

# BY FARMERS FOR FARMERS

Beef + Lamb New Zealand Annual Report 2015-16





**BY FARMERS.  
FOR FARMERS**

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From left to right

**ANDREW MORRISON**

Farmer-elected Director,  
Southern South Island

Served since: 2014  
Term expires: 2020  
Re-elected: 2017  
03 207 1856/027 664 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: 2018  
03 358 2200/027 432 8896  
mark.clarkson@anzcofoods.com

Mark has been managing director of ANZCO Foods Ltd since 2004 and is a Meat Industry Association (MIA) Council member.

**PHIL SMITH**

Farmer-elected Director,  
Northern South Island

Served since: 2015  
Term expires: 2018  
03 3158 677/027 2227 927  
balmoral@amuri.net

Phil farms a 958ha property at Culverden, running 2000 Coopdale ewes, 600 hoggets, 100 Angus beef cows plus replacements, grazing dairy heifers and carry-over cows.

**JAMES PARSONS**

Farmer-elected Director,  
Northern North Island

Served since: 2009  
Term expires: 2018  
09 439 4057/021 206 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.

# Our Board

*Farmers elect 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 from the meat industry.*





### **GEORGE TATHAM**

**Farmer-elected Director,  
Eastern North Island**

Served since: 2014  
Term expires: 2020  
Re-elected: 2017  
06 372 3609/027 244 4900  
[georgetatham@gmail.com](mailto:georgetatham@gmail.com)

George farms a coastal Wairarapa sheep and beef breeding and finishing property, running 20,000 stock units.

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### **KIRSTEN BRYANT**

**Farmer-elected Director,  
Western North Island**

Served since: 2010  
Term expires: 2019  
06 342 7755/027 275 1690  
[oneida.hills@xtra.co.nz](mailto: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.

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### **BILL WRIGHT**

**Farmer-elected Director,  
Central South Island**

Served since: 2016  
Term expires: 2019  
03 614 3751/027 244 7923  
[w.s.wright@xtra.co.nz](mailto:w.s.wright@xtra.co.nz)

Bill farms 380ha at Cannington, South Canterbury. They have a mixed farming business, with 1000 ewes, 190 bulls and 260 R2 dairy grazers. They also grow 30ha of cereal and 70ha of lucerne for finishing lambs.

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### **SAM LEWIS**

**Processor-Exporter  
Appointee**

Served since: 2014  
Term expires: 2017  
07 870 2425/021 815 658  
[samuel.lewis@xtra.co.nz](mailto:samuel.lewis@xtra.co.nz)

Sam, who comes from a farming background, is chairman of Affco New Zealand. He was previously a member of the MIA Council and has been involved with Federated Farmers for 40 years.

A photograph of James Parsons, Chairman, standing in a field with a herd of brown cows. He is wearing a grey checkered blazer over a purple and white striped shirt. The background shows a green field and a cloudy sky.

James Parsons  
CHAIRMAN

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**OUR TRADE  
POLICY TEAM  
IS FULLY  
FOCUSED ON  
ASSISTING THE  
GOVERNMENT  
TO ACHIEVE THE  
BEST TRADING  
ARRANGEMENTS  
FOR THE RED  
MEAT SECTOR.**

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# Chairman's Report

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*2016 was a year that we came to expect the unexpected. Brexit and the election of President Trump were two events the pundits didn't pick and they both signal less certainty for us as a trading nation.*

President Trump while in election-mode was very vocal in his opposition to the Trans-Pacific Partnership Agreement (TPPA) which is of course disappointing, given the agreement's wider opportunities with trading nations in the Asia Pacific region. Whether the way forward is with bilateral agreements remains to be seen. Our trade policy team is fully focused on assisting the Government to achieve the best trading arrangements for the red meat sector. Similarly with Brexit, we are aware that while New Zealand's trade is small in the broader European political environment, we will need to use all the skilful diplomacy and strong relationships that we have built up over many years to ensure New Zealand's defensive interests are looked after and that we are well positioned for the trade opportunities that surface, including the EU/NZ FTA when negotiations start this year.

On the domestic regulatory front it is concerning to see more prescriptive regulations creeping in to solve complex issues such as water quality and improving workplace safety as just two examples. Since the reforms of the mid 1980s New Zealand has taken quite a light handed regulatory approach to achieve improvements or

solve problems. Consequently New Zealand is held up as an example internationally of successful deregulation. So much of our agricultural success is because regulatory shackles were removed and we established a far more innovative culture. While the intent behind prescriptive regulations is always good and it is vital that we do improve, the unintended consequences often undermine achieving the outcome. History has proven this point time and again.

With our review of market development having given a clear steer on where we need to be involved to create the most value, Beef + Lamb New Zealand developed a new plan with a focus on developing the New Zealand Red Meat story and looking to market segments that offer the greatest growth potential. That's under way now and we are continuing to involve farmers and industry at every level to ensure we capture the passion and richness of our story along with our proud heritage as sheep and beef producers.

Our investments in Red Meat Profit Partnership and Beef + Lamb New Zealand Genetics are targeting tools and services that are going to support farmers make better decisions and improve their profitability. Read more on this later in the annual report.



I'm pleased to report that the transition of Chief Executives happened smoothly and the organisation is well positioned with Sam McIvor at the helm to help us achieve another level of improvements to the services Beef + Lamb New Zealand delivers to farmers.

We undertook a review of the Beef + Lamb New Zealand Constitution in 2016, specifically seeking farmers' views on whether to retain meat industry nominated directors on the board. The overwhelming view from farmers both at farmer meetings and via written submissions was to retain industry directors. However, a

large number of farmers held the view that we should look to appoint an independent skills based director which the Constitution has provision for. There are some technical amendments to the Constitution required removing some out of date references, such as goats and the organisation's establishment in 2003. We'll be looking for farmer support to approve these amendments via the Annual Meeting process.

A handwritten signature in black ink, appearing to read 'JP', with a stylized flourish extending to the right.

**James Parsons**  
CHAIRMAN

# CEO's Report

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*It's almost a full year since I took over as CEO of Beef + Lamb New Zealand. It's great to be back in the sector and working with sheep and beef farmers.*

Our vision is for a confident and profitable sheep and beef industry and our purpose is to help farmers make informed business decisions and promote their collective interests.

Our key profitability indicators show it's been a challenging year for farmers, and that confidence has dropped. However, farmer knowledge of and satisfaction with Beef + Lamb New Zealand's activities have increased.

Working regionally with our Farmer Council we've delivered over 400 extension events with nearly 21000 attendees. You gave a clear direction that you needed Beef + Lamb New Zealand to be more actively supporting your interests in respect of health and safety and environmental regulations.

This year Beef + Lamb New Zealand ran 97 health and safety workshops which were attended by 2968 farmers. We had great feedback from these workshops which helped farmers put in place the necessary plans for their own farms. At a policy level we've taken a lead in the sector joining the Agri-Leaders Health and Safety forum and we're working with WorkSafe and others in the sector including Federated Farmers and DairyNZ to identify the real safety issues on farms, the costs and causes and embark on providing practical tools and advice to increase safety on-farm.

We've increased our organisational capacity

to support farmers to achieve good decisions on environmental regulations in their local catchments. This included running workshops to provide guidelines for making submissions to their local councils. 1000 farmers attended these workshops in Southland and Waikato during the latter part of 2016.

Our concern, on behalf of farmers, has seen Beef + Lamb New Zealand take an unprecedented step of joining other primary sector organisations to take court action against the Waikato Regional Council and its process for handling changes to its operating plan. This is not an action Beef + Lamb New Zealand has taken lightly, but it has done so because of a principle that has wider implications for farmers and the wider New Zealand economy.

As farmers state, the environment is the backbone of our farming and national economy. For every dollar of FOB sales from our industry another dollar goes into our rural towns and our urban cities. In 2017 we will be elevating the issue of environmental, economic and social sustainability in balance as we set about improving environmental outcomes.

As noted our "By Farmers. For Farmers" approach has seen another 77 events and 5,000 more attendees at our extension activities.

However we cannot just go on adding more events to



a busy farming calendar. We're embarking on the development of a sector R&D strategy and will see this aligned with improved extension methods developed through our Red Meat Profit Partnership investment. This will see increased use of digital technology and we're under way on a significant project to redevelop our website and build a new digital platform with information and tools such as apps that are easier to use and access through mobile devices and are less reliant on high speed connectivity. We've also purchased a drone which will allow us to film local field days and make them available

to farmers' nationally. The new platform will be ready for use in May this year.

2017 will see an update of our organisational strategy ensuring that we deliver on the most important issues for farmers in a way that is financially sustainable for the organisation. I look forward to working with you to develop this plan.

A handwritten signature in black ink, appearing to read "Sam McIvor".

**Sam McIvor**  
CHIEF EXECUTIVE OFFICER





**Sam McIvor**  
CHIEF EXECUTIVE  
OFFICER

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**IT'S GREAT TO  
BE BACK IN THE  
SECTOR AND  
WORKING WITH  
SHEEP AND  
BEEF FARMERS.**

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# How we're tracking

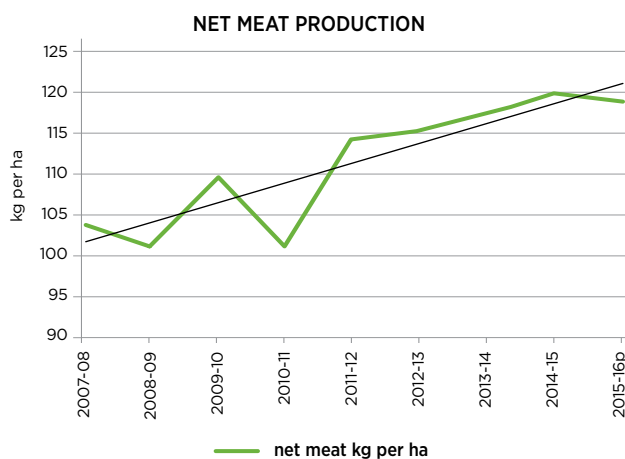
We have identified some key indicators to get a sense of how we are tracking as an organisation. These performance indicators and their associated goals are a combination of on-farm productivity and profitability, confidence in the future of the sector, and farmer satisfaction and awareness of our activities. Collectively they provide a snapshot of sheep and beef sector health and of how well we are achieving a core principle of being genuinely 'By Farmers. For Farmers.'

## GOAL 1

### Sheep and beef farmers are maintaining and improving productivity

#### STEADY

Meat production for the All Classes Sheep and Beef Farm provisionally at 119 kg per hectare was almost unchanged (-1%) on the previous year. Overall, for the June farming year sheep meat production held with a small decrease in net beef production from sheep and beef farms. Given there was a forecast El Nino drought that encouraged early slaughter patterns and conditions were very dry from late summer in the North Island East Coast regions and Marlborough-Canterbury there was continued good performance from the sheep and beef farm sector.



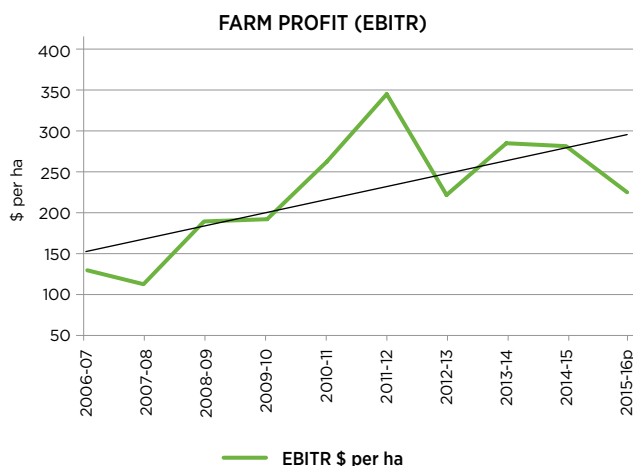
Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

## GOAL 2

### Sheep and beef farming is profitable

#### 20% DECREASE FOR 2015-16

Earnings before Interest Tax and Rent (EBITR) for the All Classes Sheep and Beef Farm at \$223 per ha was provisionally down 20% for 2015-16. This decrease was largely driven by lower gross farm revenue (-8%) while Farm Working Expenses remained largely unchanged (-1%). Revenue was down from lamb and sheep (-13%) from lower prices, beef cattle revenue was down 6% from lower volumes that more than offset strong beef prices. Dairy grazing revenue decreased 6% and crop revenue decreased 9%. Offsetting this, wool revenue increased 4% from higher prices that more than offset lower production sold. Overall, the sector fortunately experienced more export favourable exchange rates than the previous year which masked some of the softer prices within export markets.



Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

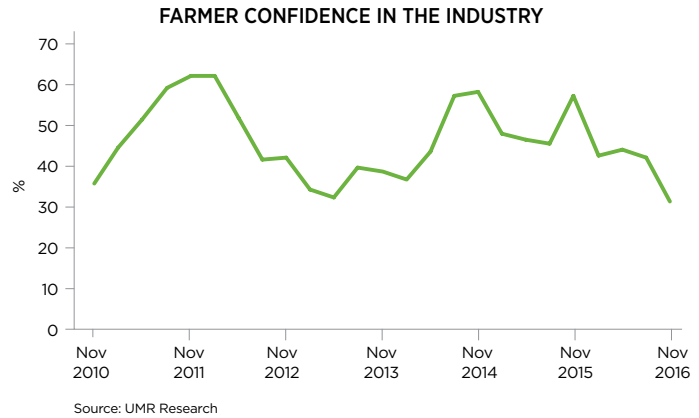
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### **GOAL 3**

#### **Farmers are confident in the future of the sheep and beef sector**

**26% DECREASE FOR 2015-16**

Farmer confidence has trended significantly lower over the last six months driven by poor sheepmeat and wool returns and climatic conditions.



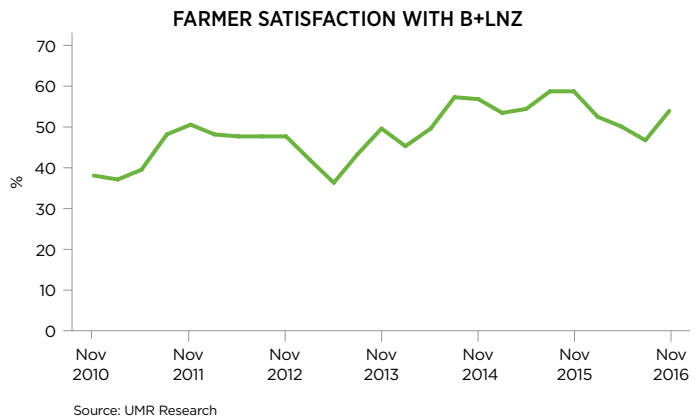
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### **GOAL 4**

#### **Farmers are satisfied with their investment in B+LNZ**

**5% DECREASE FOR 2015-16**

Farmer satisfaction eased back in 2016 recovering slightly to 53% at year end.



