the drone create? With the drone reducing the need for additional travel around the farm, what is the impact on farmer and staff safety? And what is the public perception?

For more info see www.beeflambnz.com/demo-farms



Technical policy

The role of B+LNZ's technical policy team encompasses biosecurity, sustainability, food safety and animal welfare. This work is geared to minimise regulatory requirements associated with the business of farming. During 2013-14, foot and mouth disease preparedness and managing the impact of Theileria were key priorities for the team.

FOOT AND MOUTH DISEASE

B+LNZ continued to be heavily involved in New Zealand's Foot and Mouth Disease Preparedness programme, managed by the Ministry for Primary Industries. The programme involves a series of projects designed to improve New Zealand's readiness, should there be an outbreak of the disease. Projects completed and in progress include deployment of a foot and mouth disease vaccine, imposition of urgent movement controls, "whole of government" response coordination and industry biosecurity planning. By the end of the 2013-14 year, tangible improvements in readiness for foot and mouth were in place.

THEILERIA

Theileria orientalis is a tick-borne parasite of cattle, which destroys red blood cells and causes anaemia. It is strictly an animal health issue, with no effect on human health or food safety. While *Theileria* has been in New Zealand for at least 30 years, a new type – known as Ikeda and likely imported in live animals



from Australia – caused an outbreak in some North Island cows in mid-2012. The outbreak continues and as it is not realistic to eliminate *Theileria* from New Zealand. Biosecurity activity is based on mitigating its impact.

To that end, B+LNZ is part of an industry working group which monitors, builds knowledge and keeps farmers abreast of practical on-farm biosecurity precautions. B+LNZ is also working with the dairy industry and MPI to ensure border standards are adequately robust, to prevent the introduction of any other diseases associated with imported live animals.

ENVIRONMENTAL POLICY

B+LNZ is advocating for farmers' ability to operate and during 2013-14, it was an active participant in the primary sector initiative to align approaches to water quality and quantity through the Land and Water Partnership. In Canterbury, the organisation worked with other sectors to establish agricultural good management practices for nutrient loss to water. It also made submissions on both Variation 1 and Variation 2 of the Canterbury Land and Water Regional Plan. In Hawke's Bay, B+LNZ appeared before the Board of Inquiry for the Tukituki proposal and worked closely with Hawke's Bay Regional Council staff on implementation strategies. Similar activity took place in Southland, Waikato and Greater Wellington.

Internationally, B+LNZ successfully applied to the European Commission to jointly undertake pilot work around product environmental footprinting systems. The pilot programme will develop category rules for meat. B+LNZ also joined the Global Roundtable for Sustainable Beef during 2014.

Trade policy

Improving market access conditions for New Zealand's red meat exports is one of B+LNZ's priorities.

BARRIERS TO TRADE

B+LNZ and the Meat Industry Association jointly published "Barriers to international trade" – a report released in late 2013, calculating that New Zealand's red meat and co-product exports were charged about \$348 million in total tariff costs over the 2012 calendar year. This information was given to the Government so it has a better understanding of the trade barriers faced by the industry and where it could assist.

NEW ZEALAND'S BUSY FTA AGENDA

The 2013-14 year included bilateral negotiations with Korea (now concluded) and India, as well as ongoing plurilateral negotiations with the 11 other countries involved in the Trans-Pacific Partnership (TPP). In the Asia-Pacific region, negotiations continued towards the Regional Comprehensive Economic Partnership and the 'PACER Plus' regional and economic integration agreement (which builds on the 2001 Pacific Agreement on Close Economic Relations). Meanwhile, negotiations for an FTA with the Russia/Belarus/Kazakhstan customs union were put on hold in March due to political developments in the region. Looking ahead, it is hoped New Zealand and the European Union will announce the initiation of FTA negotiations during 2015.

STRENGTHENING INTERNATIONAL CONNECTIONS

B+LNZ regularly hosts relevant foreign visitors to New Zealand, while representatives from the organisation also travel outwards, visiting key markets. During 2013-14:

- Then chairman of the Japanese Liberal Democratic Party's TPP committee, Koya Nishikawa, visited B+LNZ's Wellington office. Mr Nishikawa was subsequently appointed as Japan's agriculture minister.
- B+LNZ hosted Colombian Vice-Minister of Foreign Affairs, Mrs Patti Londoño.
- B+LNZ organised a sheep and beef farm visit for a group of US congressional staffers, who visited with the objective of improving their understanding of New Zealand's export regulatory systems.
- Two groups of Korean Hanwoo (native Korean cattle) farmers visited New Zealand, to focus on the differences between the two countries' approaches to beef farming. This visit was in the context of the FTA negotiation with South Korea.
- B+LNZ's then chairman Mike Petersen and farmer director James Parsons (now Chairman) visited contacts in Korea, Japan, Russia and the European Union.
- B+LNZ Chief Executive Scott Champion visited China in June 2014 and met with the China Animal Agriculture Association.



COUNTRIES IN TRANS-PACIFIC PARTNERSHIP (TPP)



TOTAL TARIFF COSTS IN 2012

Hosted



KOREAN HANWOO FARMERS IN CONTEXT OF FTA



PLANTAIN AND LEGUME ON HILL COUNTRY

Now into its third year, a B+LNZ demonstration farm project investigating plantain and legume on uncultivable hill country is beginning to fill some information gaps.

Whangara Farms is looking at the potential of a plantain/legume mix to enhance the finishing capability of steep hill country. The operation lies north of Gisborne and is a partnership between two Maori incorporations, running 70,000 stock units.

Whangara Farms general manager Richard Scholefield says the best plantain/legume mix to date is 13kg/ha – made up of 7-8kg of tonic plantain, 2-3kg of red clover and 2-3kg of white clover.

"We've found that putting the country through a summer crop first has led to a much better establishment of the plantain and legumes, because of the extra spray. We've also learnt that you can't muck around with sowing date."

The cost is \$521/ha and the benefit at first lambing is an additional 207kg liveweight, which translates to \$517/ha, so the investment is almost recovered in the first year.

For more info see www.beeflambnz.com/demo-farms



PEOPLE

The international successes of the sheep and beef sector's young people were a highlight of the 2013-14 year. Of particular note were Waipaoa Station senior cadet Mitchel Hoare and Otiwhiti Station junior shepherd Katey Craig, who were funded by B+LNZ to attend the World Young Shepherds Challenge in France. Mitchel won his age category, while Katey was named best female competitor.

Highlights of 2013/14

24

James Bryan won the B+LNZ scholarship to attend the Five Nations Beef Alliance conference and young leaders programme in the United States.

Ruapehu sheep and beef farmer Dan Steele was awarded a Nuffield scholarship to study how New Zealand can target high-value markets.

B+LNZ worked with the Agri-Women's Development Trust to develop a new programme called "Understanding your farming business", aimed at raising women's aspirations as critical farming partners.



Putting our best foot forward

During 2013-14, B+LNZ continued supporting organisations and individuals whose work improves the standing of the sector and, ultimately, attracts high-calibre and skilled people to the sheep and beef sector. B+LNZ co-funded New Zealand Young Farmers' Get Ahead programmes, which showcased career options in the sector to 177 secondary schools and more than 4200 students during 2014. Also at a school level, B+LNZ worked with partners to advance the introduction of agriculture and agribusiness as university entrance subjects. On farm, the organisation continued its investment in workplace training and management programmes, with about 800 individuals involved in training through Primary ITO. In conjunction with the Open Polytechnic, Farm Smarter - a level 5 course focused on farm resource management - was successfully piloted with 20 farmers.

