

ANNUAL REPORT 2023



By Farmers. For Farmers™



By Farmers. For Farmers™

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CHAIR AND CEO'S *Report*

It's been a challenging year for sheep and beef farmers.

With soft prices and rising on-farm costs, and the Labour Government's relentless environmental reform agenda, farmer confidence was understandably low.

Naturally that brought farmer focus to how B+LNZ as their organisation was performing, particularly in advocacy. In particular there were concerns about how B+LNZ was hearing and representing farmers.

In response, B+LNZ commissioned independent reviews of our environmental policy and advocacy and the B+LNZ Farmer Council, and the Board and management gave detailed consideration to how best to capture and represent farmer voices.

We held a series of 54 Director-led woolshed meetings to focus on listening to what was on farmers' minds and testing key policy positions. The feedback from attendees was very positive and we intend to run these meetings annually as a way of gathering feedback and listening to farmer concerns.

In addition we ran several farmer surveys to inform consultation submissions or to test our policy priorities, receiving hundreds of responses.

Also as a direct result of feedback, we withdrew our support for the original He Waka Eke Noa proposal. Pricing of agricultural emissions is not justified, and we will continue to reinforce this position. Although we acknowledge our sector needs to do its part in addressing emissions and our contribution to warming, the pricing of agricultural emissions when there are few tools available to farmers is not justified and will not help achieve reduction targets.

We are committed to ensuring we reflect farmers' views to guide our policy positions.

Policy was front of mind in the lead-up to this year's General Election. Along with other sector partners B+LNZ engaged extensively with all political parties to keep the issues facing sheep and beef farmers front of mind.

With the Meat Industry Association, we launched the red meat sector Manifesto, setting out a comprehensive package of policy changes needed to work with our sector rather than against it. Just prior to the election, we organised the Rural Issues Debate, in partnership with Federated Farmers and DairyNZ, which featured politicians from all the main parties outlining their primary sector policies.

Looking ahead, the new Government has signalled a significant step back from its predecessor's environmental reform agenda. With our sector partners we'll continue to ensure priorities are addressed and that policies for managing our freshwater, biodiversity and climate are enduring.

Our insights work continues to play a crucial role in helping to shift the conversation on key policy topics affecting farmers.

This year we commissioned and released several important pieces of research including a groundbreaking report by internationally renowned climate scientists that clearly showed New Zealand's methane reduction targets are too high, research on the cumulative impact of the Labour Government's environmental policy changes, and updated research on the amount of whole-farm sales for planting to forestry (particularly carbon farming).

This year we've also seen ongoing increases in farm costs, which are expected to continue into next year, further reducing sheep and beef farmers' incomes.

Recognising this, we've placed a strong focus on extension activity to help farmers navigate through these challenging



financial times. An example was the successful Sow, Grow, Thrive webinars, which over 1,000 farmers and rural professionals tuned into, and many more watched through recordings afterwards, for valuable practical tools and advice.

Our research and development is similarly focused on helping farmers lift productivity and profitability. This year we made significant progress on addressing issues such as facial eczema (FE) and internal parasites and we also achieved significant milestones in the Informing New Zealand Beef programme.

We'll continue to work internationally on better outcomes for our farmers. With over 90 percent of the red meat sector's production exported to over 120 countries around the world, trade access will continue to be a crucial focus for B+LNZ. The Free Trade Agreement (FTA) with the UK entered into force in May, meaning increased access for our exports.

We also work on global forums such as the International Meat Secretariat and Global Roundtable for Sustainable Beef (GRSB) to ensure New Zealand farmers' voices are heard internationally. We have secured positions on both of these Boards to influence international discussions on sustainability and the importance of the livestock industry, and to ensure science-based approaches are used on international issues like climate change metrics.

As we look ahead to a new financial year, we know the challenging times will continue behind the farm gate. We also know our farmers are world class at responding to challenges and change, and we're confident they will continue to do this.