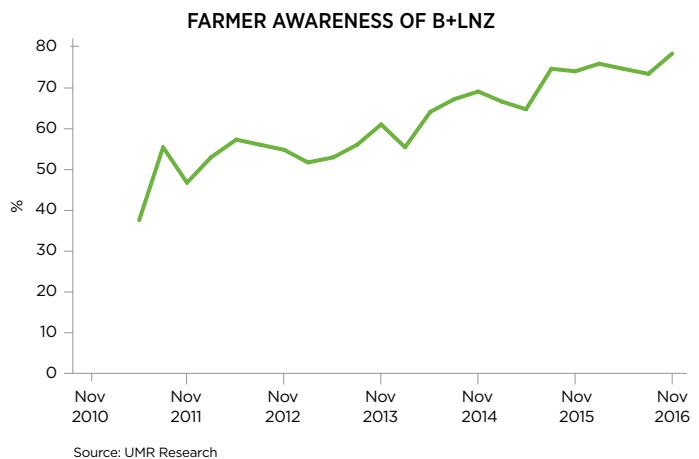
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### **GOAL 5**

#### **Farmers are aware of B+LNZ and its activities**

**4% INCREASE FOR 2015-16**

Farmer awareness of B+LNZ continued to increase over the 2015-16 year and finished at a new high of 78%.



# Our year in numbers

## Extension

### Total events held



We have delivered 77 more events in 2016 than 2015 (+22%). The increased events have been a combination of Health & Safety workshops and additional environment type workshops (environment planning and stakeholder engagement workshops). Other events relating to information, tools and tactics to address production issues of the time (facial eczema, drought, pests) were also delivered.

### Total attendance



We had an increase of 4587 attendees at B+LNZ events in 2016, compared with 2015. Increased attendees were at the new events like Environment and Health & Safety, which attracted farming businesses who do not regularly attend B+LNZ events. Important issues for farmers also saw an increase in industry professionals attending events, to learn important information and messages for farmers.

### Project farms



B+LNZ works on 152 farms throughout New Zealand, compared with 125 in 2015. These are farms where farmers and industry, including scientists and researchers, conduct farm trials and deliver extension events for sheep and beef farmers. These include Innovation Farms, Monitor Farms and Profit Partnerships.

### Health & Safety workshops



B+LNZ H&S workshops were developed in 2015 as a pilot workshop and rolled out around the regions in 2016. The successful extension model enabled farming businesses to attend workshops and understand their business obligations under the H&S Act. These were new workshops to help farmers deal with increased regulatory compliance and demonstrated B+LNZ's ability to deliver on current and topical needs.

### Environmental workshops



### Submission workshops



There was an increase in the number of LEP workshops held, a response to our environmental stewardship priorities. In 2016 we also introduced submission writing workshops in response to regional plan changes.

## Digital

### Engagement through online channels



#### Website visitors

2014/15

95,304

2015/16

99,702

There was low annual growth in the number of website users from 2015-16, however traffic should increase with the launch of the new website in 2017.

#### Facebook likes

2014/15

3237

2015/16

4591

#### Twitter likes

2014/15

3530

2015/16

4427

There was a 25% increase in both Facebook and Twitter audiences in 2015-16, largely due to the posting of relevant, timely and engaging videos and articles.

## Markets

### Total FTA savings for the year



2014

\$162m

2015

\$223m

The New Zealand red meat sector is estimated to have saved approximately NZ\$223 million in tariffs in 2015 through Free Trade Agreements (FTAs) on over NZ\$8 billion worth of red meat and co-product exports. That is a 38% increase in tariff savings in 2015 compared with the previous year, and this can be attributed to tariff reduction or elimination achieved through FTAs.

### Total tariff savings on beef exports

2014

\$30m

Savings per kg cwe

0.6c/kg cwe

2015

\$74m

0.12c/kg cwe

### Total tariff savings on sheepmeat exports

2014

\$90m

Savings per kg cwe

0.20c/kg cwe

2015

\$83m

0.17c/kg cwe

### Total tariff savings on red meat co-products

2014

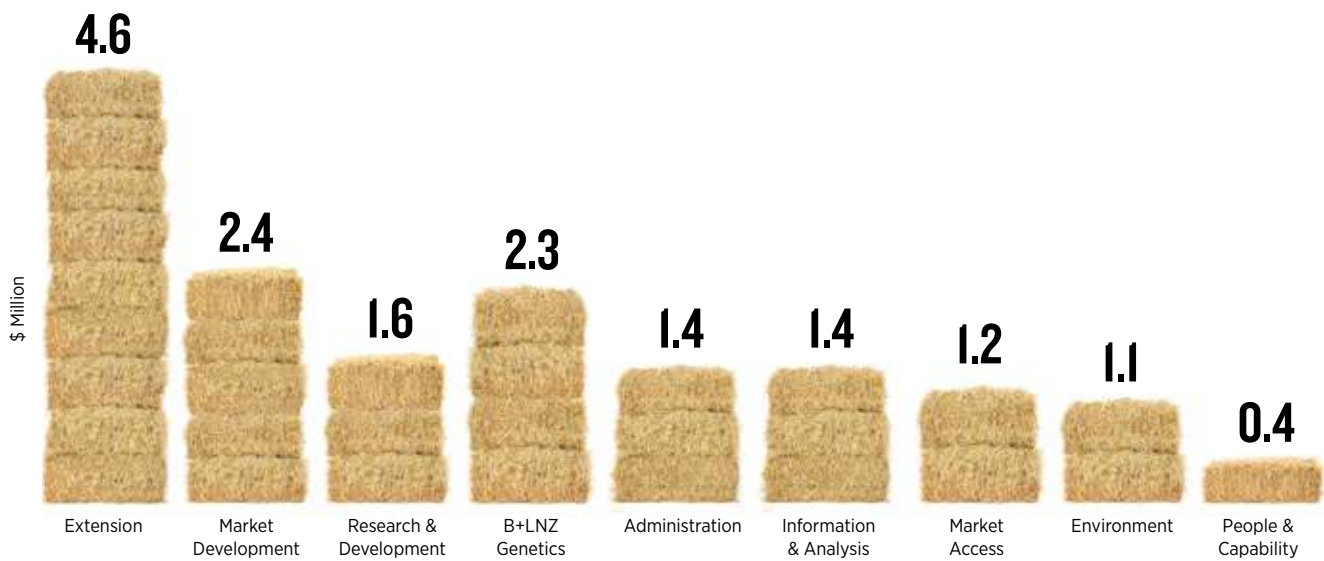
\$41m

2015

\$66m

# Sheepmeat levy

Sheepmeat programme expenditure including NZMB funding for the 2016–17 year

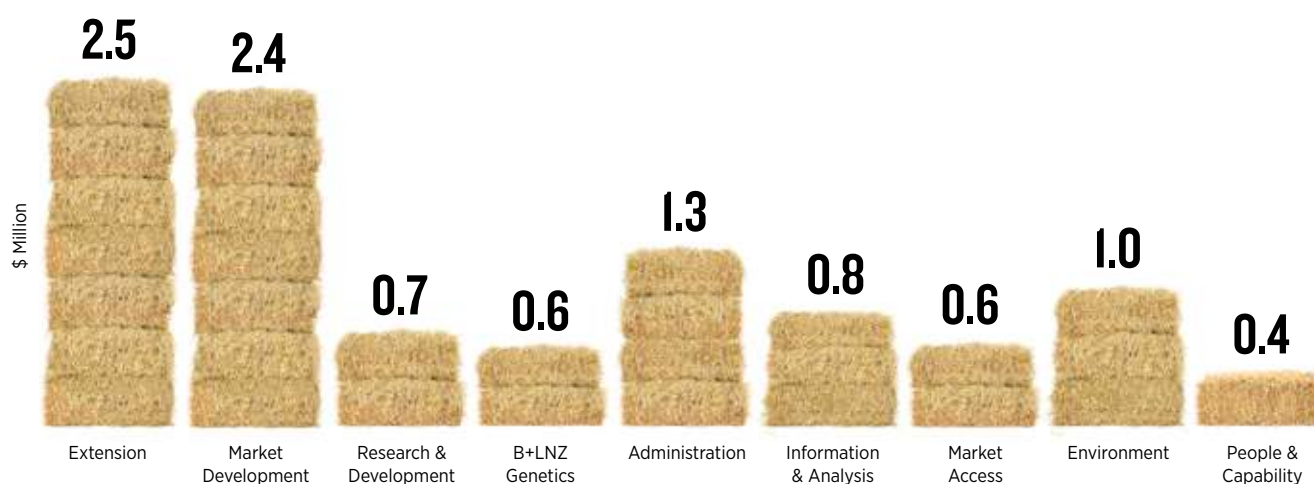


	Per Head	Cents Per Kilo <sup>1</sup>
<b>Farmer levy received</b>	<b>\$0.60</b>	<b>3.3</b>
NZMB Funding	\$0.07	0.4
	<b>\$0.67</b>	<b>3.7</b>
<b>Expenditure</b>		
Extension	0.20	1.1
Market Development	0.10	0.6
Research & Development	0.07	0.4
B+LNZ Genetics	0.10	0.5
Administration	0.06	0.3
Information & Analysis	0.06	0.3
Market Access	0.05	0.3
Environment	0.05	0.3
People & Capability	0.02	0.1
	<b>\$0.71</b>	<b>3.9</b>
Deficit from levies	(\$0.03)	(0.3)

1. Sheepmeat "Cents Per Kilo" based on an 18kg carcase weight.

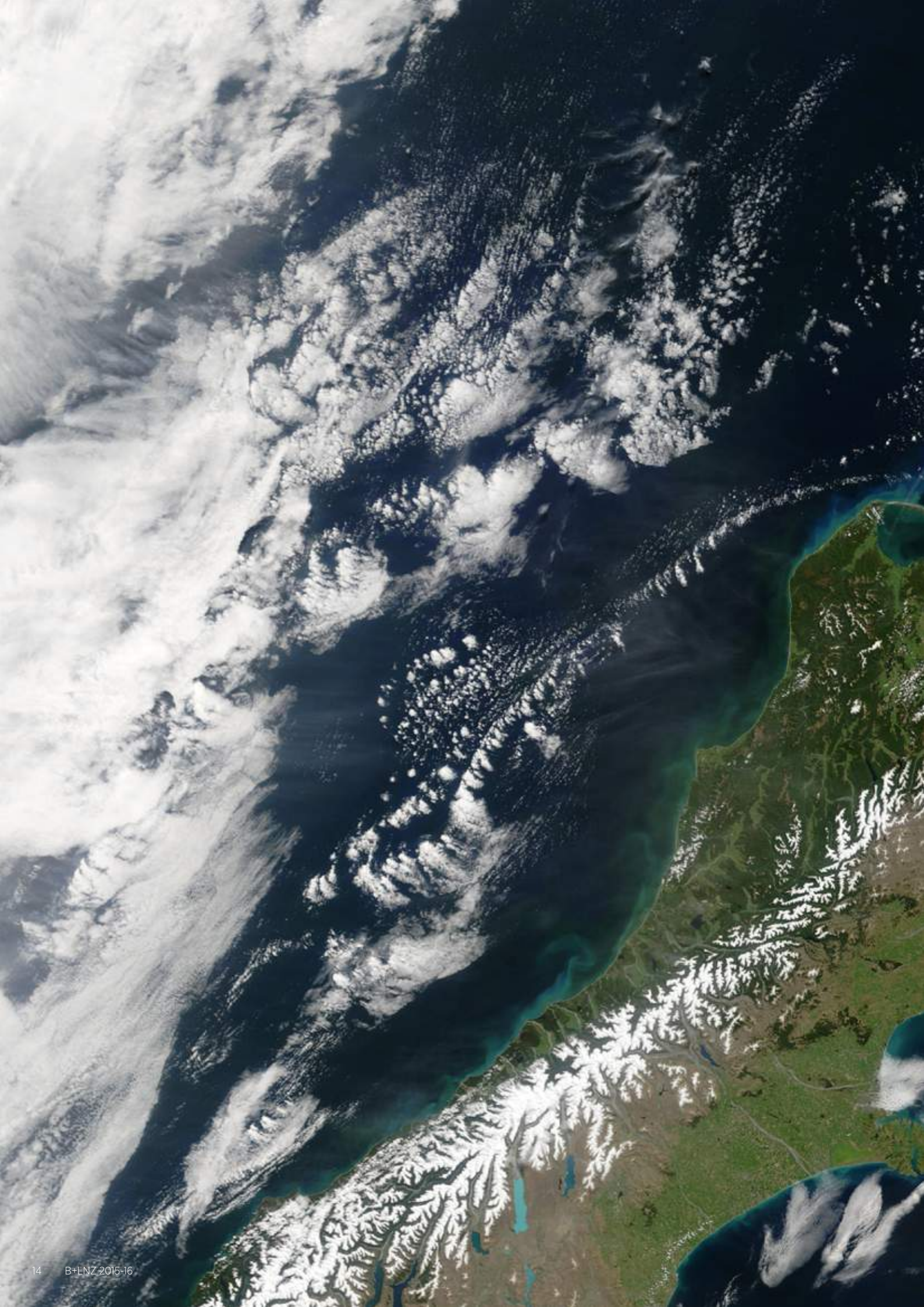
# Beef levy

Beef programme expenditure including NZMB funding for the 2016-17 year



	Per Head	Cents Per Kilo <sup>1</sup>
<b>Farmer levy received</b>	<b>\$4.40</b>	<b>1.6</b>
NZMB Funding	\$0.15	0.1
	<b>\$4.55</b>	<b>1.6</b>
<b>Expenditure</b>		
Extension	1.00	0.4
Market Development	0.96	0.3
Research & Development	0.28	0.1
B+LNZ Genetics	0.23	0.1
Administration	0.50	0.2
Information & Analysis	0.31	0.1
Market Access	0.24	0.1
Environment	0.40	0.1
People & Capability	0.15	0.1
	<b>\$4.07</b>	<b>1.5</b>
Surplus from levies	\$0.48	0.2

1. Beef "Cents Per Kilo" based on a 280kg carcass weight.







# WORKING HERE

*The 2015/16 year included developing the B+LNZ Farm Safety Management System workshops that aim to simplify compliance around the new health and safety legislation. We also appointed two Environmental Policy Managers to help our farmers communicate more effectively with policy makers.*

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Learn what's been happening out in the field

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The B+LNZ Innovation Farm Programme hits its stride

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B+LNZ amps up its activity in environmental policy

30

Several major genetics milestones delivered on

# *Alongside our farmers*

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*We had over 20,000 farmers attend our events in 2015/16 and our Regional Extension Managers are a vital cog working hand in hand with the B+LNZ Farmer Council. Nearly half of staff are regionally based.*



Almost 3000 farmers attended B+LNZ Farm Safety Management System workshops, alongside the usual profit partnerships and farmer-initiated research projects.



## SIMPLIFYING H&S COMPLIANCE

A total of 2968 farmers attended the 97 B+LNZ Farm Safety Management System workshops run during the year.

The workshops aimed to simplify compliance, in light of the Health and Safety at Work Act, which came into effect in April 2016.

B+LNZ took a practical approach to helping its levy payers get on top of the issue and teamed up with Exigent Risk Management (formally QSI)—run by ex-army health and safety specialists—and the workshop format was developed.