WORLD YOUNG SHEPHERDS CHALLENGE

B+LNZ funded 19-year-old Mitchel Hoare and 21-year-old Katey Craig to attend the second World Young Shepherds Challenge in France in September 2014. The competition fosters professional development in the next generation of sheep farmers, builds strong relationships between the countries' sheep production sectors, and showcases talent and careers. Mitchel - a senior cadet at Waipaoa Station, which is also supported by B+LNZ - won the under-22 age group category. Mitchel is now planning to attend university as a consequence of his experience in France. Meanwhile, Katey was best female competitor.

NUFFIELD SCHOLARSHIP

B+LNZ provides significant funding for the Nuffield scholarships annually. Ruapehu farmer and conservationist Dan Steele, 41, was awarded one of the prestigious scholarships during the year and will spend his time looking at how New Zealand can target high-value markets.

FIVE NATIONS BEEF ALLIANCE

Aria's James Bryan, 28, was selected as the 2014 B+LNZ beef industry ambassador to the Five Nations Beef Alliance conference and young leaders programme in the

United States. The annual scholarship is offered to New Zealanders aged 22 to 32, who are working in and have a passion for the beef industry. The young leaders programme involves a series of visits to farms, feedlots and sales yards. The group also attends the conference and roundtable sessions to observe how producer representative organisations work. James attended alongside the previous year's representative, Lauren McWilliam.

AGRI-WOMEN'S DEVELOPMENT TRUST

B+LNZ is an active supporter and strategic partner of the Agri-Women's Development Trust and its programmes. The "Understanding your farming business" programme was developed in partnership with B+LNZ and aims to raise women's aspirations as critical farming partners, by developing their business knowledge and confidence.

SCHOLARSHIPS PROGRAMME

More than 20 young people around New Zealand studied with financial support from B+LNZ during the past 12 months. The scholarship programme covers certificate, diploma and degree level students, with the goal of developing the "people resource" coming into the industry.



More than
20 B+LNZ
SCHOLARSHIP
RECIPIENTS

More than
4200
STUDENTS INVOLVED IN
GET AHEAD PROGRAMMES

800
INDIVIDUALS UNDERTOOK
ON-FARM TRAINING



INTENSITY AND EFFICIENCY DRIVE OPERATION

B+LNZ demonstration farmers Lynley and Matt Wyeth run one of the most intensive sheep farms in the country. And they must be doing something right, as they have picked up their third Glammie in three years. Commercial farmers enter individual lambs in the B+LNZ Inc Golden Lamb Awards - better known as "the Glammies" - to determine the most tender and best tasting lamb in the country.

Matt says there is nothing special about the Glammie lambs. "We just choose some lambs out of the paddock. The lambs we send off in the truck for processing are the same quality as the lambs we send away for the Glammies."

The Wairarapa farmers also won the supreme award at the Greater Wellington Ballance Farm Environment Awards in 2014, and were finalists in the innovation category of the B+LNZ Sheep Industry Awards.

Their overall business goal is to farm in the top 10 per cent and be on the leading edge for their farming class.

The Wyeths are running several demo farm projects on their Spring Valley property, including developing their orphan lamb rearing scheme, investigating weaning lambs at 50 days, and maximising lamb survival from triplet ewes.

For more info see beeflambnz.com/demo-farms

INFORMATION

During 2013-14, B+LNZ's Economic Service continued to deliver high-quality independent information and analysis to support decision-making, policy and advocacy work in the sector.

Highlights of 2013/14

28

Use of B+LNZ information resources has increased over the past three years, with the number of users accessing the online information portal increasing from a monthly average of about 6000 views, to 10,000 views.

29

B+LNZ worked with its Sheep and Beef Farm Survey farmers in Canterbury to provide robust data and information to inform environmental management policies in the region.

The organisation introduced an interactive tool that allows users to conduct customised analysis of lamb, mutton and beef exports by market, value and volume.



Service based on quality information and experienced people

Over the past three years, there has been a steady increase in the availability and use of B+LNZ information resources (see graph). Via the organisation's website, B+LNZ Economic Service publishes its economic reports, releases on-farm data and industry production information, and regularly updates key statistics around exports and global commodity price indicators.

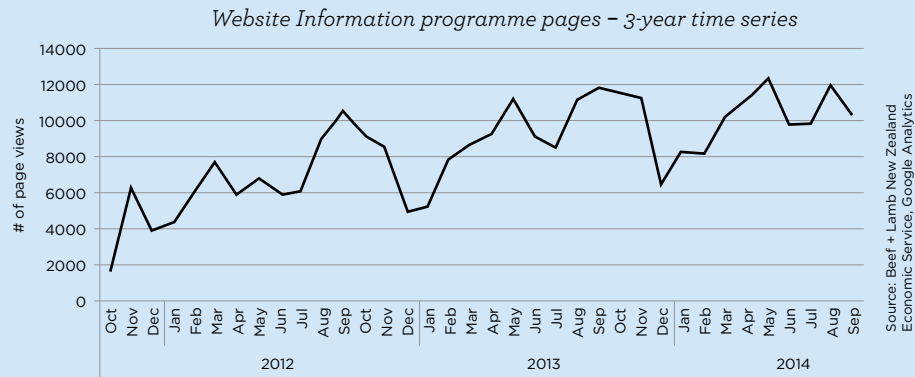
SHEEP AND BEEF FARM SURVEY

Eight B+LNZ Economic Service managers around New Zealand surveyed a statistically representative sample of more than 500 sheep and beef farmers during the year, to collect physical and financial information, building on more than 60 years of survey data.

The network of survey farms and the data collected about them form the basis of B+LNZ's forecasts and reports, including the Lamb Crop and Stock Number Surveys and the New and Mid-Season Outlooks. It also monitors the overall economic health of the sector.

The quality of the data collected is very high, due to the survey framework, the valuable contribution of survey farmers (who volunteer their time and provide full but confidential access to their farm businesses) and the experience of the Economic Service team that collects, validates, analyses and interprets the data. This process supports B+LNZ forecasting systems months ahead of official statistics and provides valuable data in support of policy positions, which are increasingly environment-related.

During 2013-14, the team also drew on the data to provide solutions to 684 customised requests for information from within and outside the organisation. Examples include the contribution of sheep and cattle farming to regional economies, presentations to domestic and international farmer and trade audiences, customised benchmarking, meat and wool production forecasts, and inputs to policy discussions. Requests originated from individual farmers, meat processors and exporters, educators, service industries and local, regional and central government policymakers.



Source: Beef + Lamb New Zealand Economic Service, Google Analytics

More than
60
YEARS OF DATA

Over
500
SHEEP AND BEEF FARMERS SURVEYED

Provided
684
CUSTOMISED REQUESTS FOR INFORMATION

PROFIT IN SPLITTING LAMBS BY GENDER



When it comes to finishing and processing lambs, there is money to be made in treating male and female lambs differently.

This was one of the conclusions from a recent on-farm trial looking at the links between feed, breed and gender on saleable meat yield. A group of 15 top-performing North Island farmers, who supply lambs to Progressive Meats, used B+LNZ farmer-initiated technology transfer funding to analyse 42,000 lambs' records across the 2011/12 and 2012/13 seasons.

Group spokesperson Stuart Ellingham, general manager at Horizon Farming Limited, says the trial analysis reinforced the importance of treating different sexes of lambs differently.

"The main message I took out of the trial was that farmers tend to treat lambs as lambs. They don't separate out different sexes and recognise what the different sexes are doing at different times of the year."

For more info, see beeflambnz.com/gender-trial



2013-14 PROJECTS

The year's projects included working with Canterbury Sheep and Beef Farm Survey farmers to model their farms, using Overseer® nutrient budgeting and Farmax farm management software. The resulting data was used in advocacy on Environment Canterbury's water management policy development and a similar process has begun in Southland.

In another example, the team worked with the Red Meat Profit Partnership – a partnership between New Zealand's sheep and beef farmers (via B+LNZ), processors, banks and government designed to improve productivity and profitability in the sector. It has kicked off with a project that involved identifying varying farmer characteristics, including the drivers of top-performing farmers. These results were then linked into a base segmentation survey, so the partnership could target research and extension opportunities to improve farm performance.