In 2024 we will increase our focus on productivity and profitability by upping our investment in research and

extension on key issues and opportunities, and running a ruler over everything we invest in to ensure it positively impacts farmers' bottom lines. On key policy issues we'll be running comprehensive engagement with farmers to ensure we advocate on the things that will make the most difference to long-term on-farm success. Our sector needs to show ongoing environmental progress but we need to make sure the regulatory environment strikes a balance between a productive and profitable farming sector and meeting the environmental expectations of our customers and the New Zealand public.

Despite significant financial challenges, the red meat sector remains an economic powerhouse for the country's economy, returning nearly \$12 billion in export revenue, supporting around 92,000 jobs (5 percent of total national employment) and making a real difference to rural and regional communities.

In 2024 we'll continue to champion farmers' interests, proudly tell farmers' stories and ensure our R&D and extension activity delivers to farmers' bottom lines.



Kate Acland - Chair,
Beef + Lamb New Zealand



Sam McIvor - CEO,
Beef + Lamb New Zealand

BOARD OF DIRECTORS

Farmers elect six of the B+LNZ 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 appointed from the meat industry and an Independent Director, as well as an Associate Director, also sits on the Board.



MARTIN COUP

Farmer-elected Director,
Northern North Island

Served since: 2018
Term expires: 2024

Martin farmed a 700ha sheep and beef property at Aria (King Country).



SCOTT GOWER

Farmer-elected Director,
Western North Island

Served since: 2019
Term expires: 2025

Scott operates a 1,300ha hill country sheep and beef property in Ohura in the King Country.



PATRICK CRAWSHAW

Farmer-elected Director,
Eastern North Island

Served since: May 2023
Term expires: 2026

Patrick owns and farms a beef and sheep farm in Pātoka, Hawke's Bay.



KATE ACLAND

Chair, Farmer-elected
Director, Northern South
Island

Served since: 2021
Term expires: 2027

Kate farms Mt Somers Station, a 30,000 s.u. property in the Mid-Canterbury foothills, as well as running a number of other rural businesses.



NICKY HYSLOP

Farmer-elected Director,
Central South Island

Served since: 2019
Term expires: 2025

In partnership with husband Jonty, Nicky owns and farms Levels Estate, an intensive sheep, beef and arable irrigated property on the outskirts of Timaru.



GEOFFREY YOUNG

Farmer-elected Director,
Southern South Island

Served since: Apr 2023
Term expires: 2026

Geoffrey farms the 5,400ha sheep and beef Cattle Flat Station near Lumsden in Southland.



ALEX GUILLEUX

Processor-Exporter
Director

Served since: 2021
Term expires: 2024

Alex is current Managing Director of Corporate Value Associates (CVA), and has previously been a partner at PwC.



PETER CONLEY

Processor-Exporter
Director

Served since: 2023
Term expires: 2026

Peter is chief executive of Anzco Foods and has more than 30 years' experience in the red meat sector.



BAYDEN BARBER

Independent Director

Served since: 2020
Term expired: Dec 2023

Bayden farms Angus cattle on a 100-acre block in Hawke's Bay and has additional interests in forestry and drystock farming. He whakapapas to Ngāti Kahugunu, Ngāphui, and Ngāi Tahu.



GLEN MCDONALD

Associate Director

Served since: Nov 2022
Term expired: Oct 2023

Glen runs a 1,176ha sheep and beef farm in Roxburgh, Central Otago.

LEADERSHIP TEAM

B+LNZ's Leadership Team is responsible for each of the organisation's main focus areas, ensuring that we deliver on our vision of profitable farmers, thriving farming communities, valued by all New Zealanders.



SAM MCIVOR
Chief Executive Officer

Sam's responsibilities are to ensure that B+LNZ's activities increase sheep and beef farmers' profitability, sustainability and reputation. This is through the three strategic priorities: supporting farming excellence, championing the sector and increasing market returns



CROS SPOONER
Chief Operating Officer

Cros is responsible for B+LNZ's Corporate Services which include people, financial, technology, and facilities management. The financial services role involves the provision of these services to the NZMB and DINZ. His experience is in the primary sector with general and financial management roles in commercial and industry good companies.