Extension manager Mark Harris said most farmers left the workshops with 90–100% of their farm safety management plan in place.

“The system is simple, to-the-point, and gives farmers exactly what they need to comply.”

## CLOVER POTENTIAL KEY TO HILL COUNTRY PRODUCTIVITY

The success of an original B+LNZ Innovation Farm project into forage use on uncultivable hill country has prompted other farmers to come on board and expand the focus.

Whangara Farms, an 80,000su enterprise near Gisborne, was home to one of the first Innovation Farm projects. Forages were used—specifically plantain and clover—to lift the productivity of uncultivable hill country. The results show that enough extra income was generated to cover establishment costs within just one year.

Now, three North Island East Coast farms are trialling the use of annual and perennial clovers to help realise the productive potential of their uncultivable hill country.

Also under the B+LNZ Innovation Farm banner, outcomes of the clover trials will be used to establish best-practice management guidelines and these will be shared with the wider farming community.

Consultant Simon Glennie says the East Coast farmers including—Rob and Sandra Faulkner, Pete and Suzanne Swinburn, Richard and Becks Tosswill—are already growing legumes and

plantain on their cultivable country and having seen the benefits of these forages, are now aiming to establish them on their uncultivable hill country.

Each farm has a different focus: one is looking at establishment methods, another at management and a third at how the farm system can be adapted to fit the requirements of annual clovers, in particular.

## SYMPOSIUM ON HILL COUNTRY FARMING

New Zealand's first Hill Country Symposium for 30 years highlighted the lack of new science specific to hill and high country farming systems—despite the fact that more than three-quarters of this country's lamb and beef calves originate from this land class.

More than 200 people attended April's B+LNZ Hill Country Symposium—the theme of which was “Setting a profitable and resilient future for New Zealand hill country farming”.

The two-day symposium was organised by the New Zealand Grassland Association and Trust, in conjunction with the New Zealand Society of Animal Production.





## AGINNOVATION AND FARMSMART 2016

In May, about 230 farmers attended AgInnovation 2016 in Palmerston North. The day kicked off with a breakfast-time live link to US-based guest speaker Dan Brantingham, CEO of Burger Bach – a New Zealand-inspired gastro pub chain with outlets across Virginia and North Carolina. Then it was into the popular “Pick ‘n’ mix” presentations, where people chose their own schedule of speakers and topics.

Meanwhile, in Christchurch, the B+LNZ Northern South Island Farmer Council hosted its inaugural FarmSmart event in August. It was a huge success, attracting 130 farmers and agribusiness professionals, all keen to hear from the day’s speakers, including high-performing farmers, industry commentators and leaders.

## FORAGE STRATEGY STEERING GROUP LAUNCHED

B+LNZ is a partner in the recently launched Forage Strategy Steering Group, a multi-stakeholder initiative that aims to improve the sustainability and profitability of New Zealand’s forage grazing systems via a five-year action plan.

Chairman Richard Green says that, in lean times, it is particularly vital to have good forages and good grazing management. “For these systems, there may have been a history of underinvestment in both soils and pastures. This is not sustainable, and the strategy provides a collective framework for research and extension.”



*Ewe lambs on lucerne*



*Professor Derrick Moot*

## CAUTION URGED AROUND MATING HOGGETS ON LUCERNE

Research supported by B+LNZ suggests farmers should be cautious about mating ewe hoggets on lucerne—particularly in damp, overcast conditions.

The work was carried out by Lincoln University PhD student Rachel Fields and supervised by plant scientist Professor Derrick Moot.

Lucerne has occasionally been associated with poor conception rates, particularly in young sheep, but the reason has remained a mystery. However, Rachel’s research revealed that fungal infection of the plants may be the cause. She says infected lucerne can produce the oestrogenic compound coumestrol which, if levels are high enough, will cause conception rates to decrease.

Young sheep appear to be at greatest risk from exposure to coumestrol. The recommendation is that farmers avoid feeding lucerne to ewe lambs over mating, particularly if climatic conditions favour fungal growth.

## SUB CLOVER: A VALUABLE TOOL IN DRYLAND FARM SYSTEMS

A resurgence in interest in subterranean clover has many sheep and beef farmers asking how they can manage – and augment – existing plant populations within their farm systems. This led to the establishment of the Sustainable Farming Fund’s Sub4Spring programme.

Led by Lincoln University’s Professor Derrick Moot, the programme seeks to determine the best management practices for both endemic and introduced sub clover species in different environments.

Wairoa farmers Dave Read and Judy Bogaard are part of this programme.

The couple own Waiiau Station, 1200ha of steep hill country upon which they run 10,000 stock units at a 60:40 cattle to sheep ratio.

For Dave and Judy, tweaking their management systems to encourage sub clover has allowed them to make low-cost production gains on hard hill country.

## SET-STOCKED PASTURE PROVES ITS WORTH IN WINTERING STUDY

Set-stocked pasture proved to be most beneficial for both weaned calves and soils in a study comparing stock performance and pasture damage under different cattle wintering systems.

Funded by B+LNZ and carried out by a team at Massey University, the study compared the performance of 103 rising-one-year-old mixed-sex beef and beef-cross calves on four different wintering systems over 55 days.

The systems were:

- Break-fed black oat forage crop
- Set-stocked pasture at 3.9hd/ha
- Break-fed pasture
- Break-fed pasture with the use of a feed-pad when soils were wet (which transpired to be 56% of the time).

All calves were offered a hay supplement of 0.44-0.48kgDM/head/day.

Set-stocking proved to be the most beneficial for both calves and pasture, with growth rates of around 0.8kg/day and less pasture damage than any of the other systems.

The calves break-fed pasture grew at around 0.5kg/day while the calves on the forage crop only gained 0.1-0.2kg/day. This was similar to the weight gains of the calves on the feed-pad system.



*Subterranean clover is offering hill country farmers low-cost production gains*

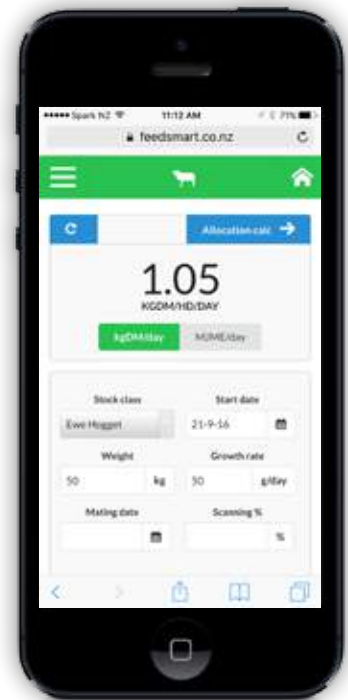
## BEEF PROGENY TEST BEGINS DELIVERING ANSWERS

The first calves born within the B+LNZ Genetics' beef progeny test were weaned during the year.

The test is being run across five large commercial properties throughout New Zealand and involves about 2200 cows and heifers each year. Its goal is to determine how bulls of different types perform under comparable commercial conditions.

Key results so far:

1. Estimated breeding values (EBVs) for calf weaning weights deliver on what they predicted. If you want heavier calves, choose bulls with heavier 200 Day Weight EBVs.
2. AI success improved markedly between Year 1 and 2—likely due to improved cow body condition scores, more feed handy to yards, quieter cattle and a tighter calving period.
3. Finally, the importance of body condition score at mating was underlined. For reproductive success, a minimum score of 6 at mating is recommended, but greater than 7 is optimal.



## NEW FEEDSMART APP LAUNCHED

Developed by B+LNZ in conjunction with the RMPP, the app helps farmers estimate the feed requirements for sheep and cattle at any time of the year and for different levels of production. It includes simple tools for day to day feed allocation information. How long a paddock of feed will last, the size of the break needed to meet nutritional requirements and stocking rates. The free app is available at [feedsmart.co.nz](http://feedsmart.co.nz) and once downloaded, it works offline anywhere, any time a device is turned on. The app is compatible with any computer, tablet or smartphone.

### Compatible with



Windows  
Phone



Apple  
iPhone



Android

# Celebrating success

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*B+LNZ's work in the "people" space is a priority for farmers. Our sector needs to attract—and to retain—quality people. We do that through a series of activities: Scholarships for young people, the B+LNZ Sheep Industry Awards which celebrate individuals, and by providing upskilling opportunities for those already in our industry.*



During the 2015/16 year, B+LNZ awarded 36 scholarships. These included 23 university degree scholarships—eight existing scholars and 15 new young people. There were also six awards given to Telford and Taratahi students, as well as financial support for three Nuffield Scholars. Two full scholarships were awarded to both the International Beef Alliance conference in October 2015 and the Tri-Lamb Young Leaders' Forum in August 2016.



## TWO YOUNG GUNS REPRESENT NEW ZEALAND

Kurt Portas and Tumoana Harrison-Boyd were selected by B+LNZ to represent the New Zealand sheep industry at this year's Tri-Lamb Young Leaders' Forum in August hosted by New Zealand and Australia.

The Tri-Lamb Young Leaders' Forum is run by the Tri-Lamb Group, a collaborative initiative between lamb-producer organisations from the United States, Australia and New Zealand, where it is represented by B+LNZ. The group aims to enhance the profitability and sustainability of the lamb market in the United States for the three supplying countries.

### Meet Kurt Portas

Kurt's career trajectory proves the adage that attitude is everything.

He completed a cadetship at Smedley Station, before spending two years shepherding in Southland. Then, at just 23, he was offered the manager's position on Palliser Ridge – a 1300ha, 12,000 stock unit property in the South Wairarapa – simply because the owners liked his attitude.

Six years later Kurt has a family, equity in the business, and is just as enthusiastic about the farm – and the sheep and beef industry—as when he first started.



He believes there is opportunity to extract more value by working collaboratively, making better use of traceability and telling the New Zealand farming story.

Kurt has first-hand experience of the value of the story through Palliser Ridge's relationship with the Greytown butcher. As the sole providers of lamb to this boutique butchery, Palliser Ridge has been able to tell their story of where and how their lamb is produced.

While his focus is on Palliser Ridge, he doesn't discount the possibility of putting himself forward for industry leadership roles in the future.

### Meet Tumoana Harrison-Boyd

Tumoana is a town boy who developed a love of farming and the outdoors through hunting and helping farming friends around his home town of Gisborne.

That hands-on farming experience during his teenage years proved formative, and upon leaving school Tumoana set his sights on a career in the sheep and beef industry.

Tumoana graduated from Smedley Station Training Farm and is now at Lincoln University.

After completing his diploma, Tumoana intends spending more time in the South Island gaining shepherding experience. Ultimately he would like to return to Gisborne where he sees managerial opportunities in Māori incorporated sheep farms.

In the long term, Tumoana sees opportunities for sheep meat produced on Māori farms to be differentiated in the market. "There may be other cultures and people interested in buying lamb produced under tikanga Māori traditions."

Tumoana saw the Young Leader programme as an opportunity to grow his networks and gain a broader understanding of how lamb is produced and marketed overseas.

## VET WINS B+LNZ SHEEP AND BEEF CONSULTANT AWARD

Well-known vet Dr Trevor Cook won the 2016 B+LNZ Sheep and Beef Consultant of the Year Award.

Although based at Totally Vets Ltd in Feilding, Trevor spends most of his time working as a sheep and beef production consultant, working one-on-one with farmers throughout the country.

Trevor is renowned for his leadership and communication skills and innovative approaches to managing parasites and drench resistance on farm.



## NEW YEAR HONOUR RECOGNISES B+LNZ'S ROB DAVISON

In the New Year's Honours list, long-serving B+LNZ farm data expert Rob Davison was made an Officer of the New Zealand Order of Merit for services to the sheep and beef industries.

Rob has worked in the economics side of the industry since 1973. He describes agriculture as being "New Zealand's Silicon Valley".

"It's where the IP and the science is. It's 'where it happens' at the moment."

Rob points out that the great gains in annual productivity that we've seen haven't happened by chance—but through applied science and new management systems being adopted at the farm level through to market.

## FARM BUSINESS COURSE “MOTIVATIONAL”

B+LNZ recognises that developing and realising the skills of rural women impacts on the profitability and confidence of the sheep and beef sector. During 2015/16, B+LNZ continued its long-standing relationship with the Agri-Women’s Development Trust.

Southland farmer Jo Horrell was one of the 500 women throughout New Zealand who attended the RMPP-funded Understanding Your Farming Business course during the year which is designed and delivered by the trust.

The course involves three workshops over four months and aims to engage farming women as critical partners in their businesses by building business knowledge, skills and confidence.

Jo found the course invaluable for gaining a greater understanding of the farm business she runs alongside her husband, Bryce. Having had the opportunity to do the course—with other like-minded and positive people—Jo feels more confident and secure about their future as sheep farmers.

### First Steps programme

The trust’s First Steps programme is a two-day programme designed especially for women to understand their purpose and realise their potential.

Stacey Williamson is one of the key women behind the Farming Mums New Zealand Facebook page, which provides a support network and information-sharing platform for women.

Stacey manages the Facebook page from a remote sheep and beef farm in Northland and has been struck by the lack of confidence that seems pervasive amongst rural women. “I see so many women who are struggling, disconnected and lacking in confidence.”

Stacey had heard about the First Steps programme and enrolled to see if it was something she could recommend to members of the Facebook group as a way to build skills and confidence.

The answer was a resounding yes. “I think everyone should do it.”

Stacey says the course has changed the way she thinks, particularly in identifying and recognising her own unique skills and strengths as well as those of the people around her.



Jo Horrell



Stacey Williamson



Sarah von Dadelszen and William Gibson



B+LNZ Director George Tatham with Emily, Anders and Sarah Crofoot

## SHEEP INDUSTRY RECOGNISES TOP PERFORMANCE

In July, the sheep industry celebrated its best and brightest at the B+LNZ Sheep Industry Awards in Masterton.

This was the fifth year the industry had gathered to acknowledge outstanding contributors in genetics, science and commercial lamb production.

Northland sheep breeder Gordon Levet was recognised for his long-term work breeding towards worm resistance, while Hawke’s Bay farmers James and Jane Hunter won the Blackdale Stud Sheep Industry Supplier of the Year.

Masterton’s Derek Daniell received the Farmlands Co-operative Significant Contribution to the New Zealand Sheep Industry Award, in recognition of the influence his Wairere Genetics has had on New Zealand’s sheep flock.

Emily Crofoot from Castlepoint Station was presented with a Special Award for Services to the Sheep Industry, recognising her industry leadership and

on-going involvement in extension, innovation and research programmes.

### Identifying emerging talent

At the B+LNZ Sheep Industry Awards, Will Gibson received the Ballance Agri-Nutrients Sheep Industry Emerging Talent Award.

Will is the Canterbury area manager for the New Zealand Merino Company. Along with managing the Merino Central Progeny Test, he also advises several studs on their use of EID, information systems and the generation of estimated breeding values.

Will has a long involvement in fleece and stock judging and a keen interest in coloured Merino, running his own stud flock. He also works alongside his parents, Anton and Liz, on improving their ultra-fine white Merino wool and their Suffolk and SufTex breeding flocks.