INTERACTIVE TOOLS

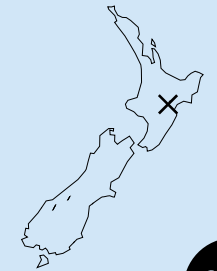
During 2013-14, a meat export analysis tool was introduced to allow users to generate and download customised data and graphs to better understand markets for lamb, mutton and beef exports.

Development also began on a meat and wool production calculator to enable farmers to enter their own farm data to calculate net production, taking into account meat and wool "imported" onto or "exported" from the farm as animals. The calculator expresses results in a number of measures, but particularly per hectare. It is intended to help farmers benchmark their production in a similar way to the lambing calculator.

Numbers accessing B+LNZ Information programme pages

10,000

VIEWS PER MONTH



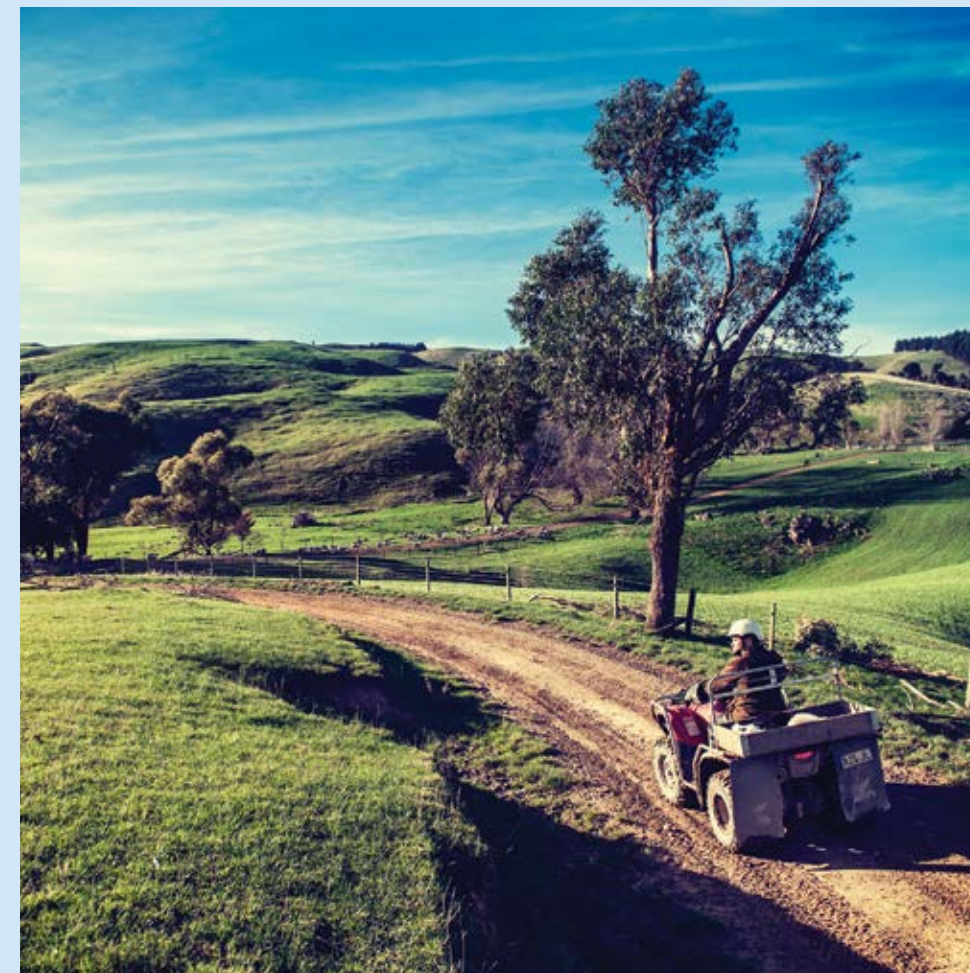
BUILDING RESILIENCE ON THE EAST COAST

B+LNZ and the Hawke's Bay Regional Council co-funded a Sustainable Farming Fund project, called "Future Forage Systems". The project is developing forage-based strategies for East Coast sheep and beef farmers to increase their on-farm productivity, while also reducing the risks associated with climate variability.

The farmer committee that oversees the project didn't want to reinvent the wheel and duplicate information that was already out there. Therefore, the project's first phase investigated alternative forage and management approaches currently being used by innovative East Coast farmers, as well as reviewing historical approaches which could be adapted to work in today's farming environment.

Central to the project is farmer uptake – and the concept that farmers learn best from other farmers, within small groups. About 30 East Coast farmers have been hands-on throughout the project, with several testing the most promising forage strategies on their own properties. Nine sites are being monitored and six are operating as "hubs" to showcase the work to the wider farming community.

For more info, see beeflambnz.com/future-forage-systems





CASE STUDY

BEEF SEMEN IN DAIRY HERDS

The dairy and beef sectors can both benefit through increased use of superior beef sires in dairy herds.

The B+LNZ-funded Dairy Beef Integration Programme is looking at the impact of using quality beef genetics in a dairy-beef supply chain.

Programme leader Dr Vicki Burggraaf of AgResearch says 75 per cent of New Zealand's beef kill is born on a dairy farm, yet there is limited use of proven beef genetics on dairy farms – despite the fact these genetics have the potential to increase calving ease and produce better animals for beef production.

“Dairy farmers have traditionally shied away from using beef semen, with many believing it would result in more calving problems, compared to using dairy semen.”

However, Vicki says use of Ezicalve Hereford sires minimised calving problems. “Calves sired by these bulls averaged 3kg lighter at birth than those of other Hereford sires, but took a similar time to reach 100kg. Monitoring of these cattle will continue until finishing.”

For more info see beeflambnz.com/beef-semen-trial



Domestic promotion

Beef + Lamb New Zealand Inc, funded by New Zealand sheep and beef farmers via Beef + Lamb New Zealand Limited, New Zealand retailers and New Zealand processors, is responsible for the domestic promotion of beef and lamb. Included in activities to promote the consumption of beef and lamb is the production of leaflets on meat cuts, recipe cards and information packs for school teachers and health professionals and campaigns to highlight the benefits of including lean beef and lamb in the diet.

This year the main campaign, which ran for six months on television, online, billboards and print, focused on the New Zealand Beef and Lamb Quality Mark. It encouraged New Zealanders to look for the red, yellow and black rosette at point of purchase to know they're buying the best beef and lamb available.

Lisa Carrington, Sophie Pascoe and Sarah Walker, aka the Iron Maidens, remain Beef + Lamb New Zealand ambassadors and represented the industry at various events and activities over the past 12 months. They will feature in television commercials and other advertising again in 2015.

Another key area of focus was to improve consumers' cooking knowledge and increase perceptions around the convenience of beef and lamb. Three issues of mEAT Magazine, a 12-page seasonal recipe booklet including recipes,

cooking, cut and nutrition information, were developed. The publication, inspiring New Zealanders to cook beef and lamb, reached a print run of 320,000 per issue and was distributed to all independent Quality Mark butchers and Foodstuffs supermarkets nationwide.

Digital marketing also played a significant role in sharing recipes and cooking information with New Zealanders; the recipes.co.nz website was updated and the fortnightly “What's for Dinner” e-newsletter was sent to a database of 19,000.

Food Service remained a key area of focus via the Beef and Lamb Excellence Awards. More than 180 restaurants nationwide held the award demonstrating to customers they serve top quality New Zealand beef and lamb dishes. Five ambassador chefs also represented our industry at various events throughout the year.

“This year the main campaign, which ran for six months on television, online, billboards and print, focused on the New Zealand Beef and Lamb Quality Mark.”