DAN BRIER
General Manager Farming Excellence, B+LNZ Genetics

Dan oversees B+LNZ's research and development investment portfolio, which is focused on solving sector challenges, and he has responsibility for B+LNZ's sheep and beef genetics business unit.



NICK BEEBY
General Manager Market Development

Nick works with NZ meat processors, industry and exporters to develop and oversee implementation of global market development and Taste Pure Nature campaigns. Nick also manages B+LNZ's investment in the domestic market through B+LNZ Inc.



DAVE HARRISON
General Manager Policy and Advocacy

Dave is responsible for policy and advocacy, primarily environment policy and strategy including freshwater, climate change and biodiversity. He is also responsible for technical policy and trade policy and access.



ROWENA HUME
General Manager Insights and Communications

Rowena leads the communications team and B+LNZ's engagement and public relations strategy, focusing on building influential relationships with key stakeholders. Rowena also leads the Insights teams.



JUSTINE KIDD
General Manager Extension

Justine leads the extension team who plan and implement regional activities that build capability, and improve farm sustainability, productivity and profitability.



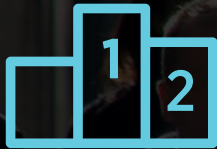
CHARLES TAITUHA
Māori Strategy & Relationship Lead

Charles leads our work in the Māori agribusiness sector and plays a key role in the development of our Māori Strategy, ensuring that B+LNZ reflects and delivers to the unique structures and needs of Māori farming businesses.

Industry snapshot

The New Zealand sheep and beef sector is a productive, value adding, innovative and forward looking sector.

Our vision is to be the world-leading producers of sustainable red meat.



The sector is NZ's largest manufacturing industry and second largest goods exporter



More than 90% of production is exported to more than 120 countries



Red meat, co-product exports and raw wool worth \$12 billion



The sector has 92,000 employees, 36,000 directly and 56,000 indirectly employed



New Zealand sheep and beef farms cover 8.7 million hectares of occupied land (a third of the country's land mass)

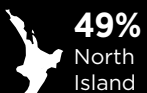


Approximately 93% of commercial sheep and beef farms are owner-operated

Stock numbers (2023 - provisional)