## DEVELOPING INDUSTRY LEADERS & BUILDING SECTOR CAPABILITY

Beef + Lamb New Zealand has a programme of activity geared to attracting talented people to the sector and supporting them at all stages of their career development. Attracting and retaining good people is an important element of a successful sector. B+LNZ and the Red Meat Profit Partnership support the following areas:

Trade Academy schools <b>300 trainees per year</b>	Otiwhiti Station <b>10 trainees per year</b>	Waipaoa Station <b>10 trainees per year</b>
Agri-Women's Development Trust workshops <b>500 women per year</b>	Get Ahead programme and TeenAg programmes run through Young Farmers <b>3000 students participating</b>	
Primary ITO training <b>700 trainees per year</b>	International Beef Alliance Scholarships <b>2 per year</b>	B+LNZ Tertiary Scholarship <b>26 per year</b>
St Pauls Collegiate advanced agriculture curriculum <b>150 students per year</b>	Kelloggs Rural Leadership Programme <b>40 per year</b>	Tri Lamb Young Leaders Scholarship <b>2 per year</b>
Farmer Council professional development <b>14 per year</b>	Nuffield International Research Scholarships <b>5 per year</b>	Young Shepherd Scholarships <b>2 per year</b>

## STRIKING A BALANCE

B+LNZ is a major sponsor of the Ballance Farm Environment Awards.

There are 11 regional competitions—each with a supreme winner. This year's Northland Supreme Award was taken home by Dennis and Rachelle O'Callaghan.

The couple also won the B+LNZ Livestock Award and the Waterforce Integrated Management Award during the March awards evening.

The former B+LNZ monitor farmers run Temataa Station – an intensive bull beef operation that is also one of the trial farms in B+LNZ's Beef Profit from Pasture Project. This Northland-run project draws on the management strategies typically used by dairy farmers to grow and utilise more grass.

In June, Auckland farmers Richard and Dianne Kidd were announced winners of the 2016 Ballance Farm Environment Award's (BFEA) Gordon Stephenson Trophy. Earlier in the year, the Kidds won the Auckland region's BFEA Supreme Award, B+LNZ Livestock Award and Farm Stewardship Award.



## INVESTING IN FUTURE FARMERS

The B+LNZ Southern South Island region piloted a "Future Farmers" during 2016. The six-month programme aims to broaden the horizons of future farm leaders, managers and owners.

Twenty farmers—aged 20 to 50—took part in the programme, which covered farm business, agri-tools, technology, genetics and meat appreciation. It involved three modules, delivered by industry partners Rabobank, AbacusBio and Alliance Group.

The pilot was the brainchild of Extension Manager Olivia Ross, who plans to run another two programmes during 2017.



*B+LNZ's Innovation Farm Programme helps farmers identify tools and practices that could drive real financial improvements. It brings together the best scientific minds and farming visionaries to investigate specific technology and innovations on farm. The programme has up to eight farmers involved at any one time and each tends to be in the programme for about three years. The 2015/16 year saw many of the original projects conclude and a great line-up of new projects kick off.*

FARMERS	PROJECT	STATUS
Anna and Blair Nelson, King Country	Precision nutrition and animal management	2012 - 2016
Sandra and Steve Parrott, Raglan	Effects of facial eczema on beef cattle	2012 - 2015
Richard Scholefield, Gisborne	Forages on hill country	2012 - 2015
William and Karen Oliver, King Country	Plantain: best practice and commercial applications	2012 - 2015
Scott and Paul Linklater, Manawatu	Strip tillage of fodder beet	2012 - 2014
	Fodder beet fits lamb finishing system	2015 - 2016
Neil and Phillipa Gardyne, Southland	Drones for mainstream farming	2013 - 2015
Mathew and Lynley Wyeth, Wairarapa	50-day weaning strategy	2013 - 2016
	Orphan lamb scheme	2013 - 2016
	Intensive triplet lamb management strategy	2013 - 2016
	Steer finishing with "grain assist"	2013 - 2016
Annabel and Hamish Craw, Banks Peninsula	Plus 3tDM/ha with legumes	2014 - 2016
Neil Aicken, Waikato	Adapting and adopting technology within a working farm	2016 - 2016
Lisa and Dave Anderson, Omarama	Integrating intensive practices within a dryland system, while minimising the environmental footprint	2016 - 2016
Rob and Sandra Faulkner, Pete and Suzanne Swinburn, Richard and Becks Tosswill	Increasing legumes on dryland hill country	2016 - 2016



*Seven farmers and their projects wrapped up during the 2015/16 year. We take a closer look at some of these projects and their conclusions.*

# Completed projects



COMPLETED 2015

## DRONES FOR MAINSTREAM FARMING

When the BBC's Natural History Unit turns up at your farm, you know you must be doing something interesting.

Pip and Neil Gardyne's Innovation Farm project—investigating using a drone as a farm management tool—ticks that box.

Drones have proved life-changing for the family. The way they have adapted the aerial technology for use on their Southland farm has captured the attention of the world's media, agricultural scientists and, most importantly, technologically savvy young people considering agriculture as a career option.

Certainly the couple's three children have been instrumental in applying the technology on-farm. It was their eldest son Mark, who, at the age of 11, suggested that drones might be the perfect solution for checking stock on their hill country property, particularly looking for cast ewes.

But the real value of the drone became apparent in the second year of the project, when it was used to monitor ewes at lambing.

Neil estimated that about half of the cast sheep flown over by the drone managed to right themselves. Using the drone, the Gardynes saved 40 ewes which equated to an annual saving of around \$12,000.

### Conclusions:

1. The huge global interest in the use of drones for agricultural applications will only increase as technology improves and costs continue reducing.
2. The Gardynes have more than 400 potential applications for drones, but commercialisation of these applications is the gap.
3. There is the opportunity to educate and engage young people with regard to drone technology in agriculture.

COMPLETED 2015

## EFFECTS OF FACIAL ECZEMA ON BEEF CATTLE

Three years of on-farm investigations into the true cost of facial eczema in beef cattle and options for prevention and treatment yielded useful recommendations.

Raglan farmers Steve and Sandra Parrott and their project team concluded that the best treatment scenario was to use Mycotak in the early part of the facial eczema season, then the bolus during the high-risk period. This was particularly smart if pasture quality was poor and Mycotak was not likely to be taken up by the pasture anyway.

What were the costs? Mycotak was 55 cents per animal per day, while the bolus was 48 cents. The Mycotak then bolus approach would equate to 52 cents. But all methods have their pros and cons.

Steve and Sandra say the trial has confirmed that it pays to treat for facial eczema and they will continue to do so in the future.

A couple of insights they gathered along the way: A few weeks of low grass spore counts are just as dangerous as a spike in counts. And, some good news, compensatory growth did occur for animals that didn't experience severe and/or permanent liver damage.

### Conclusions:

1. Treatment with zinc boluses gave protection from facial eczema.
2. In-line dispensing systems did not provide protective serum zinc levels.
3. The effectiveness of Mycotak spray was inconsistent, dependent on grass growth and therefore uptake.
4. Treatment needs to be timely. It needs to start prior to grass spore counts rising and repeat applications need to be done at the recommended time, when previous treatment is still at protective levels.

## WATCH VIDEOS ONLINE



[www.youtube.com/beeflambnz](http://www.youtube.com/beeflambnz)

COMPLETED 2016

### FODDER BEET FITS LAMB FINISHING SYSTEM

Scott and Paul Linklater wanted to assess if fodder beet was a suitable forage crop for growing out trading lambs in autumn, while fitting a cropping rotation that maximised per hectare production.

The first year of their Innovation Farm work showed fodder beet was promising.

The trial began on April 1 and ran for 61 days. It involved three mobs of brought-in store lambs. A control mob remained on grass, while two were on fodder beet with different supplement regimes. Once the lambs had grazed the fodder beet, they were finished on pasture and processed over July and August.

While the focus was on lamb production, Scott found that—once the crop was finished at

the end of May—he was able to put the paddock straight into a dual-purpose winter wheat crop. Over a 16-month period, Scott expects that this cropping regime will maximise per hectare returns.

Due to fodder beet's high yield, Scott was able to run 280 lambs/ha on the crop for 60 days—and this was where the real value lay.

#### Conclusions:

1. Fodder beet can add profitability to lamb finishing systems.
2. There were no particular animal health issues.
3. Because the time lambs were on the fodder beet was relatively short, the impact of the diet not containing enough protein can be managed by the supplement being used.

COMPLETED 2016

### PRECISION NUTRITION AND ANIMAL MANAGEMENT

While this project set out to increase profitability on Anna and Blair Nelson's King Country farm, it had an unexpectedly profound effect on their ewe flock's performance.

The couple sought to increase the profitability by \$200/ha and focused on growing specialist forages on their cultivable country. The Nelsons found red clover suited their system well.

While primarily used for lambs, the feed was also used for growing out hoggets. As two-tooths, these sheep outperformed their mixed-age ewes in scanning and lambing percentages, as well as in weaning weights. They believe that this focus on feeding in the first summer sets the potential for the life-time performance of their ewe flock.

The couple was surprised how hard it was to achieve the \$200/ha target. They now spend a lot more on cropping—\$106,000 per annum compared to \$48,000 in their old system—but generated an extra \$145,000 in 2015/16, through increased lambing percentages in both ewes and hoggets, increased lamb carcase weights and an earlier mean slaughter date.

#### Conclusions:

1. Growing more quality feed and feeding stock better were the basis of all improvements.
2. A red clover system has great potential but it is complicated and requires different management.
3. Focusing on ewe body condition score and matching feed requirements accordingly has real economic benefits.



# Current projects

2014

## PLUS 3TDM/HA WITH LEGUMES

A chemical regime is showing promise in allowing existing clover to flourish on uncultivated hill country in Canterbury.

Banks Peninsula farmers Hamish and Annabel Craw want to determine the optimal spray-out method and legume pasture mix to improve the quality and quantity of their hill country pastures.

Much of their focus has been on the chemical control of poorer pasture species, to allow existing clover to thrive. The treatments have been a light chemical top, a heavy chemical top and grass eradication. These involved using different rates of both glyphosate and Valiant in November.

Craws calculated that, based on the extra quality and quantity of drymatter produced with a one-spray Valiant treatment, they can expect a payback within 16 months.

The couple have completed year two and are now scaling up the trial area. They will also adjust the rate of Valiant, to minimise costs while maximising production gains.

2016

## INTEGRATING INTENSIVE PRACTICES WITHIN A DRYLAND SYSTEM

Lisa and Dave Anderson of Bog Roy Station are looking at how to increase profitability by 20%, while maintaining environmental outputs on their Waitaki Valley sheep and beef farm.

Bog Roy is a 2770 ha farm with minimal environmental outputs. However, it is in a catchment where land use practice has significantly changed over time and water quality has come under scrutiny. Environment Canterbury (ECan) has assigned every catchment within its region to nutrient allocation zones and is regulating nitrate leaching accordingly. The allowable nutrient discharge from Bog Roy has been capped at 5kgN/ha/yr.

This project aims to demonstrate that farming can be profitable in a sensitive environment by adopting smarter and/or alternative practices.

2016

## ADAPTING AND ADOPTING TECHNOLOGY WITHIN A WORKING FARM

Beef finisher Neil Aicken wants to use new technology on his Waikawa Farm to help improve production, performance and profit.

This project aims to demonstrate how smarter farming—and reduced labour input—can work for farmers. It will concentrate on two core on-farm measures—stock weighting and pasture assessment. Specifically:

1. Automated pasture cover measurements to minimise the time and uncertainty of assessment.
2. Walk-over weighing scales, used in conjunction with EID, to make weighing easier and the opportunity to record more often.

2016

## INCREASING LEGUMES ON DRYLAND HILL COUNTRY

Three East Coast farmers are involved in this project, which builds on several previous and on-going lines of work into establishing legumes in dryland hill country settings.

The farmers—Rob and Sandra Faulkner (Gisborne), Pete and Suzanne Swinburn (Hawke's Bay) and Richard and Becks Tosswill (Wairarapa)—will demonstrate the importance of autumn and spring management, if farmers want to increase the amount of existing annual legumes on uncultivable dryland hill country.

The project aims to increase annual legume content from 5% to 30% during lactation, with subsequent increases in both lamb weaning weights and ewe liveweight at weaning. Where possible, the project team also hopes to see increased ewe stocking rates.



**Have an idea for an Innovation Farm project?**

Get in touch with your B+LNZ Extension Manager or email [enquiries@beeflambnz.com](mailto:enquiries@beeflambnz.com)



# Empowering farmers

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*Sheep and beef farmers have a long tradition of working sympathetically with the land. In line with new environmental regulations they are documenting that relationship and identifying where there is room for further improvement.*

## AMPING UP ENVIRONMENTAL POLICY ACTIVITY

Farmers across the country—in Southland and Waikato, in particular—will have noticed B+LNZ step up its activity in the environmental policy space during the past year.

Two new positions were established—Environmental Policy Managers in the North and South Islands. Julia Beijeman started in the Christchurch office in June 2016, while Corina Jordon settled into the Feilding office two months later.

Amping up capacity in this area was in direct response to farmer feedback. Levy payers saw a gap in terms of B+LNZ proactively representing farmers at a policy level.

### Submission workshops

The approach B+LNZ is taking is simple. Farmers are being empowered to submit on policy, themselves.

Julia: “If a farmer stands up and articulates why a policy is not good,

that speaks with a lot more volume to the decision makers than us saying it on their behalf.

“Our approach is about giving them the skills to articulate their points in a way that has weight with the decision makers.”

To that end, three submission workshops were piloted in Southland while the Southland Land and Water Plan was being consulted over July and August 2016. More than 300 farmers attended.

More recently, Waikato farmers were involved in nine workshops, formulating their submissions to the Healthy Rivers Plan Change document. That resulted in conversations with more than 700 farmers.

The two-hour workshop format kicks off an overview of the key policy issues, before farmers are asked what they “like, wish and wonder” about the proposed policy. The information is then discussed as a group and farmers are given tips on how to communicate their ideas in

language that will resonate with policy makers, increasing the likelihood of farmers affecting change.

The second half of the workshop involves farmers drafting their submissions, with the B+LNZ environment team on hand to help.

### Is it working?

Farmer feedback has been overwhelmingly positive, with people saying they actually enjoyed the workshop and the energy in the room.

More importantly, the workshops have translated into action. The Southland Regional Council received about 900 submissions. Of those, more than half were from sheep and beef farmers.

Julia says the submissions she has seen were spot on—simple, with clear messages to the policy makers and excellent alternatives suggested.

There was a 20% increase in the number of farmers attending B+LNZ farm and environment planning workshops between the 2014–15 and 2015–16 seasons—853 farmers, compared with 713. Significantly, farmers have begun moving on to the level 2 workshops.



### Julia Beijeman

After completing a Bachelor of Forestry Science, Julia worked in biosecurity with the Canterbury Regional Council. She was then a policy analyst with the Ministry for Primary Industries. Julia moved to Ho Chi Minh City, where she trained and worked as an English teacher, before going on to Western Australia, where she was Environment Policy Manager for the advocacy body, the Western Australian Local Government Association. “In all cases, it was about building relationships, communicating clearly, and delivering on what you said you would do.”