STATISTICAL HIGHLIGHTS

CASE STUDY

RECORDING WHAT'S IN YOUR 'HEAD PLAN'

For the past 21 years, Alex and Anne Richardson have farmed Bracken Brae – a well-developed 328ha property on the western side of Lake Taupo.

During 2014, Alex attended a B+LNZ land and environment plan (LEP) workshop with 14 other farmers and completed most of his level 1 plan on the day. “It wasn't that complicated. There are a lot of things in your 'LEP plan' that you have in your 'head plan'.”

“There are also things you already knew were issues but perhaps haven't done anything about, because they're difficult. The plan makes you write it all down and gives you more focus.”

Alex planned to carry on and do LEP level 2 and develop a more sophisticated farm map.

He believes an LEP in the farm records is a good idea, as it shows the environment is being considered. “Most of these things we are doing anyway – or trying to do – and it's just a matter of formulating a plan, instead of not having it written down.”

For more info see www.beeflambnz.com/lep

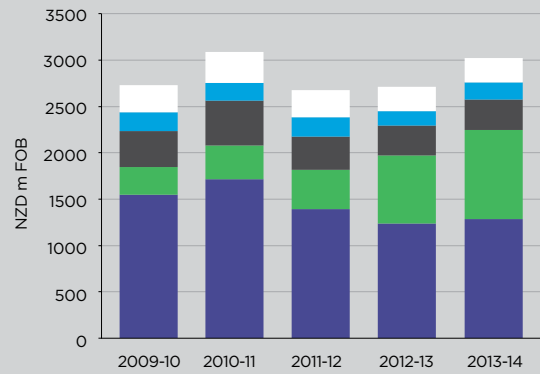


Alex & Anne Richardson, Taupo

KEY

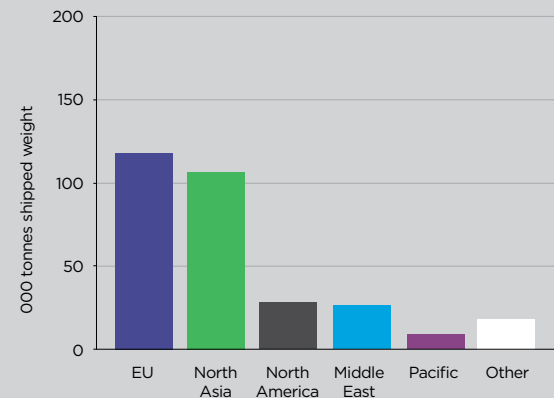
- European Union
- North America
- Middle East
- North Asia
- South Asia
- South America
- Pacific
- Other

Value of Lamb and Mutton Exports
Year ended 30 September



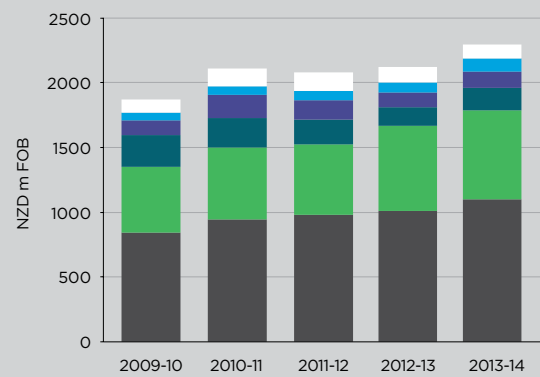
Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

Major New Zealand Lamb Markets
Year ended 30 September



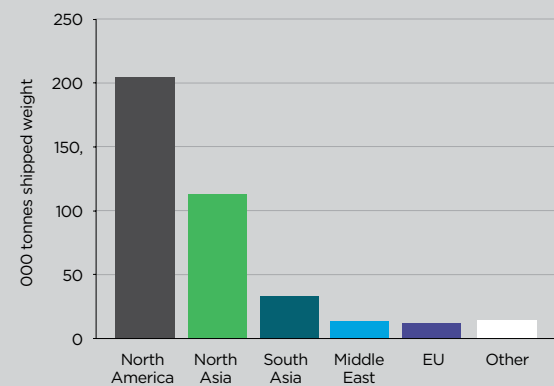
Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

Value of Beef and Veal Exports
Year ended 30 September



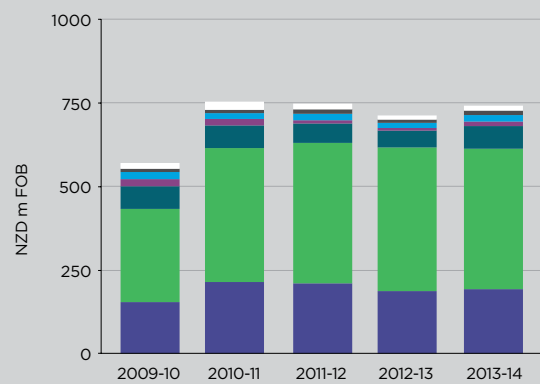
Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

Major New Zealand Beef and Veal Markets
Year ended 30 September



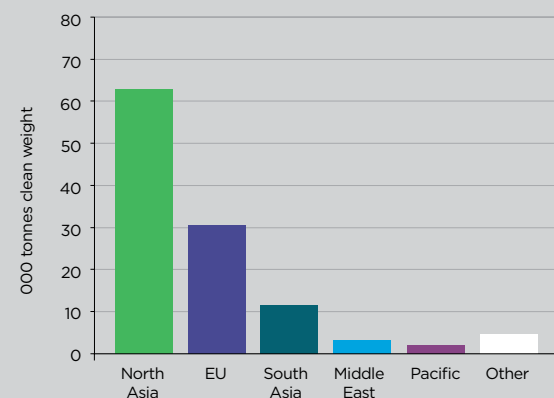
Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

Value of Wool Exports
Year ended 30 September



Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Major New Zealand Wool Markets
Year ended 30 September



Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Meat Shipments by Destination (tonnes shipped weight)
Year ended 30 September

Destination	Lamb		Mutton		Beef & Veal		Other		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Africa	4,554	6,100	2,375	1,036	834	341	10,082	9,265	17,845	16,741
Caribbean	3,547	3,001	341	954	1,495	1,346	651	761	6,035	6,063
European Union	126,265	118,217	14,087	10,375	10,838	11,524	10,723	10,637	161,914	150,753
Eastern Europe	1,527	1,398	1,563	1,122	1,784	1,364	4,925	6,962	9,799	10,846
Mediterranean	102	100	7	11	496	415	0	0	605	525
Middle East	28,448	26,320	1,947	1,571	10,348	13,954	6,428	4,427	47,170	46,272
North America	29,831	28,237	6,209	3,734	190,086	204,872	3,772	3,931	229,897	240,774
Northern Asia	100,294	106,849	52,434	72,032	112,077	113,239	22,557	22,163	287,362	314,284
Pacific	11,129	9,068	517	420	9,956	10,198	2,090	1,673	23,693	21,358
South America	51	185	13	60	105	0	32	191	201	436
Southern Asia	5,039	5,088	5,465	3,718	27,799	32,915	6,694	11,822	44,998	53,543
Western Europe	2,309	2,463	91	52	734	565	4	1	3,138	3,082
Total Shipments	313,097	307,027	85,049	95,084	366,552	390,733	67,958	71,834	832,656	864,677

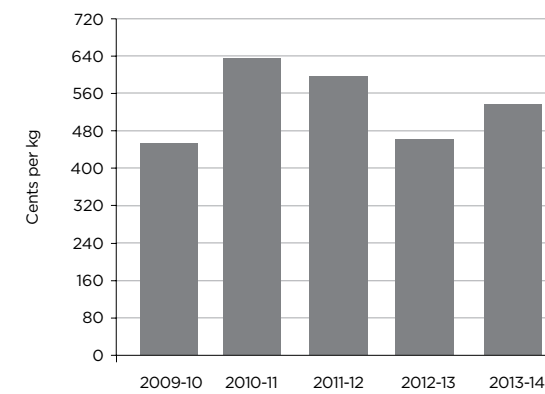
Note: totals may not add due to rounding. Source: Beef + Lamb New Zealand Economic Service