Sheep

25.1m



Beef cattle

3.8m



Dairy cattle

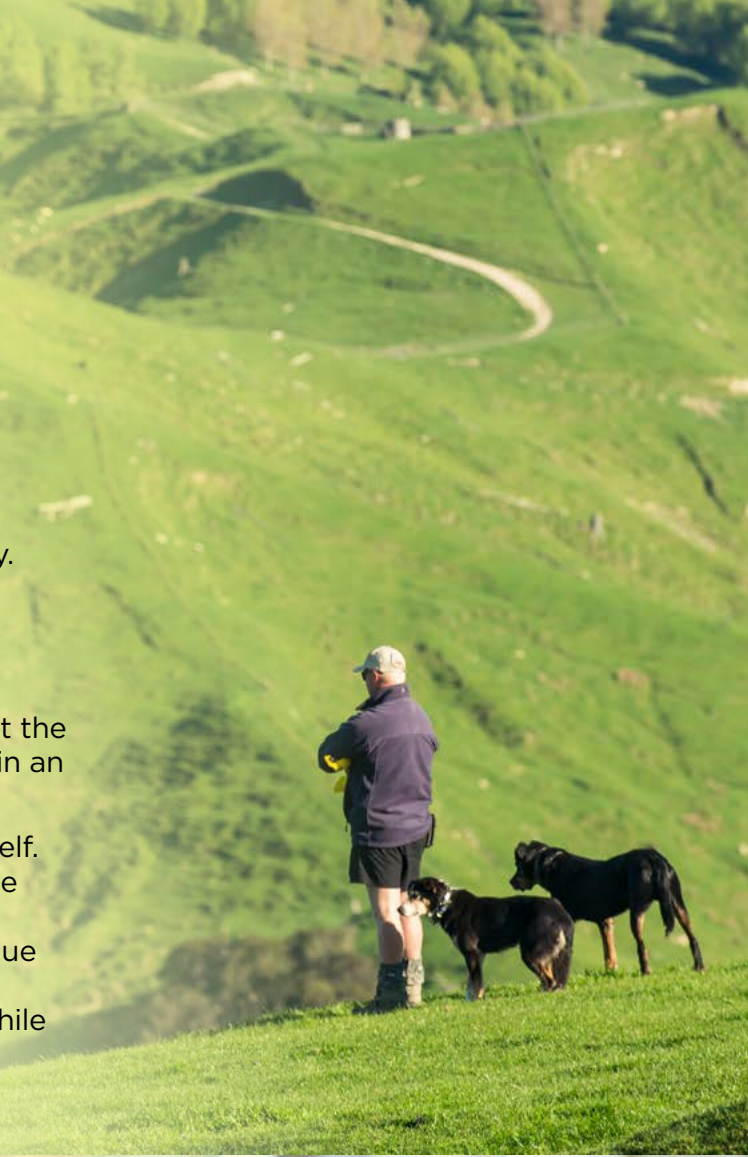
5.8m



Our sector is world-leading in productivity and efficiency

The New Zealand sheep and beef sector is a vital driver of the New Zealand economy and prosperity. On every measure, the way we produce beef and lamb is economically, socially and environmentally sustainable – and delivered within the limits of the land. The sector has led the economy in terms of productivity and value-add gains. We are confident the sector will continue to innovate and grow in value in an environmentally sustainable way.

In the past 30 years the sector has transformed itself. Since 1990, export values have doubled while at the same time halving the number animals needing to be farmed. This is a story of efficiency gain and value adding. On-farm and processing innovations have delivered massive eco-efficiency improvements, while driving economic gain.



Productivity and eco-efficiency gains



In 1990 the average weight of a lamb carcass was 14.4kg
The average weight of a lamb carcass now is 19kg



In 1990 the average ewe lambing percent was 100.
On average now it is 132 lambs born per 100 ewes



In 1990 lamb exports were 47% carcasses and 53% cuts
Lamb exports are now 2% carcasses and 98% cuts



Since 1990-91, the beef breeding cow herd has slowly integrated with the dairy herd, which now provides 53% of calves reared as dairy-beef for production on sheep and beef farms, bringing efficiency for beef production.

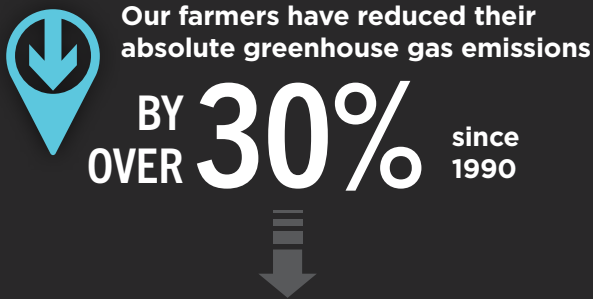


Our sector is a leader in environmental sustainability

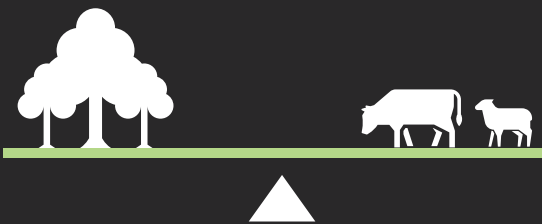
Climate change

Our sector is committed to playing its part in keeping global warming within the parameters of the Paris Agreement.

Our sector has a goal of being carbon neutral by 2050 and is already a long way towards this objective.