Julia describes her B+LNZ role as being “the translator and tour guide for farmers”. “I translate policy language into plain English, so farmers do not have to read through thousands of pages. Then they can respond back to council in an informed way.”

And tour guide? Julia takes farmers on the submission process journey and helps them form their ideas. “If I do my job properly, I’ll hopefully do myself out of employment. Farmers will be doing it themselves.”

### Corina Jordon

Corina came to B+LNZ after nine years with Fish and Game, where she provided planning and freshwater ecology expertise; she later became the organisation’s National Environmental Manager. Corina has extensive experience working across government organisations and was heavily involved in the Land Water Forum.

Over the years, Corina had worked alongside B+LNZ senior management and directors and liked their values and approaches to environmental policy.

She has a Bachelor of Science, Honours in natural resource management and a Master’s in environmental management.

Corina is enjoying engaging with farmers. “I see real strength in building farmer capacity and capability around the sustainable management of land and water resources to enable them to advocate on behalf of themselves and the sector.”

She believes that solutions lie with communities, and will be dependent on strong leadership from individuals, including farmers.

“The biggest challenge of the job is ensuring success. Farmers have a voice and they are using it, but ultimately we need to see farmers’ values reflected back in the policy.”

## USE OF OVERSEER

In 2016, B+LNZ funded a review of Overseer’s use and relevance for the sheep and beef sector—and some of the findings are already in place. B+LNZ is working with others to build industry capability in the nutrient modelling area. Efforts include developing nutrient budgets for the B+LNZ Sheep and Beef Farm Survey properties, producing a guide to streamline information collection and input into Overseer, and recommending research that will improve the model’s accuracy.

## MOUNTAINS TO THE SEA

The “From the Mountains to the Sea” environment project kicked off in early 2016.

Backed by the B+LNZ Southern South Island Farmer Council, it involved three farms across Southland. The project aimed to show the value of farm environment planning and explore the challenges and opportunities associated with three very different farms in three very different catchments.

A field day was held at each farm and regionally specific environmental topics were discussed, such as winter grazing, hill country cultivation, artificial drainage and stock exclusion from waterways.

Through the field days, the three project farmers were able to share their experiences with the wider community. Their key message was that every farm has its own challenges and opportunities, and working through a B+LNZ Farm Environment Plan is a great way to identify and prioritise key on-farm actions.

## ENVIRONMENT CONFERENCE

B+LNZ hosted its second Environment Conference in Wellington in December 2015.

The two days involved 60 farmers and were designed to equip them with the skills and knowledge to negotiate sustainable land and water management regulations in their regions. Session topics included how to communicate the sector’s environmental story effectively and the role of farm plans. The next conference is scheduled for February 2017.

# Genetics investment



*It's been three years since New Zealand's sheep and beef genetics research and innovation were united into a single entity—B+LNZ Genetics. This wholly owned subsidiary of B+LNZ is funded by sheep and beef levy payers and the Ministry of Business, Innovation and Employment, supported by additional investment from third parties, including meat processors, breed societies and commercial entities.*

## MAJOR CHANGES TO SHEEP CPT

A series of major changes have been made to the B+LNZ Genetics Central Progeny Test (CPT)—all with an eye to improving its value to commercial farmers.

Fundamentally, the test exists to benchmark genetics across sheep breeds, with the results fed into the SIL (Sheep Improvement Limited) system to inform evaluations and develop new traits. Historically, rams in the CPT have not necessarily been “the best in breed”, but they have needed to be well linked with flocks in that breed—i.e. widely used—which generally means that they have been of high genetic merit.

Up to 2015, the CPT was made up of three lowland research farm sites and two hill country, commercially run sites.

B+LNZ Genetics extension officer Dr Annie O'Connell says the timing is ideal. “No longer restricted to the realm of research, it is now practical to carry out performance recording on commercial farms. Electronic equipment and genomic parentage tools are more reliable and more intuitive, so quality progeny test measurements can be achieved on commercial farms.”

To accommodate the changes, B+LNZ Genetics is exiting two of its lowland sites (Ashley Dene and Poukawa) and retaining only one—but relocating it closer to researchers in Dunedin (Woodlands shifts to Invermay).

This has made room for three commercially run hill country sites—each with a specialist focus—to be added as Next Generation (NG) Flock CPT sites:

1. Progressive Meats Ltd (PML) hosts one site (Horizon Farms) with a terminal sire focus and meat evaluation calibration for PML.
2. Focus Genetics hosts a second site (Duncraigen) with a terminal sire focus and genomics calibration.
3. Smedley Station hosts the third site with a maternal focus. As partners in the establishment of this site, the Perendale Society is the first to have rams assessed.

Commercial farmers can have confidence in the results, knowing rams have been tested in truly challenging environments.

The changes mean more rams will be tested annually and, notably, more young rams will be tested.

“Ultimately, results will be tailored to commercial farmers, so there is greater industry engagement in seeing the New Zealand flock's genetic merit improve,” Dr O'Connell says.

“Rams of high genetic merit will be identified in time to be used more widely, while they are still alive.”





The 2015/16 year saw the delivery of some major milestones—most notably, the upgrade of the SIL genetic engine—and improvements made to established programmes. Towards the end of the year, the Trans-Tasman Beef Cow Profitability Program was negotiated, which signals a ramping up of activity in the beef research space.

## UPGRADED SIL GENETIC ENGINE

One of B+LNZ Genetics' most significant achievements during 2015/16 was the September 2016 launch of an upgraded genetic engine.

B+LNZ Genetics is responsible for SIL—the world-renowned New Zealand sheep industry's performance recording and genetic evaluation database.

This year's \$450,000 upgrade to both software and computing power means evaluations take hours, not days, to run—and, critically, include all of SIL's 18 goal trait groups. Furthermore, because flocks that were not previously included are now incorporated into the run, the levels of connectedness have increased overall.

### Introducing NZGE

At the core of the upgrade is the move to a single weekly New Zealand Genetic Evaluation—the NZGE.

Because evaluations can now be run more regularly and much faster, information is fed back to ram breeders in a more timely fashion.

NZGE provides three major outputs: FlockFinder; RamFinder; and sire leader lists.

### Standard indexes

With commercial farmers in mind, B+LNZ Genetics developed two "standard indexes", which will make ram selection much easier in the future.

#### *New Zealand Terminal Worth (NZTW) takes into account:*

- Survival
- Growth
- Meat Yield

#### *New Zealand Maternal Worth\* (NZMW) takes into account:*

- Reproduction
- Survival
- Growth
- Adult Size
- Wool

\* Formerly "Dual Purpose".

Specialist traits can be added in reporting. For example, NZMW + Meat, NZMW + Facial Eczema, NZMW + WormFEC.

Farmers can ask their ram breeders for these standard index figures. NB: A higher figure equates to a better ram.

## MASSIVE FUNDING BOOST FOR BEEF GENETICS RESEARCH

Late in the 2015/2016 year, B+LNZ Genetics and Meat and Livestock Australia agreed to work together on major beef research projects across both countries.

The collaboration will see New Zealand beef genetics research get a "shot in the arm".

Across both organisations, a total of \$5.2m is being committed over three years. All projects within the collaboration—regardless of which side of the Tasman they fall—will be overseen by B+LNZ Genetics.

B+LNZ Genetics general manager Graham Alder says the collaboration means every \$1 of New Zealand farmer levy investment translates to \$3.50 of research funding.

"The R&D needs of New Zealand and Australian producers are well aligned. It makes sense for scientists on both sides of the Tasman to work together to solve common problems.

"This partnership means research can progress and the results communicated out to breeders and commercial farmers many years earlier. For Australia, it means faster progress and an opportunity to advance projects that may not have otherwise gone ahead."

The partnership centres around the Trans-Tasman Beef Cow Profitability Program, which aims to balance desirable maternal traits in beef cows, with the finishing performance of the calves and their ability to meet quality carcass specifications.

### SIL Genetic Engine analysis times: pre-April 2016 vs now

Analysis	Flocks	Animals	Old SIL	New SIL
Perendale	57	653,826	33 hours	1.5 hours
Texel	79	491,988	15 hours (48 hours 1988-2015)	0.5 hours
Coopworth	101	1,612,649	48 hours	4 hours
NGE 2-weekly	154	3,563,609	4 days multiple computers	9.5 hours
SIL-ACE	456	5,348,205	>1 week multiple computers simplified models	26 hours
NZGE*	1139	8,535,790	Not possible	23 hours

\*NZGE = New Zealand Genetic Evaluation

# Growing the sector



*B+LNZ has invested in the Red Meat Profit Partnership (RMPP)—a seven-year Primary Growth Partnership programme aimed at driving sustainable productivity improvements in our sector, with the goal of delivering higher on-farm profitability.*



## *RMPP Snapshot*

10

*Partners collaborating including two banks and six meat processors*

34

*Understanding Your Farming Business workshops held with 500 women attending*

24

*Computer courses rolled out— 8 Getting Started and 16 Using Farm Data*

1800

*Attendees at the Business of Farming workshops*

RMPP is a highly collaborative programme with B+LNZ working alongside nine other partners; Alliance, ANZ, ANZCO, Blue Sky Meats, Greenlea, Progressive Meats, Rabobank, Silver Fern Farms and the Ministry for Primary Industries.



## EXTENSION RESEARCH

Seventy-five farmers around New Zealand have been trialling various extension models to help identify which have the best outcome in terms of knowledge uptake and practice change. There are strong themes coming through from the farmers. For example, farmers note the confidence that comes with accessing subject matter experts, farm consultants, mentors and high performing farmers—and how this empowers them to make on-farm changes more rapidly than if left to their own devices.

*A Southland pilot farmer was already on a pathway to making on-farm changes. However, having input from sources he trusted gave him confidence to move faster. The farmer said that the improvements he made over one season—by being part of the pilot—would have likely taken an extra three years to realise, outside of the pilot.*

## UNDERSTANDING YOUR FARMING BUSINESS

Since 2014, almost 500 women involved in sheep and beef farming businesses have completed the Understanding Your Farming Business programme designed and delivered by the Agri-Women's Development Trust. The RMPP-funded programme builds business and communication skills, as well as the confidence of farming women. It empowers them to view themselves and their farming roles differently and help lift farm performance.

*"We now know where we are on a monthly basis and are watching the cashflow, instead of the bank account. We have done a budget for the first time and are trialling a new account system, which has given us a better day-to-day grip on the books."*

*Ro McDiarmid, 2016 Graduate*

## DATA AND SYSTEMS

Generating and using data effectively to make better decisions is a key feature of successful farm businesses. At present, there is a lot of duplication, with farmers often required to input the same data into multiple systems.

Data Linker enables data to be entered once, but used many times because it allows different systems to "talk" to each other and share data. Farmers will be able to control which systems and organisations their own data is shared with. The development of benchmarks is another key aspect of the RMPP Data and Systems Project – and Data Linker will make benchmarking more readily available to all farm businesses.

An electronic version of the Animal Status Declaration form has also been trialled, with initial results showing this to be quicker, easier, more accurate and likely to reduce costs.

## NEW ZEALAND FARM ASSURANCE PROGRAMME

The New Zealand Farm Assurance Programme (NZFAP) was launched in late 2016 and aims to streamline the farm audit process to ensure everyone is working to the same baseline standard. RMPP has been working alongside the deer industry and its Primary Growth Partnership programme, Passion2Profit, to ensure efficiencies. This will save on costs and confusion, particularly where a farmer supplies multiple processors. It will underpin the red meat story that the market development team is working on. It also gives our overseas customers confidence. The aim is to eventually have all New Zealand red meat farmers involved in the NZFAP.

130

*Tertiary students engaged in the Red Meat Network Initiative*

75%

*of farmers involved connected to experts which were new to the business\**

82%

*of farmers involved have fast-tracked or adopted entirely new practices\**

90%

*of farmers involved believe the extension programme has been effective\**

\*Statistics have come from pilot farmers involved in the extension research.

# Trade policy – Improving market

*The 2016 year has been an eventful one for trade policy, with some unexpected curveballs along the way. We saw two major changes in two of the world's biggest economies, the European Union and the United States of America. However, there were also some significant achievements this year.*




## 1

 In 2016, B+LNZ continued to focus on building its relationships with important counterparts, including the United States and Australian sheep producers, through hosting a visit to New Zealand of young leaders. We hosted the International Beef Alliance conference in Taupo and our Chairman travelled to the EU and UK to meet with major producer groups.

Trade Minister Todd McClay confirmed early in 2016 that the New Zealand trade strategy will undergo a 'refresh'. This is the first review of the trade strategy in almost 20 years. The review is timely as the focus will remain on tariff elimination, but also address non-tariff barriers (NTB).

New Zealand is also involved in negotiations for the Regional Comprehensive Economic Partnership (RCEP) agreement, with 15 other countries. The objective of RCEP negotiations is to achieve a modern, comprehensive, high quality and mutually beneficial Free Trade Agreement. Although negotiations are proceeding slower than anticipated and on a much less ambitious path, we are still hopeful that a beneficial outcome will be achieved for the red meat sector.

## 2

 The UK's decision to leave the EU brings a lot of uncertainty in terms of future access for red meat products, particularly sheepmeat. However, there is solace in the fact that the UK's exit from the EU will take years to complete, meaning there will be no change in the access conditions in the meantime. B+LNZ will continue to work with government and build relationships with the producer groups and government in the EU and UK to achieve the best outcome for the sector.

## 3

 The World Trade Organisation (WTO) made some surprising progress agreeing to the elimination of export subsidies. Under the agreement, developed country members have committed to remove export subsidies immediately, except for a few agriculture products, and developing countries will do so by 2018. It has been illegal to subsidise the exports of industrial goods for more than half a century, therefore having this ban extended to agriculture is a major achievement.

## 4

 The UN lifted sanctions against Iran earlier this year, which will allow them back into the global economy and make trade possible. Iran was a significant market for NZ sheepmeat, peaking in the 1980-81 production year where exports of more than 90,000 tonnes (product weight) were sent to Iran. At the time, this represented 24% of worldwide New Zealand sheepmeat exports by volume. How quickly trade can commence will depend on how long it takes to get the regulations and protocols updated and approved.

## 5

 The government announced the agreement to launch negotiations on the New Zealand-China FTA upgrade in 2016. The red meat sector has benefited significantly from this FTA, with trade increasing by more than 200% since the entry into force in 2008. All tariffs have now been eliminated on all red meat and co-products (except wool) and, although direct benefits are not expected for the red meat sector, we are still supportive of the upgrade.

# access for NZ beef & sheepmeat



6



The NZ-Korea FTA entered into force in late December 2015. This allowed NZ red meat exporters to benefit from two rounds of tariff cuts in quick succession—the first on entry-into-force of the agreement on 20 December 2015, and a second round of cuts on 1 January 2016 reducing the beef tariffs from 40% to 34.7%. Beef exports to South Korea grew 13 per cent in the first half of calendar 2016. This FTA will eventually bring NZ's meat exports onto a level playing field with exports from Korea's other FTA partners, such as the US, Australia and Canada.