92%
OF NEW ZEALAND SHEEPMATE IS EXPORTED

80%
OF NEW ZEALAND BEEF IS EXPORTED

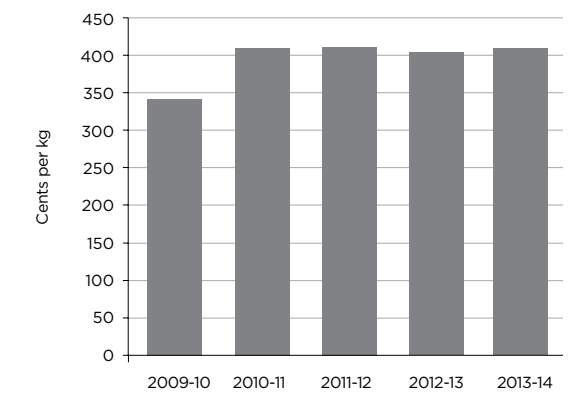
2ND
LARGEST EXPORT EARNER FOR NEW ZEALAND

Export Lamb Farm-Gate Price¹
Year ended 30 September



1) All grades, incl. wool pull. Source: Beef + Lamb New Zealand Economic Service

Export Steer and Heifer Farm-Gate Price¹
Year ended 30 September



1) All weights. Source: Beef + Lamb New Zealand Economic Service

Wool Shipments by Destination (tonnes clean)

Year ended 30 September

Destination	Fine Wool (< 24 micron)		Medium Wool (24 to 31 micron)		Fine Crossbred (31 to 35 micron)		Strong Crossbred (> 35 micron)		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Africa	77	56	277	338	115	39	286	349	753	782
European Union	1,731	1,917	7,060	6,952	7,588	8,668	18,145	13,020	34,524	30,557
Eastern Europe	0	0	10	58	39	156	20	19	69	234
Mediterranean	0	0	57	80	4	58	1,311	1,154	1,372	1,293
Middle East	0	0	38	10	666	673	2,055	2,398	2,759	3,080
North America	50	84	254	298	686	1,064	825	578	1,815	2,024
Northern Asia	5,596	4,718	9,693	10,858	27,548	25,158	30,152	22,176	72,989	62,910
Pacific	5	25	0	17	196	200	1,426	1,823	1,627	2,066
South America	14	13	0	13	0	15	0	0	14	41
Southern Asia	223	338	1,148	1,237	813	1,932	7,757	8,094	9,942	11,600
Western Europe	0	0	0	17	124	143	136	95	260	256
Total	7,696	7,151	18,537	19,879	37,779	38,106	62,113	49,706	126,124	114,842

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Wool Production

Year ended 30 June

	Opening Sheep 000	Slip 000 t greasy	Shorn 000 t greasy	Total 000 t greasy	Shorn Wool kg greasy/ head
2004-05	39,271	28.4	187.1	215.5	5.49
2005-06	39,880	25.5	199.0	224.5	5.63
2006-07	40,098	29.8	187.8	217.6	5.43
2007-08	38,460	30.6	175.2	205.8	5.35
2008-09	34,088	25.1	132.4	157.5	4.62
2009-10	32,384	23.0	162.8	185.8	5.74
2010-11	32,563	18.2	154.5	172.7	5.30
2011-12	31,132	18.3	146.6	164.9	5.30
2012-13	31,263	18.0	151.9	169.9	5.43
2013-14p	30,787	17.9	146.2	164.1	5.33

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

New Zealand Wool Exports and Price

Year ended 30 June

	Wool Exports				Average Auction Price
	000 t clean	Proportion Scoured	NZD m FOB	\$ per kg clean	\$ per kg clean
2004-05	133.9	78%	665.7	4.97	4.38
2005-06	148.4	75%	688.8	4.64	4.01
2006-07	143.5	79%	655.1	4.56	4.16
2007-08	136.9	77%	612.7	4.48	4.21
2008-09	115.4	72%	568.6	4.93	4.15
2009-10	122.9	73%	552.6	4.50	4.21
2010-11	113.7	72%	715.3	6.29	6.31
2011-12	106.3	68%	777.1	7.31	6.69
2012-13	122.1	69%	677.6	5.55	5.16
2013-14	116.5	70%	732.8	6.29	5.85

Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Value of New Zealand Exports¹

Year ended 30 September

	\$ million FOB ²	
	2013	2014
Meat		
Lamb	2,279.4	2,504.5
Mutton	401.4	471.8
Beef and Veal	2,096.3	2,275.2
Edible Offal	205.7	220.2
Other Meats	409.2	397.2
Total Meat	5,391.9	5,868.8
Other animal products		
Hides and Skins	357.2	292.3
Tallow	141.0	117.6
Animal Oils and Fats	13.5	9.5
Crude Animal Materials ³	415.1	384.4
Deer Velvet	23.5	24.9
Total Other Animal Products	950.3	828.6
Total Meat Sector	6,342.2	6,697.4
Wool Sector		
Raw Wool	714.4	743.0
Tops, Yarns and Sliver	44.2	30.3
Carpets and Rugs	107.7	116.0
Other Final Woollen Products	20.9	18.5
Total Wool Sector	887.2	907.8
Total Meat and Wool Sector	7,229.5	7,605.2
Dairy	12,326.8	16,897.9
Livestock and Other	222.1	331.7
Total Horticulture and Arable	2,181.7	2,448.7
Processed Agriculture (Excluding Processed Wool)	2,187.0	2,284.3
Other Agricultural Exports	944.4	903.6
Total Agriculture	25,091.5	30,471.4

1) Excludes re-exports. 2) FOB: Free on Board. 3) Sausage casings, tripe, glands, bladders, etc. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Average Export Carcase Weights

Year ended 30 September

	Kilograms per head		
	2013	2014	% change
Lamb			
North Island	18.01	18.51	+2.8%
South Island	17.99	18.04	+0.3%
New Zealand	18.00	18.26	+1.4%
Mutton			
North Island	24.04	24.89	+3.5%
South Island	26.26	25.70	-2.1%
New Zealand	25.12	25.33	+0.8%
Steer and Heifer			
North Island	281.12	275.45	-2.0%
South Island	285.70	276.70	-3.2%
New Zealand	282.40	275.81	-2.3%
Cow			
North Island	197.55	197.58	+0.0%
South Island	203.16	203.16	0.0%
New Zealand	199.29	199.40	+0.1%
Bull			
North Island	304.00	301.00	-1.0%
South Island	307.27	301.83	-1.8%
New Zealand	304.67	301.17	-1.1%

Source: Beef + Lamb New Zealand Economic Service, New Zealand Meat Board

Sheep Numbers At 30 June

	thousand head	
	2013	2014p
Total Sheep	30,787	29,556
Breeding Ewes	20,233	19,710
Breeding Ewes as % of total	66	67
Number of Lambs Tailed ¹	24,899	25,515
Lambing % Breeding Ewes ²	118.5	123.6

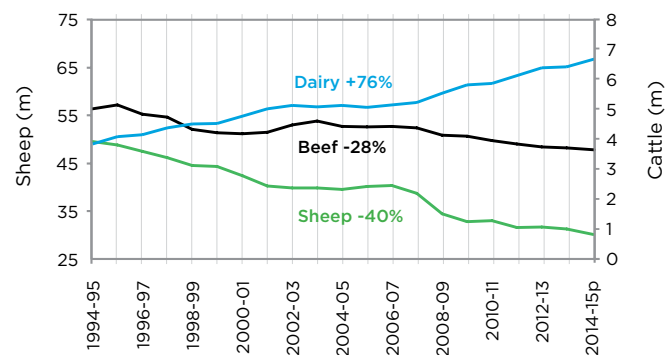
p: provisional. 1) Lambs tailed includes lambs from hoggets.
2) Lambs born after 30 June. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Cattle Numbers At 30 June

	thousand head	
	2013	2014p
Dairy Cows and Heifers in Calf or Milk	5,005	5,264
Other Dairy Cattle	1,479	1,484
Total Dairy Cattle	6,484	6,748
Beef Breeding Cows	1,019	996
Other Beef Cattle	2,680	2,639
Total Beef Cattle	3,699	3,635
Total Cattle	10,183	10,383

p: provisional. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Sheep and Cattle Numbers



Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

Total Inspected Livestock Slaughtering¹ Year ended 30 September

	thousand head	
	2013	2014
Lambs	21,280.9	20,650.7
Adult Sheep	4,261.4	4,321.1
Calves & Vealers	1,934.8	2,128.9
Adult Cattle	2,373.6	2,403.5
Pigs	681.5	672.1
Goats	131.5	116.5
Total	30,663.7	30,292.8

1) Slaughtering at meat export slaughterhouses and local market abattoirs only. Slaughtering include those of animals wholly condemned. Source: Ministry for Primary Industries

Total Inspected Meat Production¹ Year ended 30 September

	thousand tonnes, bone-in	
	2013	2014
Lamb	382.5	377.2
Mutton	105.6	108.6
Bobby Veal and Veal	31.2	34.3
Beef	597.8	598.9
Pigmeat	47.2	47.6
Goatmeat	1.4	1.2
Total	1,165.7	1,168.0

Note: Totals may not add due to rounding. 1) Bone-in or carcass weight. Meat production from livestock slaughtering at meat export and local market abattoirs only. Meat from horses is excluded. Source: Ministry for Primary Industries

Meat Production Available for Export¹ Year ended 30 September

	thousand tonnes, bone-in	
	2013	2014
Lamb	376.2	371.5
Mutton ²	103.9	107.0
Beef	579.6	583.9
Bobby Veal	30.7	34.0
Goat	1.4	1.2
Total	1,091.8	1,097.5

Note: Totals may not add due to rounding. 1) Includes production withdrawn from export stocks for local consumption. 2) Mutton includes hogget. Source: New Zealand Meat Board

FINANCIAL STATEMENTS



LAMB – THE BEST PROTEIN IN THE WORLD

“Lamb is not just lamb. It’s the best form of protein in the world,” says Mark Zino of Zino Holdings. “So we need to farm it, present it, and market it in the best way we can. That way, the consumer has the best possible eating experience, and comes back for more – and is prepared to pay more.”

Zino Holdings is a Hawarden family farming operation and 2014 B+LNZ Sheep Industry Awards’ Blackdale sheep industry suppliers of the year, supplying to ANZCO Foods. Mark and wife Rachael farm in partnership with Mark’s brother Sam and his wife, Keri.

About 4000 lambs are committed to ANZCO’s Waitrose contract. The Zinos have been Waitrose suppliers for the past 14 years and appreciate the mindset change that the contract encourages.

Another 1000 to 2000 lambs are supplied to the Kumanu Lamb brand – a venture involving about 20 farmers in partnership with ANZCO – with lambs marketed into the Netherlands. The brand is in its fourth season and Mark says the future is looking exciting.

It’s been a big year for the Zinos, who also won the Waitrose international partnership/engagement award, Waitrose producer of the year, South Island farmer of the year “plate to pasture” award and Silver Fern Farms upper South Island venison supplier of the year award.

For more info see www.beeflambnz.com/zino



Statement of Comprehensive Income

For the year ended 30 September 2014

In thousands of New Zealand dollars	Group 2014	Group 2013	Parent 2014	Parent 2013
Levies received	25,530	25,723	25,530	25,723
Other income	10,514	6,098	4,821	3,812
Operating expenses	(37,389)	(32,128)	(32,091)	(29,986)
Net operating surplus/ (deficit) from operating activities	(1,345)	(307)	(1,740)	(451)
Net finance income	987	726	936	693
Share of deficit of associates	-	(477)	(540)	(102)
Net operating surplus/ (deficit) for the year before income tax	(358)	(58)	(1,344)	140
Income tax expense	-	-	-	-
Net operating surplus/ (deficit) for the year	(358)	(58)	(1,344)	140
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	81	22	81	22
Total comprehensive income for the year	(277)	(36)	(1,263)	162
Attributable to:				
Levy payers	1,423	1,157	437	2,181
Meat Education Fund	(281)	(287)	(281)	(287)
Special reserves	(1,419)	(906)	(1,419)	(1,732)
	(277)	(36)	(1,263)	162

Statement of Changes in Equity

For the year ended 30 September 2014

In thousands of New Zealand dollars	Group			Parent		
	Fair Value Reserve	Retained Earnings	Total Equity	Fair Value Reserve	Retained Earnings	Total Equity
Balance at 1 October 2013	(81)	23,903	23,822	(81)	23,452	23,371
Total comprehensive income for the year						
Deficit for the year	-	(358)	(358)	-	(1,344)	(1,344)
Net change in fair value of available-for-sale financial assets	81	-	81	81	-	81
Total comprehensive income for the year	81	(358)	(277)	81	(1,344)	(1,263)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Balance at 30 September 2014	-	23,545	23,545	-	22,108	22,108

These statements are to be read in conjunction with the notes on page 40 and 41. A statement of levy stream performance and a statement of Comprehensive Income by levy stream are included in the notes on page 40 and 41. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

Balance Sheet

As at 30 September 2014

In thousands of New Zealand dollars	Group 2014	Group 2013	Parent 2014	Parent 2013
EQUITY EMPLOYED				
Reserves	-	(81)	-	(81)
Retained earnings	23,545	23,903	22,108	23,452
TOTAL EQUITY EMPLOYED	23,545	23,822	22,108	23,371
Represented by:				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5,441	5,850	2,397	4,388
Trade and other receivables	4,804	1,881	3,556	1,617
Term deposits	20,000	20,718	20,000	20,718
Derivative financial instruments	179	58	179	58
TOTAL CURRENT ASSETS	30,424	28,507	26,132	26,781
NON-CURRENT ASSETS				
Property, plant & equipment	489	534	384	534
Intangible assets	379	185	75	42
Investments in subsidiary companies	-	-	78	618
Term receivables	75	90	75	90
TOTAL NON-CURRENT ASSETS	943	809	612	1,284
TOTAL ASSETS	31,367	29,316	26,744	28,065
CURRENT LIABILITIES				
Trade and other payables	6,887	4,460	3,732	3,663
Derivative financial instruments	26	113	26	113
Deferred income	-	3	-	-
Employee entitlements	692	637	661	637
TOTAL CURRENT LIABILITIES	7,605	5,213	4,419	4,413
NON CURRENT LIABILITIES				
Lease liabilities	143	200	143	200
Loans and borrowings	37	51	37	51
Employee entitlements	37	30	37	30
TOTAL NON-CURRENT LIABILITIES	217	281	217	281
TOTAL LIABILITIES	7,822	5,494	4,636	4,694
NET ASSETS	23,545	23,822	22,108	23,371

The Board of Directors authorised these financial statements for issue on 10 December 2014.

This statement is to be read in conjunction with the notes on page 40 and 41. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



J R Parsons
Chairman



A C D Fox
Chairman Audit
& Risk Committee

Statement of Cash Flows

For the year ended 30 September 2014

In thousands of New Zealand dollars	Group 2014	Group 2013
Net cash flows from operating activities	(566)	84
Net cash flows from/ (to) investing activities	174	1,341
Net cash flows used in financing activities	(16)	(14)
Net increase/ (decrease) in cash and cash equivalents	(408)	1,411

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.