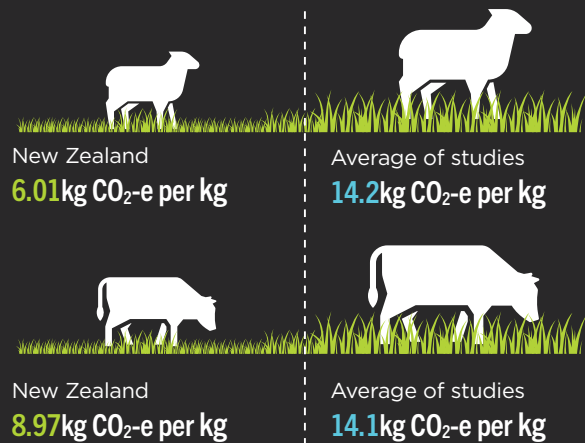


Of the remaining emissions, a substantial amount is being offset by the significant areas of carbon-sequestering woody vegetation on our sheep and beef farms (around 2 million hectares, or 20 percent, of sheep and beef farmland is covered by woody vegetation).¹



¹An analysis of carbon stocks and net carbon position for New Zealand sheep and beef farmland. Bradley Case and Catherine Ryan: Auckland University of Technology, 3 September 2020

The carbon footprint of New Zealand sheep and beef production (on-farm Life Cycle Analysis) is amongst the lowest in the world.¹



Combining GWP* with on-farm trees and woody vegetation (which sequesters carbon) sheepmeat has not added any additional warming in the last twenty years and has been arguably '**climate neutral**'.

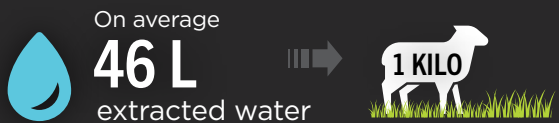
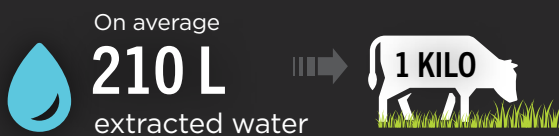
¹Estimates by B+LNZ using NZ LW and global CW figures in research by Stewart Ledgard: AgResearch, 2021

Water

Sheep and beef production is one of the most sustainable forms of agricultural production in New Zealand. From a water perspective, we can work within the limits of the land.

Most New Zealand sheep and beef production relies almost entirely on rainwater and grass/pasture feeding. Grain-fed production, as is often standard practice overseas, is very uncommon in New Zealand.

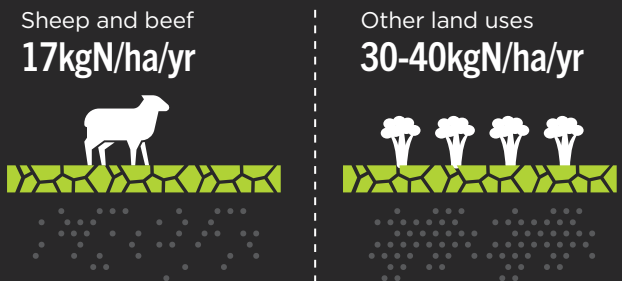
The sector uses very little extracted water (i.e. irrigation or water in processing).²



These are both a fraction of the water footprint of grain fed red meat production globally and compare favourably to plant-based production.

²Zonderland-Thomassen et. al., 2014

New Zealand sheep and beef production nitrogen leaching rates are on average the lowest of any form of food production.



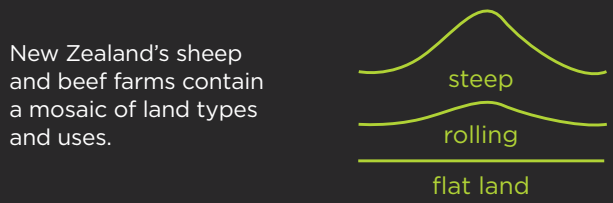
The sector has an average nitrogen leaching rate (as modelled by OverseerFM) of 16kgN/ha/yr. On other farming systems, the average nitrogen leaching (as modelled by OverseerFM) is closer to 30-40kgN/ha/yr depending on the land use and soils, and can be as high as 100kgN/ha/yr for some horticultural crops.

The sector is addressing the water quality issues associated with sheep and beef production; e-coli; sediment; phosphorus and impacts from winter grazing. Nearly every one of these indicators has been improving in the last 30 years.