7



The WTO has ruled in the favour of New Zealand and the US, upholding complaints regarding 18 agricultural non-tariff barriers imposed by Indonesia. During the hearings, New Zealand clearly demonstrated the effect of Indonesia's import restrictions on trade, specifically the major drop in beef exports following the implementation of the restrictions. The barriers are estimated to have cumulatively cost the New Zealand beef sector between half a billion and a billion dollars.

8



US President Donald Trump recently announced the withdrawal of the US from the Trans-Pacific Partnership (TPP) agreement, instead stating the US will now only work on bilateral agreements. The sheep and beef sector is arguably the New Zealand industry most affected by this decision. The key effect is on our trade into Japan. An FTA between Japan and Australia entered into force on 15 January 2015, meaning Australia now enjoys

an 8% advantage over New Zealand in the market for chilled beef and 11% for frozen beef. This has already had an impact on our exports, which have decreased by 10%, which will likely magnify as time goes on (as the tariff on Australian beef imports goes down).

# Market development

## 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 continual promotion of New Zealand beef and lamb on the domestic market.

This year, for the main consumer campaign the focus was put back on Health and Nutrition, with the aim to get New Zealanders thinking about the fundamentals of a healthy diet—simple, honest dishes using Quality Mark beef and lamb; reminding them that eating well doesn't have to be difficult. The tagline was 'Way to Grow' and featured a range of children, from New Zealand's meat industry, sharing their dreams of what they want to be when they grow up. The key message: to grow up big and strong, you need good food and Quality Mark Beef and Lamb is the Way to Grow. The campaign was seen across television, radio, online, print and in independent Quality Mark butchers and major retailers.

It has been a big year for the Beef + Lamb Iron Maidens; Lisa Carrington, Sophie Pascoe and Sarah Walker, which saw them do Beef + Lamb and

the country proud in the 2016 Rio De Janeiro Olympic and Paralympic Games. Eliza McCartney's stellar pole vaulting performance saw her take home bronze, and join the trio to become the fourth Iron Maiden. The girls will continue to help in promoting the benefits of lean red meat as essential for optimum performance and are great role models for promoting a healthy balanced diet.

Digital marketing was more of a focus than ever; Recipes.co.nz remained the consumer hub for Beef + Lamb New Zealand featuring recipes, cooking tips, information on cuts, health and nutrition and marketing activities. The social media assets continued as another main focus for marketing activity, allowing further promotion and engagement to consumers of key messages. 'What's for Dinner?', the consumer facing e-newsletter, continues to be sent out fortnightly featuring key recipes to a database of just over 21,000 subscribers.

Three issues of *mEAT* Magazine were released throughout the year, with the key focus of these being around improving consumers' cooking



knowledge and increasing perceptions around the convenience of beef and lamb. A minimum of 320,000 copies were printed for each issue and distributed to all independent Quality Mark butchers and Foodstuffs supermarkets nationwide. Over 11,000 page views were achieved from each issue on recipes.co.nz.

Food service has remained an area of focus with the Excellence Awards. Over 170 restaurants across the nation received the coveted award which acknowledges chefs and restaurants who consistently reach a high standard of beef and lamb cuisine.

Beef + Lamb New Zealand Inc undertakes regular research to track and understand consumer perceptions towards our products. This research is currently showing New Zealand beef and lamb in good stead with over 50%\* agreeing that New Zealand beef and lamb is raised humanly and sustainably, compared with less than 35% for chicken and pork. Over 75% of consumers were in agreement that buying New Zealand beef and lamb was important for them. Both beef and lamb also track very highly in regards to perceptions around the quality of our products, the health benefits for themselves and their families, and taste, with over 80% of respondents agreeing with these statements.

*\*Nielsen Data, Consumers Meat Perceptions, August 2016*



# INTERNATIONAL MARKET DEVELOPMENT FRAMEWORK

## Market intelligence

As a sector we need better intelligence on the major food trends around the world, we need to understand the market segments which are growing, and what type of customer is servicing these segments and what type of consumer is purchasing through them. We also need to understand the values of these consumers, what is making them tick, what's important to them, and what type of experience do they expect when they purchase premium food products. Our ability as a sector to generate and effectively use this knowledge is a key component of the future market development programme.

## Create our story

The New Zealand red meat sector story, which differentiates New Zealand from its competitors, is a critical component of new market development activity. This is our 'unfakable' story. It will build on the values of culture, people, trust, hard work, honesty, natural, sunlight, grass and it will explore the care and attention to stock for which farmers are renowned. Over time this story will continue to evolve as the customers and our market segments evolve.

It is important that individual meat exporters and marketers continue to have the ability to differentiate themselves from other New Zealand meat companies in the market place. In essence, we collaborate on the common platforms, and compete in areas where differential is possible and beneficial for New Zealand sheep and beef farmers.

## Ensure our story has integrity

The foundation or the 'integrity' of this story needs to be real, having the ability to substantiate and authentic that we do in-fact live up to these values is critical. This is not about adding extra cost or compliance; it's about capturing value from what's currently there. In essence this is about harmonising (led through RMPP) the various meat company quality assurance programmes which are currently in place throughout New Zealand, as well as understanding the regulatory environment for our processing plant food safety procedures.

## Bringing our story with integrity together

The story and national assurance programme will be wrapped up in an appellation. This appellation will only be available for those that meet the above criteria (companies and farmers).

This appellation will support meat companies own individual branding strategies – it will not be designed to either diminish or take them over.

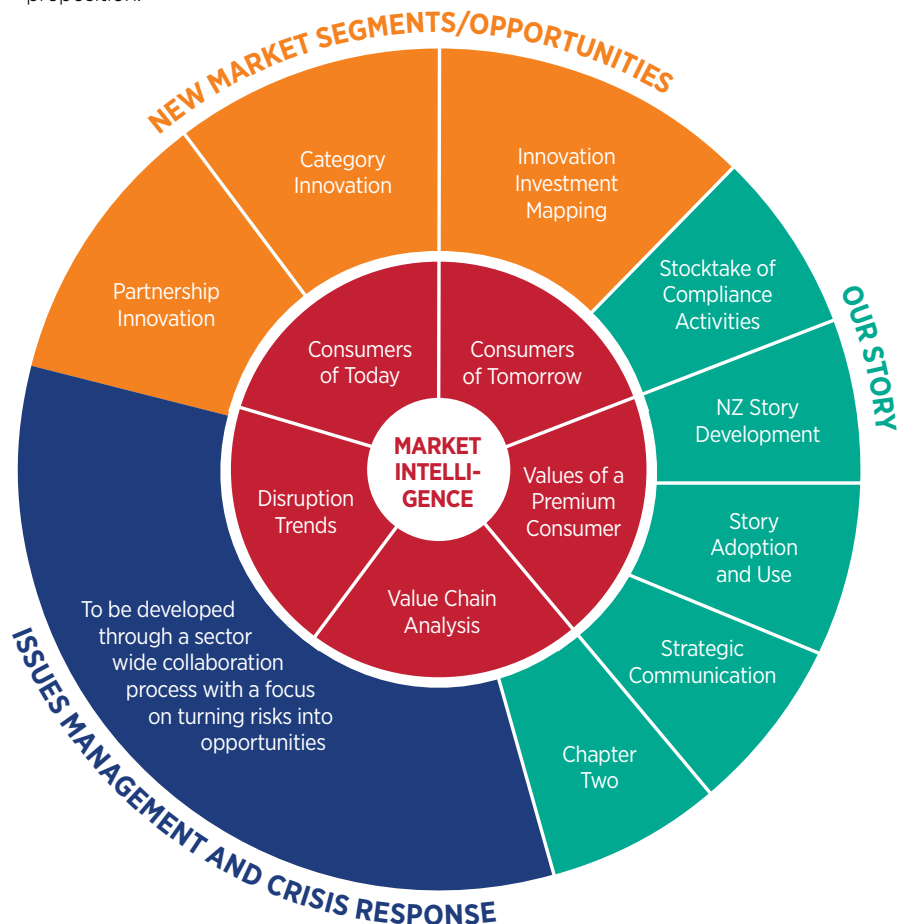
## Getting our story told

Getting our partners (meat companies, meat importers, distributors, retailers and food service operators) to tell our story for us is where the value will be captured. Our partners will only use this story if they see it adding value to their business i.e. what's in it for them. Part of our role will be showing these partners this value proposition.

## Particularly focusing on new markets and new customer segments

Market development was considered to be finding and opening new market opportunities and there is agreement that there is huge value in a unified effort to open a new markets, or market segments.

There is a significant focus by exporters in the 1 – 2 year horizon and this is a highly contested space. Efforts to collaborate in this area, especially in mature markets brings with it challenges for B+LNZ. However, time horizons beyond 2-years, where new markets are being identified and developed have a higher risk and reward and requires a unified effort.



# Technical policy

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*The Beef + Lamb New Zealand technical policy team continued to make progress in a number of areas, including biosecurity.*

## **NEW PLAN FOR ERADICATING TB DEVELOPED**

In July 2016, the Minister approved a new plan for the control and eradication of bovine TB. This involves a shift towards a more risk-based approach to TB testing on farms and the decision to tackle the most difficult possum habitat from the outset.

B+LNZ technical and policy staff, along with other industries and officials, were an integral part of the group that led the review of the existing plans and developed the proposals for a more cost effective approach. This was well received and supported by the majority of farmers following broad consultation.

Analysis of the costs and benefits of TB control indicated that the fair share of funding for the TB Plan attributable to beef farmers was significantly lower than had previously been the case. In light of this, B+LNZ was able to negotiate a reduced share of funding for the plan, in addition to the overall budget savings allowed by the new approach to TB surveillance and control. This is expected to result in savings of approximately \$9 million per year in TB levies paid by beef farmers, compared with the previous plan, without any reduction in the rate of TB elimination.



*Image: Chris Williams, NZ Story*

## **DEVELOPING IMPROVEMENTS TO READINESS FOR FOOT AND MOUTH DISEASE**

Beef + Lamb New Zealand does a lot of work with the Ministry for Primary Industries on biosecurity issues, including providing an industry view on biosecurity strategy, border standards and risk assessments. We also provide input on behalf of the sector into planning for, and responses to, pest and disease incursions when they occur.

The past couple of years have seen

tremendous improvement to New Zealand's readiness for foot and mouth disease (FMD). It well known that FMD would be economically devastating for the pastoral sector and the New Zealand economy. To prepare for and reduce the damage should it occur, MPI and the pastoral industries initiated the FMD Preparedness Programme in 2015. This is a coordinated group of projects to steadily and substantially improve planning, training and policies across industries and government for how to cope with FMD.

The programme will continue, with very important issues still to be addressed in the coming year. However, 2016 saw notable gains including: the testing of policy and operational plans via simulation exercises, the development of a suite of communications materials that are now ready for use in an outbreak, the preparation of biosecurity arrangements for using landfill sites for disposal of carcasses, and the review and approval of biosecurity guidelines for use by meat processing facilities in the event of a biosecurity emergency.





## REGULATING ANIMAL WELFARE

Sheep and beef farmers share consumers' desire to see the welfare of food producing animals protected and promoted. In the sheep and beef sector, good welfare is synonymous with good production and New Zealand's reputation for high animal welfare standards is largely attributable to our extensive grazing systems, husbandry and regulatory framework.

Based on observations that the Codes of Welfare were unsuitable for punishing minor breaches to animal welfare requirements, MPI sought amendments to the Animal Welfare Act (1999) to allow for the introduction of directly enforceable regulations. These were then

developed by MPI and released for public consultation in 2016.

B+LNZ has led engagement on the proposed regulations on behalf of sheep and beef farmers, who are largely supportive of the proposals. In a couple of areas, MPI has proposed going further than regulating the current minimum standards and B+LNZ has reminded officials of the need to ensure that new requirements are proportionate and grounded in a full assessment of the costs, benefits and drivers associated with them.

B+LNZ looks forward to continuing to work with our levy payers and all stakeholders in animal welfare as the development of more regulations progresses through 2017 and 2018.



## CLIMATE CHANGE

"We will always have Paris" could be the next catchphrase for climate change. Paris was the scene of the first truly global agreement on reducing greenhouse gas emissions (GHGs) aimed at limiting temperature rise to 'well below' 2 degrees C above pre-industrial levels. New Zealand's current emissions reduction target is to reduce emissions to 11% below 1990 levels (equivalent to 30% below 2005 levels) by 2030.

The sheep and beef sector is already exceeding that target, with GHG

emissions now estimated to be more than 19% below 1990 levels. Sheep numbers have decreased by about 50% since 1990, but production per animal has increased so meat volumes are just 7% less through improved reproductive rates, better feeding and earlier finishing. Beef cattle have also made improvements.

For the world to reach its goals it will need the improvements in GHG emissions reduction to continue. Sheep and beef farmers have already demonstrated that they can make a real difference to reducing GHG emissions.

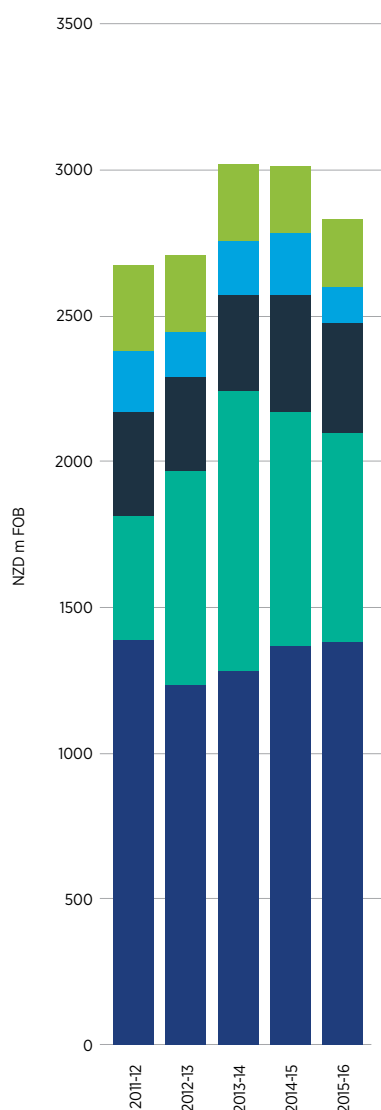
Now the focus is keeping up the good work as well as finding new ways of reducing agricultural GHG emissions from ruminant livestock.

B+LNZ is a significant contributor to the work of the Pastoral Greenhouse Gas Research Consortium as it investigates innovative science in search of new tools and management that could help reduce GHG emissions. B+LNZ is also a member of the Biological Emissions Reference Group tasked with developing policy recommendations for government that will see agriculture doing its bit.