NOTE 1 These summary accounts have been prepared in accordance with NZGAAP for a public benefit entity as it relates to summary financial statements.

NOTE 2 The specific disclosures included in the summary financial report have been extracted from the audited financial statements dated 9 December 2014. The audit opinion expressed was unqualified.

NOTE 3 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.

NOTE 4 If you require a complete set of the annual financial report please contact, Chief Operating Officer, Beef + Lamb New Zealand, PO Box 121, Wellington or phone 04 473 9150. Alternatively the Financial Statements are available on website www.beeflambnz.com.

NOTE 5

Parent Statement of Levy Stream Performance

For the year ended 30 September 2014

2014	Beef	Sheepmeat	Goat	Total Meat	Wool
In thousands of New Zealand dollars					
Income					
Levy income	10,567	14,963	-	25,530	-
Grant funding from New Zealand Meat Board	576	2,304	-	2,880	-
Finance income	179	289	-	468	54
Fees	93	168	-	261	-
Other income	661	1,018	-	1,679	-
Share of surplus/(deficit) of subsidiary and associate	(270)	(270)	-	(540)	-
Total income	11,806	18,472	-	30,278	54
Expenditure					
Market development	3,730	3,970	-	7,700	-
Market access	677	1,315	-	1,992	100
Research & development	1,851	3,556	15	5,422	-
Extension	2,401	4,480	-	6,881	250
Environment	147	273	-	420	-
Information & analysis	761	1,413	-	2,174	100
People & capability	472	405	-	877	-
Administration	1,551	1,962	-	3,513	-
Residual Wool Levy Fund	-	-	-	-	144
Referendum costs - Wool Levy Group	-	-	-	-	322
Total operating expenditure	11,590	17,374	15	28,979	916
Net operating surplus/ (deficit) for the year	216	1,098	(15)	1,299	(862)

NOTE 6

Statement of Comprehensive Income by Levy Stream

For the year ended 30 September 2014

In thousands of New Zealand dollars	Group Year Ended 2014			Group Year Ended 2013		
	Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
Levies received	25,530	25,530	-	25,723	25,723	-
Other income	10,514	10,514	-	6,098	6,038	60
Operating expenses	(37,389)	(35,210)	(2,179)	(32,128)	(30,354)	(1,774)
Net operating surplus/ (deficit) from operating activities	(1,345)	834	(2,179)	(307)	1,407	(1,714)
Net finance income	987	589	398	726	227	499
Share of deficit of associates	-	-	-	(477)	(477)	-
Net operating surplus/ (deficit) for the year before income tax	(358)	1,423	(1,781)	(58)	1,157	(1,215)
Income tax expense	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year	(358)	1,423	(1,781)	(58)	1,157	(1,215)
<i>Other comprehensive income</i>						
Net change in fair value of available-for-sale financial assets	81	-	81	22	-	22
Total comprehensive income for the year	(277)	1,423	(1,700)	(36)	1,157	(1,193)
Attributable to:						
Levy payers	1,423	1,423	-	1,157	1,157	-
Meat Education Fund	(281)	-	(281)	(287)	-	(287)
Special reserves	(1,419)	-	(1,419)	(906)	-	(906)
	(277)	1,423	(1,700)	(36)	1,157	(1,193)

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 12 to the Financial Statements.

All of the Directors of Beef + Lamb New Zealand Limited are Directors of the New Zealand Meat Board and Meat & Wool Trust Ltd.

C Hickson, S Lewis and M Clarkson declared interests in meat exporting companies who were recipients of joint venture funding from Beef + Lamb New Zealand Limited market development joint funded programmes.

C Hickson and M Clarkson declared interests in meat processing and exporting companies who are partnering Beef + Lamb New Zealand Limited in the Red Meat Profit Partnership.

Board of Directors' Fees

	2014 (\$000)	2013 (\$000)
Chairman	68	68
Chairman Elect allowance	9.2	-
Directors	28.7	28.7
Director - Beef + Lamb New Zealand Genetics Ltd	25	-

The above fees represent the annualised fees payable to Directors. Beef + Lamb New Zealand Limited pays no other fees to Directors including representation on subsidiary or other related organisations.

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.

Employee Remuneration

Set out below 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.

Remuneration Range (\$,000)	Number of Employees	
	2014	2013
100-109	5	1
110-119	2	3
120-129	3	2
130-139	3	3
140-149	1	2
150-159	3	2
160-169	3	2
170-179	1	2
180-189	1	-
200-209	1	1
230-239	1	-
240-249	-	1
250-259	1	-
260-269	-	1
310-319	-	1
340-349	1	-

The Honoraria, Remuneration & Expense 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 during the year to 30 September 2014. 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.

B+LNZ Biologics Company Ltd	Scott Champion
B+LNZ Clover Company Ltd	Scott Champion
B+LNZ Emissions Company Ltd	Scott Champion
B+LNZ Genetics Ltd	Scott Champion (R), James Parsons, Leon Black
B+LNZ Investments Ltd	Scott Champion
B+LNZ Johnesco Ltd	Scott Champion
B+LNZ PGP Ltd	Scott Champion (A)
Primary Resources Ltd	Mike Petersen (R), James Parsons (A)
Freesia Finance Ltd	Mike Petersen (R), James Parsons (A)
Freesia Meat Holdings Ltd	Mike Petersen (R), James Parsons (A)
Meat & Wool Trust Ltd	Mike Petersen (R), Leon Black (R), Kirsten Bryant, Mark Clarkson, Andy Fox, Craig Hickson (R), Anne Munro, James Parsons, S Lewis (A), George Tatham (A), Andrew Morrison (A)
Johne's Disease Research Ltd	Richard Wakelin
Meat Biologics Research Ltd	Cros Spooner
Ovita Ltd	Leon Black, Craig Hickson (R)
Pastoral Genomics Ltd	James Parsons, Scott Champion
Pastoral Greenhouse Gas Research Ltd	Leon Black (R), A Morrison (A)



Independent auditor's report on the summary financial statements

To the stakeholders of Beef + Lamb New Zealand Limited

The accompanying summary financial statements from pages 38 to 41, which comprise the balance sheet as at 30 September 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes on pages 38 to 41, are derived from the audited financial statements of Beef + Lamb New Zealand Limited ("the company") and the group, comprising the company and its subsidiaries, for the year ended 30 September 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 10 December 2014.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the company and the group.

Directors' responsibility for the company and group financial statements

The Directors are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43 *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on the summary company and group financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 *Engagement to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.

Opinion

In our opinion, the summary financial statements, derived from the audited financial statements of Beef + Lamb New Zealand Limited and the consolidated financial statements of the group for the year ended 30 September 2014, are a fair summary of those financial statements, in accordance with FRS-43 *Summary Financial Statements*.