Land & biodiversity

Sheep and beef farmers are kaitiaki (guardians) of 1.4 million hectares of native vegetation on their farmland – that’s almost 10 percent of New Zealand’s total land area, or 24 percent of New Zealand’s total native vegetation – and they continue to protect and enhance biodiversity.



93 percent of the land that remains under sheep and beef production in New Zealand is unsuitable for cropping or horticulture because it is rolling or steep.

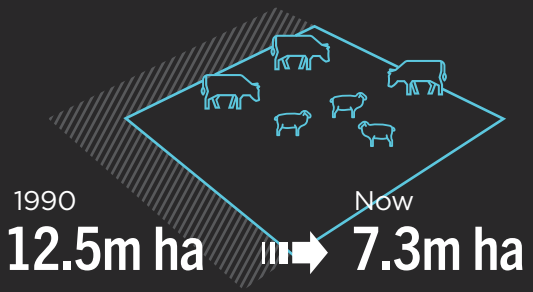


There is concern globally about the amount of land used for livestock production and deforestation as a result of increased livestock production. In New Zealand’s sheep and beef sector, the trend has been in the opposite direction.



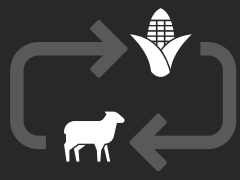
2.8m ha native vegetation on sheep and beef farms

A quarter of New Zealand’s native vegetation is found on sheep and beef farms, covering 2.8 million hectares. Much of this is regenerating native bush and the sector is committed to continuing to build the biodiversity on our farms.



Since 1990, the area of sheep and beef grazed land (including arable land) in New Zealand has decreased by 5.2 million ha from 12.5 million ha to 7.3 million ha. This land use change has seen the largest amount converted to conservation, while land used for dairying, forestry, lifestyle, and urban development has also taken a significant amount.

Additionally, most sustainable cropping systems rely on livestock production. The two production types complement each other.



These cropping systems leave the land fallow for a period of time and rotate livestock onto those paddocks to rebuild the soil naturally through manure. This is why most arable farmers in New Zealand are also sheep and beef farmers.

How the sector is tracking

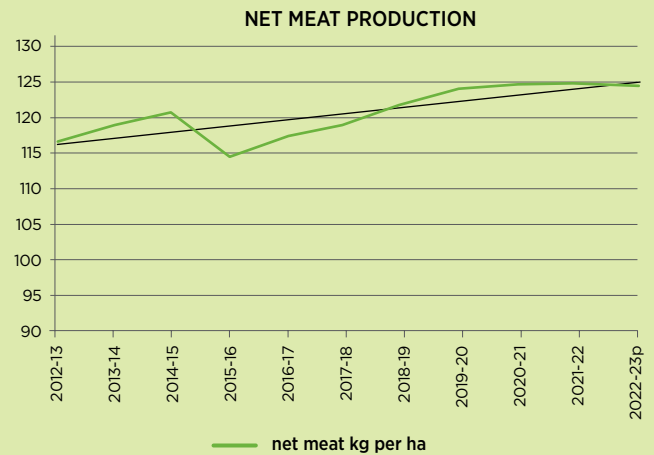
We use the following indicators, covering on-farm productivity and profitability, and industry confidence, to provide a snapshot of the health of the sheep and beef sector and confidence in its future. Additional indicators to better understand how our engagement is working and how farmers are feeling about the sector are now separately reported on in the formal Service Report on page 46.

Sheep and beef farmers are improving productivity

↗ Net meat production per ha is 7% higher than 10 years ago

Net meat production for the All Classes Sheep and Beef Farm is provisionally 124 kg per hectare for 2022-23; steady on 2021-22 production per hectare.

Net lamb production per ha was 1% higher on 2021-22 while net cattle meat production was the same.