# Statistical highlights

## VALUE OF LAMB AND MUTTON EXPORTS

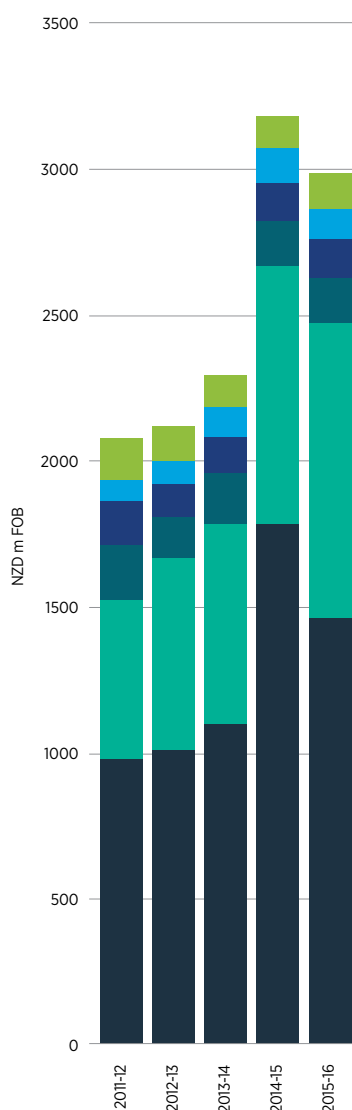
Year ended 30 September 2016



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

## VALUE OF BEEF AND VEAL EXPORTS

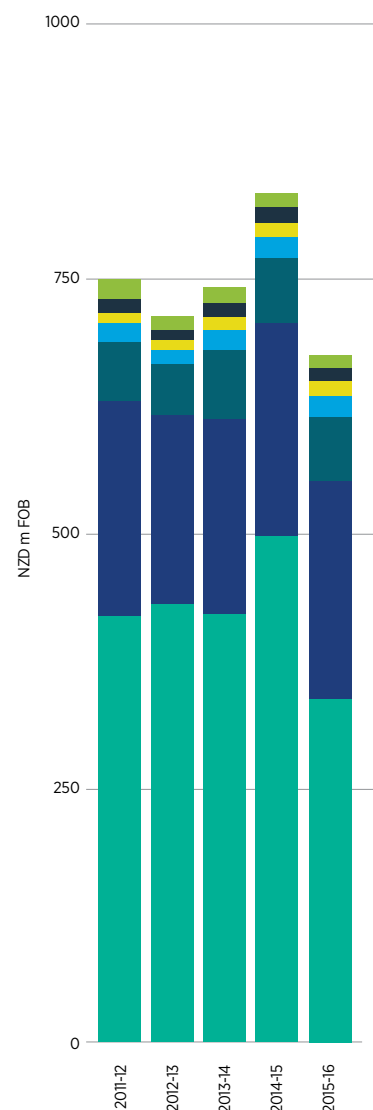
Year ended 30 September 2016



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

## VALUE OF WOOL EXPORTS

Year ended 30 September 2016

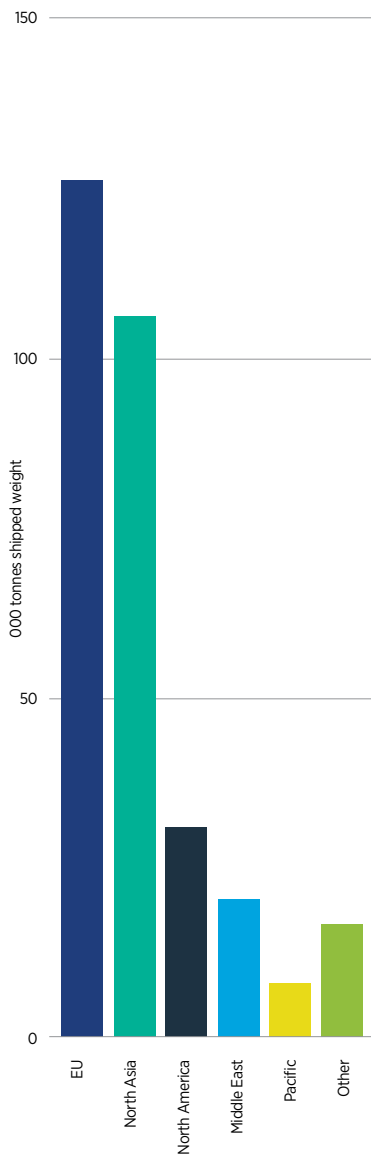


Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand



### MAJOR NEW ZEALAND LAMB MARKETS

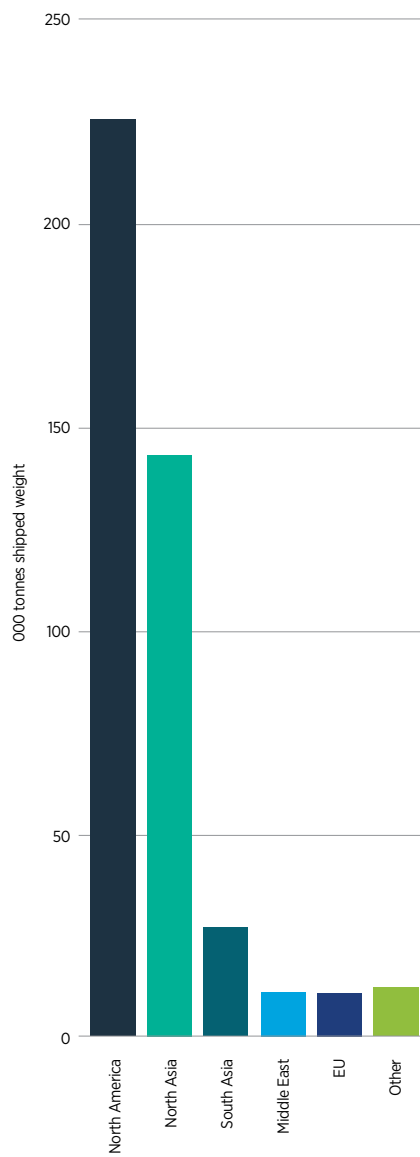
Year ended 30 September 2016



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

### MAJOR NEW ZEALAND BEEF AND VEAL MARKETS

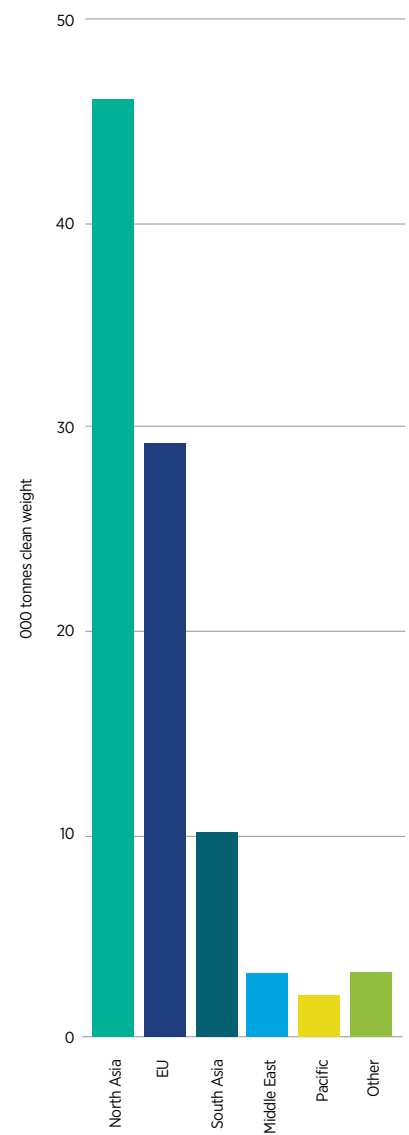
Year ended 30 September 2016



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

### MAJOR NEW ZEALAND WOOL MARKETS

Year ended 30 September 2016



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

## MEAT SHIPMENTS BY DESTINATION (TONNES SHIPPED WEIGHT)

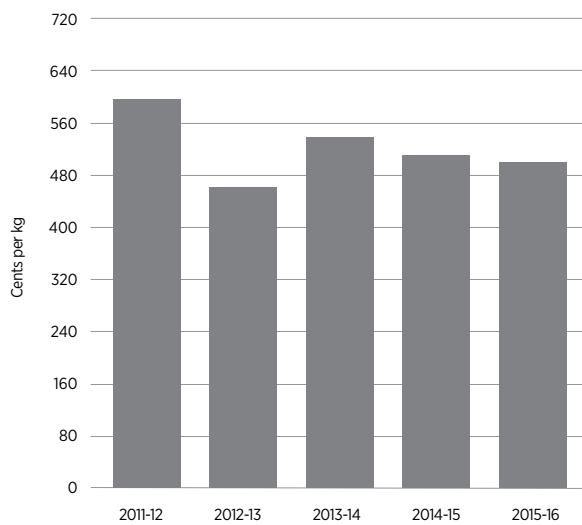
Year ended 30 September 2016

Destination	Lamb		Mutton		Beef & Veal		Other		Total	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Africa	3,324	5,184	790	1,448	353	737	8,502	7,086	12,969	14,456
Caribbean	3,018	3,400	937	383	1,085	1,184	699	1,387	5,739	6,355
European Union	125,514	125,321	12,965	14,887	9,104	8,040	8,693	9,759	156,276	158,007
Eastern Europe	609	379	600	457	824	338	6,447	6,579	8,481	7,753
Mediterranean	65	14	13	18	449	449	1	1	527	481
Middle East	29,175	19,710	1,709	1,574	13,989	10,344	9,919	6,306	54,791	37,934
North America	31,018	29,873	6,944	5,328	248,880	224,283	3,962	4,545	290,804	264,029
Northern Asia	95,615	105,401	56,261	51,775	122,934	142,011	19,949	21,877	294,759	321,064
Pacific	6,774	7,629	417	446	9,057	9,803	2,086	2,539	18,333	20,417
South America	91	73	4	7	0	0	810	367	905	447
Southern Asia	4,615	4,316	6,593	6,869	24,686	26,028	9,121	10,135	45,015	47,348
Western Europe	2,272	2,238	166	234	473	392	13	12	2,923	2,876
<b>Total Shipments</b>	<b>302,090</b>	<b>303,538</b>	<b>87,397</b>	<b>83,427</b>	<b>431,834</b>	<b>423,610</b>	<b>70,200</b>	<b>70,592</b>	<b>891,521</b>	<b>881,168</b>

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

## EXPORT LAMB FARM-GATE PRICE<sup>1</sup>

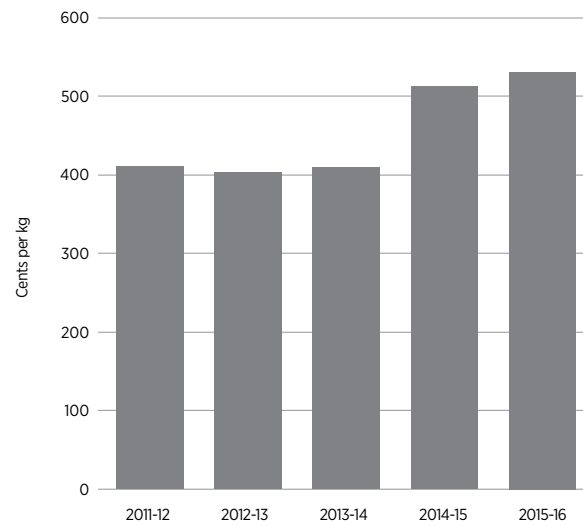
Year ended 30 September 2016



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

## EXPORT STEER AND HEIFER FARM-GATE PRICE<sup>1</sup>

Year ended 30 September 2016



<sup>1</sup>) All weights. Source: Beef + Lamb New Zealand Economic Service

## WOOL SHIPMENTS BY DESTINATION (TONNES CLEAN)

Year ended 30 September 2016

Destination	Fine Wool (< 24 micron)		Medium Wool (24 to 31 micron)		Fine Crossbred (31 to 35 micron)		Strong Crossbred (> 35 micron)		Total	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Africa	107	85	370	486	15	31	246	127	738	729
European Union	2,408	2,088	4,772	5,649	8,328	7,829	14,285	13,599	29,793	29,166
Eastern Europe	0	0	0	0	19	0	0	0	19	0
Mediterranean	0	0	38	20	77	19	854	467	969	506
Middle East	53	69	38	248	747	694	2,374	2,035	3,213	3,047
North America	53	109	203	125	1,054	602	600	665	1,910	1,501
Northern Asia	4,664	4,316	16,931	6,594	28,689	19,600	18,984	15,350	69,268	45,860
Pacific	30	8	0	0	225	211	1,844	1,861	2,099	2,080
South America	0	0	0	26	92	168	15	0	107	194
Southern Asia	197	160	1,280	1,213	1,302	1,357	7,459	7,286	10,237	10,017
Western Europe	0	0	0	0	165	107	135	117	300	224
<b>Total</b>	<b>7,513</b>	<b>6,835</b>	<b>23,632</b>	<b>14,362</b>	<b>40,714</b>	<b>30,620</b>	<b>46,794</b>	<b>41,508</b>	<b>118,654</b>	<b>93,324</b>

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

## WOOL PRODUCTION

Year ended 30 June 2016

	Opening Sheep 000 head	Slip 000 t greasy	Shorn 000 t greasy	Total 000 t greasy	Shorn Wool kg greasy/ head
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
2013-14	30,787	17.2	140.8	158.0	5.13
2014-15	29,803	15.9	139.1	155.0	5.20
2015-16	29,121	15.8	130.2	146.0	5.01

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

## NEW ZEALAND WOOL EXPORTS AND PRICE

Year ended 30 June 2016

	Wool Exports				Average Auction Price
	000 t clean	Proportion Scoured	NZD m FOB	\$ per kg clean	\$ per kg clean
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	5.79
2014-15	118.0	70%	805.0	6.82	5.95
2015-16e	103.0	72%	760.1	7.38	6.64

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

## VALUE OF NEW ZEALAND EXPORTS<sup>1</sup>

Year ended 30 September 2016

	\$ million FOB <sup>2</sup>	
	2015	2016
<b>Meat</b>		
Lamb	2,559.3	2,396.6
Mutton	447.0	379.9
Beef and Veal	3,197.3	2,962.5
Edible Offal	235.4	259.4
Other Meats	423.9	407.4
<b>Total Meat</b>	<b>6,862.8</b>	<b>6,405.9</b>
<b>Other animal products</b>		
Hides and Skins	264.2	198.5
Tallow	111.6	105.1
Animal Oils and Fats	8.8	8.0
Crude Animal Materials <sup>3</sup>	463.5	380.9
Deer Velvet	35.2	37.6
<b>Total Other Animal Products</b>	<b>883.3</b>	<b>730.2</b>
<b>Total Meat Sector</b>	<b>7,746.1</b>	<b>7,136.1</b>
<b>Wool Sector</b>		
Raw Wool	835.4	676.9
Tops, Yarns and Sliver	28.3	26.6
Carpets and Rugs	115.1	130.6
Other Final Woollen Products	18.5	17.6
<b>Total Wool Sector</b>	<b>997.4</b>	<b>851.7</b>
<b>Total Meat and Wool Sector</b>	<b>8,743.5</b>	<b>7,987.9</b>
Dairy	12,948.7	11,831.0
Livestock and Other	263.1	242.2
Total Horticulture and Arable	2,900.5	3,364.4
Processed Agriculture (Excluding Processed Wool)	2,420.5	2,536.9
Other Agricultural Exports	1,144.7	1,393.8
<b>Total Agriculture</b>	<b>28,420.9</b>	<b>27,356.3</b>