10 December 2014
Wellington

ANNUAL SCORECARD

FARM

Metric	Result 2012-13 (Target)	Result 2013-14 (Target)	Target 2014-15	Commentary
Farmer event attendances	17603 (14000)	17269 (13000)	17000	The objective for 2013-2014 was to increase farmer engagement through smaller, more relevant workshops and seminars. The seasonal nature of extension events, affected by on-farm priorities, resulted in low attendance levels in the early part of the year, with steadily increasing numbers from July through to September. Extension managers continued to run "exit surveys" at most events which showed high levels of satisfaction on delivery and relevance of topic to need.
Farm events conducted	371 (300)	356 (300)	330	In 2013-14 the objective was to focus on events targeting specific on-farm improvements. Overall average attendance was 48.5, versus 47.4 the previous year. There was a significant increase in Environment-oriented workshops and seminars prompted by farmer demand. These smaller, more targeted workshops, such as Land & Environment Plan workshops resulted in uptake of new practices on-farm. Increased performance and efficiency in regionally delivered programmes continue to be as a result of farmer engagement through the Farmer Council. Farmer input and guidance through the Farmer Council have increased the quality of events, attendance and farmer satisfaction.
Research investment	\$6,175,000 (\$5,587,000)	\$4,762,000 (\$5,206,000)	\$4,721,000	Research spending was lower than forecasted as there was a reduction in spending for B+LNZ Genetics (down \$466K) and a decrease for Johnes Disease Consortium (down \$250K). This was offset by a small increase in the Farm R&D budget

MARKET

Metric	Result 2012-13 (Target)	Result 2013-14 (Target)	Target 2014-15	Commentary
Industry contribution (\$) alongside Beef + Lamb New Zealand to co-fund sheepmeat and beef marketing	\$3,686,000 (\$3,000,000)	\$3,250,700 (\$3,250,000)	\$3,250,000	Industry contributions were slightly above forecast.
Market access burden, per farm basis	\$19,235 (\$19,318)	\$17,930 (\$19,000)	\$17,457	Tariffs on red meat exports continue to decline, including as a result of the continued implementation of the New Zealand-China FTA and the ASEAN-Australia-New Zealand Free Trade Agreement. The New Zealand-Taiwan FTA, which came into effect in December 2013, is also having an impact.
Total tariff index	960 (971)	920 (925)	858	The tariff index is an indication of the reduction in tariff rates based on historical trade patterns. Actual tariff costs fluctuate across New Zealand's major export markets and as trade patterns vary. Total tariff costs have fallen this year, mostly due to the reduction and elimination of tariffs that result from New Zealand's Free Trade Agreements. The reduction and elimination of tariffs on sheep and beef sector exports is one of the key outcomes targeted by B+LNZ's market access programme.
Total tariff index sheepmeat	829 (845)	819 (800)	804	The tariffs on New Zealand's sheepmeat exports continue to decline under New Zealand's FTAs, including the New Zealand-China FTA and the ASEAN-Australia-New Zealand Free Trade Agreement.
Total tariff index beef	984 (988)	938 (950)	902	The tariffs on New Zealand's beef exports, especially in major markets like Japan, the EU, and Korea are still the most significant tariffs facing the red meat sector. The New Zealand-Taiwan FTA, which came into effect in December 2013, will eliminate the tariffs on New Zealand beef exports to Taiwan by 2015.

PEOPLE

Metric	Result 2012-13 (Target)	Result 2013-14 (Target)	Target 2014-15	Commentary
Number of participants in leadership programmes funded by B+LNZ	277 (240)	372 (340)	310	B+LNZ funds a variety of leadership initiatives and providers for the sheep & beef sector, such as: New Zealand Young Farmers, Nuffield New Zealand, Kellogg Rural Leaders, Agri-Women's Development Trust, Federated Farmers, Five Nations Beef Alliance young leader programme, training farm cadets, World Young Shepherds Challenge, and individual undergraduate scholarships.
Retention of B+LNZ undergraduate scholarship recipients within the industry	83.33% (85%)	100% (85%)	90%	The graduating students have a range of roles including stock agent, research work, banking and farm work.
Sheep & beef trainees who complete Primary ITO national qualifications	62% (45%)	65% (60%)	60%	This completion rate is as of September 2014. Completion rate continues to improve. The sheep and beef sector has 767 trainees with the Primary ITO.
B+LNZ employee turnover	13.75% (13%)	5.95% (13%)	13%	Staff turnover was down on estimates with only five staff resigning this year.
% salary budget invested in staff learning and development	1.9% (2.5%)	3.6% (2.5%)	2.5%	The amount spent on training and conference attendance was higher this year.
B+LNZ staff satisfaction with their role	69.9% (70%)	69.5% (72%)	72%	B+LNZ participates in a national employee survey annually, to give the organisation the opportunity to benchmark against other organisations. The satisfaction level has remained similar to the previous year.

INFORMATION

Metric	Result 2012-13 (Forecast)	Result 2013-14 (Forecast)	Target 2014-15	Commentary
Sheep and Beef Farm Survey (number of farms surveyed)	505 (517)	523 (530)	535	Economic Service Managers survey a statistically representative sample of sheep and beef farms across New Zealand to collect physical and financial information which forms the basis for B+LNZ Economic Service forecasts and reporting of livestock numbers, meat and wool production, lamb crop, revenue, expenditure and farm profitability. The survey also supports a wide range of analyses including farm benchmarking.
Forecast accuracy: export lamb production	+1.0% (Actual ± 5%)	+7.2% (Actual ± 5%)	Actual ± 5%	In 2013-14, lamb production was boosted above initial estimates as climatic conditions following lambing in spring 2013 were favourable and resulted in a better survival and growth rates. Mutton processing often varies significantly between years in response to seasonal conditions and changes in land use due to the expansion of the dairy cow herd. In 2013-14, drought conditions in northern parts of the North Island resulted in higher cow processing than originally forecast. This followed drought conditions in the previous year. The declining trend in the number of beef cows has had an impact on steer and heifer processing.
Forecast accuracy: export mutton production	+10.3% (Actual ± 5%)	+30.5% (Actual ± 5%)	Actual ± 5%	
Forecast accuracy: export sheepmeat production	+2.9% (Actual ± 5%)	+11.7% (Actual ± 5%)	Actual ± 5%	
Forecast accuracy: export beef production	+0.2% (Actual ± 5%)	+1.8% (Actual ± 5%)	Actual ± 5%	
Providing services: information, analysis and presentations	645 (650)	687 (650)	700	
Providing services: (Information programme only) website page views	105,689 (100,000)	126,392 (137,400)	130,000	Growth has slowed and effort is being directed to more specific analytical support for environment and working with partners on benchmarking activity.

SECTOR

p: provisional

Metric		Result 2012-13 (Forecast)	Result 2013-14 (Forecast)	Target 2014-15	Commentary
Farm productivity change - lambing %	%	124.6 (123.3)	120.9 (120.8)	123.6	The decline in 2013-14 was largely influenced by drought conditions during 2012-13, which impacted on feed supplies and stock condition at mating.
Farm productivity change - steer carcass weight at slaughter	kg per head	311 (309)	310p (310)	311	Carcass weights were forecast to increase slightly in 2013-14, after drought pressure in 2012-13.
Farm input costs	% change	0.0 (2.2)	-0.6 (2.3)	1.0	The decrease was driven by declines in the prices of fertiliser, interest and fuel.
Sheep and Beef Farm Profit Before Tax	\$ per farm	79,844 (96,500)	102,600p (100,200)	110,800	The weighted average All Classes Farm Profit Before Tax is estimated to increase from 2012-13 due to increased revenue from sheep and cattle accounts exceeding the increase in expenditure.

CUSTOMER

Metric	Result 2012-13 (Target)	Result 2013-14 (Target)	Target 2014-15	Commentary
Farmer awareness of B+LNZ	59% (75%)	70% (75%)	75%	Farmer awareness of B+LNZ and what we do increased steadily through the year to reach a record level since tracking commenced in 2010.
Farmer satisfaction with B+LNZ	52% (60%)	55% (60%)	60%	Volatility of farmer satisfaction with B+LNZ observed in 2012-13 flowed into the 2013/14 year with satisfaction dropping to a year low of 40% in Dec. Satisfaction increased steadily from this point throughout 2014 to a high of 59% in June and ending at 55%. Note - satisfaction is calculated as either very satisfied or satisfied i.e. a 1 or 2 result on a 5 point scale.
Farmer confidence in the sheep and beef sector	41% (50%)	57% (50%)	60%	Farmer confidence in the future of the red meat sector continued to fall in the Oct-Feb period to a low of 34% confident. From February onwards confidence has increased steadily and significantly, to a peak of 66% in August (double the Feb result) ending the year at 57%, close to historical highs of late 2011. Note - Confidence is calculated as either very confident or confident i.e. a 1 or 2 result on a 5 point scale.



**BY FARMERS.
FOR FARMERS**

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