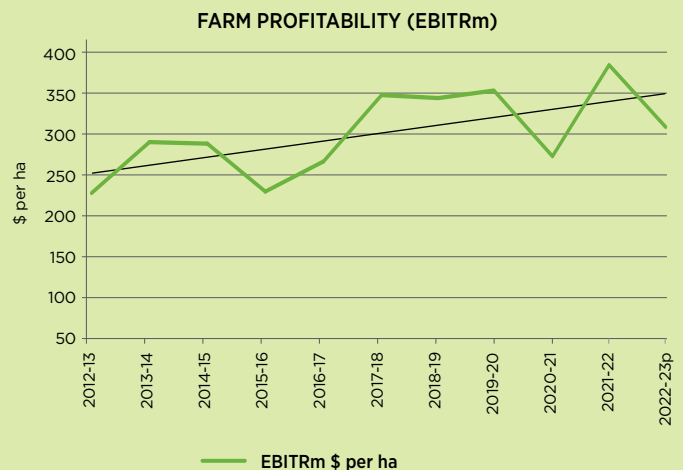


Source: B+LNZ Economic Service All Classes Sheep and Beef Farm (p) provisional

Turbulent times for sheep and beef farmers' profitability

↘ Decrease by 20% from 2021-22

Earnings before Interest, Tax, Rent and paid managers salary (EBITRm) on average for the all farm classes Sheep and Beef Farm is provisionally \$308 per ha for 2022-23, decreasing by 20% from 2021-22. The main driver for decreased profit was a decrease in sheepmeat and beef revenue, and increased farm input prices, especially interest and fertiliser, driving up expenditure. On-farm inflation was 16.3% in the year to March 2023, more than double the consumer price inflation rate of 6.7%.



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

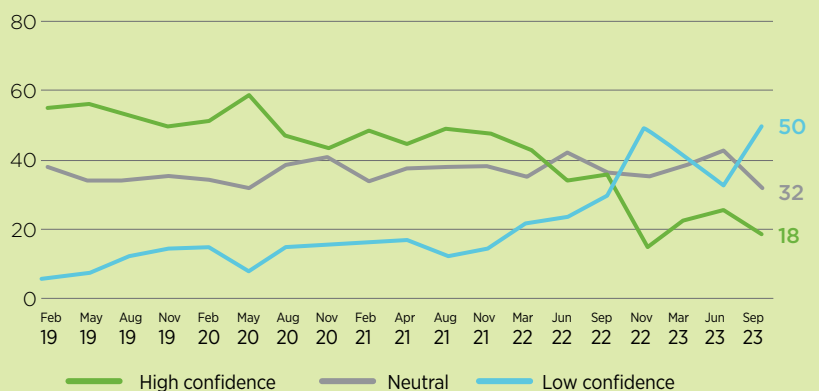
Snapshot September 2023

Industry confidence 50%

Challenging times for the sector

It has been an extremely challenging time for the sector, with farm profit before tax falling 30% during the year and forecast to fall another 30% through 2023-24. Combined with the ongoing regulatory hurdles sheep and beef farmers have faced, confidence in the future of the sector remains low.

Note: The 50% figure above combines farmers with high and neutral confidence, in line with reporting on awareness and satisfaction with B+LNZ in the Service Report. We have also presented September figures for consistency (in previous Annual Reports, November results were included - next year's Annual Report will show that in November 2023 there was another rise in industry confidence).



*Stated percentages do not add to 100 due to rounding.

Source: B+LNZ commissioned UMR quarterly survey of levy paying sheep and beef farmers

Our strategy

Vision

Sustainable and profitable farmers, thriving rural communities, valued by New Zealanders

Purpose

Insights and actions driving tangible impact for farmers

Principles

How and why we do what we do



By Farmers. For Farmers

Partner for impact

Activities your levies support

The following section outlines the key areas B+LNZ will be investing in on your behalf to grow a stronger future for our farmers.



Supporting farming excellence

Priorities

The how



Supporting farming excellence

Our farmers run sustainable, profitable, farming systems.

We support farmers to achieve this by delivering the world's best research, innovation and extension.



Championing the sector

Our farmers are celebrated as the world's best red meat producers.