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 2016

	Kilograms per head		
	2015	2016	% change
<b>Lamb</b>			
North Island	18.42	18.46	0.2%
South Island	17.75	18.23	2.7%
New Zealand	18.09	18.35	1.4%
<b>Mutton</b>			
North Island	24.67	24.68	0.0%
South Island	25.40	25.64	0.9%
New Zealand	25.04	25.13	0.4%
<b>Steer and Heifer</b>			
North Island	271.45	275.31	1.4%
South Island	271.76	276.84	1.9%
New Zealand	271.54	275.74	1.5%
<b>Cow</b>			
North Island	195.62	193.23	-1.2%
South Island	199.87	199.02	-0.4%
New Zealand	197.04	195.29	-0.9%
<b>Bull</b>			
North Island	297.71	305.33	2.6%
South Island	298.13	300.21	0.7%
New Zealand	297.79	304.28	2.2%

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

## SHEEP NUMBERS *At 30 June 2016*

	thousand head	
	2015	2016p
Total Sheep	29,121	28,252
Breeding Ewes	19,074	18,482
Breeding Ewes as % of total	65	65
Number of Lambs Tailed <sup>1</sup>	24,030	24,030
Lambing % Breeding Ewes <sup>2</sup>	120.8	120.8

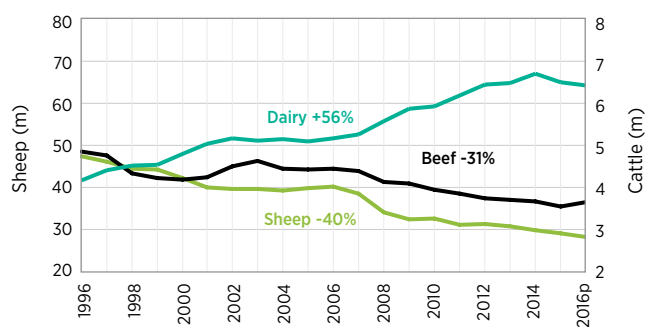
p: provisional. 1) Lambs tailed includes lambs from hoggets.  
2) Lambs born after 30 June. Source: Beef + Lamb New Zealand Economic Service, Statistics New Zealand

## CATTLE NUMBERS *At 30 June 2016*

	thousand head	
	2015	2016p
Dairy Cows and Heifers in Calf or Milk	5,056	4,983
Other Dairy Cattle	1,430	1,443
<b>Total Dairy Cattle</b>	<b>6,486</b>	<b>6,426</b>
Beef Breeding Cows	982	966
Other Beef Cattle	2,565	2,682
<b>Total Beef Cattle</b>	<b>3,547</b>	<b>3,648</b>
<b>Total Cattle</b>	<b>10,033</b>	<b>10,074</b>

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 SLAUGHTERING<sup>1</sup>

*Year ended 30 September 2016*

	thousand head	
	2015	2016
Lambs	21,301.0	20,270.3
Adult Sheep	4,170.1	3,958.0
Calves & Vealers	2,119.8	1,925.4
Adult Cattle	2,721.6	2,584.8
Pigs	625.9	625.6
Goats	122.5	123.9
<b>Total</b>	<b>31,060.9</b>	<b>29,488.0</b>

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 PRODUCTION<sup>1</sup>

*Year ended 30 September 2016*

	thousand tonnes, bone-in	
	2015	2016
Lamb	384.9	371.9
Mutton	103.5	98.8
Beef and Veal	694.7	678.0
Pigmeat	44.8	44.4
Goatmeat	1.3	1.4
<b>Total</b>	<b>1,229.2</b>	<b>1,194.5</b>

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 EXPORT<sup>1</sup>

*Year ended 30 September 2016*

	thousand tonnes, bone-in	
	2015	2016
Lamb	379.8	364.9
Mutton <sup>2</sup>	101.7	96.4
Beef and Veal	678.7	648.9
Goat	1.3	1.3
<b>Total</b>	<b>1,161.4</b>	<b>1,111.6</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2016

In thousands of New Zealand dollars	Group 2016	Group 2015	Parent 2016	Parent 2015
<b>Non Exchange Revenue</b>				
Levies Received	25,754	27,336	25,754	27,336
Other Non Exchange Income	6,534	7,456	2,300	2,900
<b>Exchange Revenue</b>				
Other income	2,705	3,318	2,008	2,420
Operating expenses	(38,034)	(39,403)	(32,590)	(33,430)
<b>Net operating surplus/(deficit) from operating activities</b>	<b>(3,041)</b>	<b>(1,293)</b>	<b>(2,528)</b>	<b>(774)</b>
Net finance income	520	1,338	475	1,278
Impairment of Investments in Subsidiary Companies	-	-	(59)	-
Net operating surplus/(deficit) for the year before income tax	(2,521)	45	(2,112)	504
Income tax expense	-	-	-	-
<b>Net operating surplus/(deficit) for the year</b>	<b>(2,521)</b>	<b>45</b>	<b>(2,112)</b>	<b>504</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(2,521)</b>	<b>45</b>	<b>(2,112)</b>	<b>504</b>
Attributable to:				
Levy payers	998	2,024	1,557	2,483
Meat Education Fund	(458)	(384)	(457)	(384)
Special Reserves	(3,061)	(1,595)	(3,212)	(1,595)
	<b>(2,521)</b>	<b>45</b>	<b>(2,112)</b>	<b>504</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2016

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
<b>Balance at 1 October 2015</b>	23,590	23,590	22,612	22,612
Total comprehensive income for the year				
Surplus/(Deficit) for the year	(2,521)	(2,521)	(2,112)	(2,112)
<b>Total comprehensive income for the year</b>	<b>(2,521)</b>	<b>(2,521)</b>	<b>(2,112)</b>	<b>(2,112)</b>
Transactions with owners of the company	-	-	-	-
<b>Balance at 30 September 2016</b>	<b>21,069</b>	<b>21,069</b>	<b>20,500</b>	<b>20,500</b>

These statements are to be read in conjunction with the notes on page 48. A statement of levy stream performance and a statement of Comprehensive Income by levy stream are included in the notes on page 48. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

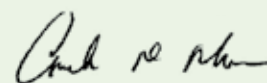
In thousands of New Zealand dollars	Group 2016	Group 2015	Parent 2016	Parent 2015
<b>EQUITY EMPLOYED</b>				
Retained earnings	21,069	23,590	20,500	22,612
<b>TOTAL EQUITY EMPLOYED</b>	<b>21,069</b>	<b>23,590</b>	<b>20,500</b>	<b>22,612</b>
Represented by:				
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6,262	7,000	4,266	5,488
Trade and other exchange receivables	1,061	1,264	977	812
Non- exchange Receivables	2,159	1,329	2,245	1,404
Term deposits	16,134	19,140	16,114	19,000
Derivative financial instruments	-	222	-	222
Livestock	-	16	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>25,616</b>	<b>28,966</b>	<b>23,602</b>	<b>26,926</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	373	450	297	400
Intangible assets	118	132	118	132
Investments in subsidiary companies	-	-	20	78
Term receivables—exchange	12	90	12	90
<b>TOTAL NON-CURRENT ASSETS</b>	<b>503</b>	<b>672</b>	<b>447</b>	<b>700</b>
<b>TOTAL ASSETS</b>	<b>26,119</b>	<b>29,638</b>	<b>24,049</b>	<b>27,626</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	3,289	5,011	1,878	4,046
Derivative financial instruments	79	3	79	3
Deferred revenue	163	28	109	-
Provisions	696	-	696	-
Employee entitlements	737	832	701	792
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,964</b>	<b>5,874</b>	<b>3,463</b>	<b>4,841</b>
<b>NON CURRENT LIABILITIES</b>				
Lease liabilities	36	109	36	108
Loans and borrowings	8	23	8	23
Employee entitlements	42	42	42	42
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>86</b>	<b>174</b>	<b>86</b>	<b>173</b>
<b>TOTAL LIABILITIES</b>	<b>5,050</b>	<b>6,048</b>	<b>3,549</b>	<b>5,014</b>
<b>NET ASSETS</b>	<b>21,069</b>	<b>23,590</b>	<b>20,500</b>	<b>22,612</b>

The Board of Directors authorised these financial statements for issue on 7 December 2016.

This statement is to be read in conjunction with the notes on page 48. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



J R Parsons  
Chairman



A Morrison  
Chairman Audit & Risk Committee

## STATEMENT OF CASH FLOWS

For the year ended 30 September 2016

In thousands of New Zealand dollars	Group 2016	Group 2015
Net cash flows from operating activities	(3,497)	1,070
Net cash flows from/(to) investing activities	2,776	507
Net cash flows used in financing activities	(16)	(18)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(737)</b>	<b>1,559</b>

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.

- These summary accounts have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with International Public Sector Accounting Standards ("IPSAS") for a Not For Profit ("NFP") Public Benefit Entity ("PBE") as it relates to summary financial statements.
- The specific disclosures included in the summary financial report have been extracted from the audited financial statements dated 6 December 2016. The audit opinion expressed was unqualified.
- 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 NZ GAAP and they comply with IPSAS as appropriate for Tier 1 not-for profit public benefit entities.
- 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 [www.beeflambnz.com](http://www.beeflambnz.com).

5.

## PARENT STATEMENT OF LEVY STREAM PERFORMANCE

For the year ended 30 September 2016

2016	Beef	Sheepmeat	Total Meat	Wool
In thousands of New Zealand dollars				
<b>Income</b>				
Levy income	11,279	14,475	25,754	-
Grant funding from New Zealand Meat Board	460	1,840	2,300	-
Finance income	206	305	511	16
Fees	140	259	399	-
Other income	665	944	1,609	-
Share of surplus/(deficit) of subsidiary and associate	(29)	(29)	(58)	-
<b>Total income</b>	<b>12,721</b>	<b>17,794</b>	<b>30,515</b>	<b>16</b>
<b>Expenditure</b>				
Market Development	3,487	2,102	5,589	-
Market Access	937	1,449	2,386	-
Research & Development	1,084	3,054	4,138	-
Extension	2,619	5,146	7,765	-
Environment	888	1,029	1,917	-
Information & Analysis	846	1,571	2,417	-
People & Capability	370	370	740	-
Administration	1,821	2,201	4,022	-
<b>Total operating expenditure</b>	<b>12,052</b>	<b>16,922</b>	<b>28,974</b>	<b>-</b>
<b>Net operating surplus/ (deficit) for the year</b>	<b>669</b>	<b>872</b>	<b>1,541</b>	<b>16</b>

## PARENT STATEMENT OF LEVY STREAM PERFORMANCE

For the year ended 30 September 2015

2015	Beef	Sheepmeat	Goat	Total Meat	Wool
In thousands of New Zealand dollars					
<b>Income</b>					
Levy Income	12,016	15,320	-	27,336	-
Grant funding from New Zealand Meat Board	580	2,320	-	2,900	-
Finance income	212	306	-	518	17
Fees	185	287	-	472	-
Other income	808	1,141	-	1,949	-
<b>Total income</b>	<b>13,801</b>	<b>19,374</b>	<b>-</b>	<b>33,175</b>	<b>17</b>
<b>Expenditure</b>					
Market Development	3,606	3,439	-	7,045	-
Market Access	831	1,124	-	1,955	-
Research & Development	1,373	3,323	-	4,696	-
Extension	2,527	5,022	7	7,556	-
Environment	776	1,004	-	1,780	-
Information & Analysis	802	1,489	-	2,291	-
People & Capability	543	474	-	1,017	-
Administration	1,876	2,326	-	4,202	-
Residual Wool Levy Fund	-	-	-	-	75
Referendum costs—Wool Levy Group	-	-	-	-	92
<b>Total operating expenditure</b>	<b>12,334</b>	<b>18,201</b>	<b>7</b>	<b>30,542</b>	<b>167</b>
<b>Net operating surplus/ (deficit) for the year</b>	<b>1,467</b>	<b>1,173</b>	<b>(7)</b>	<b>2,633</b>	<b>(150)</b>

## 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 13 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.

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.

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

	2016 (\$000)	2015 (\$000)
Chairman	68	68
Directors	32.3	28.7
Beef + Lamb NZ Genetics Ltd (Group Only)		
- Independent Chairman	35	35
- Independent Directors	15	15

The above fees represent the annualised fees payable to Directors. Beef + Lamb New Zealand Limited pay no other fees to Directors for their 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	
	2016	2015
100-109	3	6
110-119	2	1
120-129	3	4
130-139	3	-
140-149	2	3
160-169	2	2
170-179	2	1
180-189	1	2
190-199	2	1
210-219	-	1
220-229	1	-
260-269	-	1
270-279	1	-
280-289	1	-
420-429	-	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 and associates during the year to 30 September 2016. 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	Sam Mclvor (A), Scott Champion (R)
B+LNZ Clover Company Ltd	Sam Mclvor (A), Scott Champion (R)
B+LNZ Emissions Company Ltd	Sam Mclvor (A), Scott Champion (R)
B+LNZ Investments Ltd	Sam Mclvor (A), Scott Champion (R)
B+LNZ Johnesco Ltd	Sam Mclvor (A), Scott Champion (R)
B+LNZ PGP Ltd	Sam Mclvor (A), Scott Champion (R)
Primary Resources Ltd	James Parsons
B+LNZ Genetics Ltd	Chris Kelly (Chairman) James Parsons (R), Leon Black, Bob Thompson, Greg Murison, Richard Wakelin (A)
Meat and Wool Trust Ltd	Kirsten Bryant, Mark Clarkson, Sam Lewis, Andrew Morrison, Anne Munro (R), James Parsons, George Tatham, Philip Smith, Bill Wright (A)
Red Meat Profit Partnership General Partner Ltd.	Malcolm Bailey, Graham Brown, Graham Cooney, James Parsons (R), Jane Smith, George Tatham, Cros Spooner (A) Bob Cottrell (A) Wayne Allan (A)
Johne's Disease Research Ltd	Richard Wakelin
Pastoral Genomics Ltd	George Tatham
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison



## **INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS**

### **To the stakeholders of Beef + Lamb New Zealand Limited**

The accompanying summary financial statements on pages 46 to 50, which comprise the summary statement of financial position as at 30 September 2016 and the summary statement of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended, and related notes, 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 2016. We expressed an unmodified audit opinion on those financial statements in our audit report dated 7 December 2016.

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 Beef + Lamb New Zealand Limited and the group.

This report is made solely to the stakeholders as a body. Our audit work has been undertaken so that we might state to the company's stakeholders those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's stakeholders as a body, for our audit work, this report or any of the opinions we have formed.

### **Directors' responsibility for the 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 financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 Engagements 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 its subsidiaries for the year ended 30 September 2016, are a fair summary of those financial statements, in accordance with FRS-43 Summary Financial Statements.

A stylized, handwritten-style signature of the letters 'KPMG' in black ink.

7 December 2016  
Wellington







**BY FARMERS.  
FOR FARMERS**

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