We position the sector to be respected and supported by New Zealanders and have policies that enable our farmers.



Increasing market returns

Our farmers receive increased value from our sustainable farming systems and natural grass-fed beef and lamb.

We identify and create market opportunities, dismantle barriers, and grow consumer preference for New Zealand beef and lamb.

Insights driven

Know our communities

Outcomes not outputs



Championing the sector

Page 28



Increasing market returns

Page 36



Supporting farming excellence

*B+LNZ supports farmers to achieve sustainable,
profitable farming systems – we deliver the world's
best research, innovation, and extension.*



Total levy investment* in this strategic pillar was \$15.6m for 2023. The following table is a summary of the key initiatives within this pillar.

Name	Levy Investment \$,000	Description	Contribution to strategic priority
Research & Development	\$2,656	Progressing R&D projects to drive insights and actions to improve farmer profitability and sustainability. Refer to science, research and development on pages 19-20.	
Beef + Lamb New Zealand Genetics	\$4,600	Develop and implement next generation genetics solutions, such as nProve, to boost farm profits and efficiency.	Co-ordinate and deliver insights, tools, and services to farmers to better understand our sector, build capability, and improve farm sustainability, productivity, and profitability.
Extension	\$3,866	Plan and implement regional research and extension plans that reflect regional and national needs.	
Farmer Council Operations	\$543	Deliver events and support to farmers and Farmer Councils.	
Recruitment & Training (Sector Capability)	\$960	Supporting sector employment and training.	
Environment	\$2,985	Deliver tools and resources to help farmers meet their environmental, business and regulatory needs.	

* Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income.

** Project Cost is specific investment over and above B+LNZ staff time.

Supporting farming excellence

Key achievements in 2023

- Highly successful Sow, Grow, Thrive webinars, providing insights and practical tools for farmers to navigate challenging financial times. More than 1,000 farmers and rural professionals tuned in to the webinars and the feedback was extremely positive.
- Launched a groundbreaking Facial Eczema (FE) research project. The three-year study aims to better understand how widespread FE is in New Zealand. The study's call for sheep poo saw 250 farmers sign up and generated extensive media coverage.
- Concluded the Hill Country Futures Programme, which was a finalist in the 2023 New Zealand Primary Industries Awards.
- With the B+LNZ Farmer Councils we developed and delivered regionalised extension plans to meet regional needs through field days and other events and opportunities – over 12,000 attendances and more than 5,200 individuals attended 394 B+LNZ events in the past year.
- Significant progress made with the Informing New Zealand Beef Programme delivering innovation in beef genetics, including a trial of wearable cow monitoring systems and a pilot across-breed evaluation.
- Worked with Rural Support Trust, Federated Farmers and other groups to support East Coast rural communities with their response and rebuild post cyclones Hale and Gabrielle.

Wormwise

Wormwise is a key extension programme for sheep and beef farmers, funded and delivered by B+LNZ.

Working across the sector with vets, drench manufacturers and retailers, researchers and government, the goal of Wormwise is that internal parasites no longer pose significant risks to animal welfare, sustainability, productivity or the reputation of New Zealand livestock production.

An action plan to achieve this goal was formulated in 2021 and is in full swing with highly regarded veterinarian Dr Ginny Dodunski taking the reins as the Wormwise Programme Manager. Dr Dodunski is working with partners on key activities to give farmers the tools to deal with parasite resistance on their farms.

Milestones include developing material for dairy farmers (by Dr Emma Poole, Young Farmer of the Year and Wormwise partner) and

increasing farmer engagement through short timely videos posted to social media. Wormwise workshops delivered through the B+LNZ Extension team with Wormwise facilitators continue to be highly engaging and sought after.

wormwise
national worm management strategy

Science, research, and development

New Zealand’s sheep and beef sector continues to be underpinned by good science, and we remain committed to working with our research institutes and universities to ensure they’re undertaking projects which deliver on-farm benefits. The three main areas of focus for our research and science investment are farming systems, animal health and production, and the environment.



Farm system optimisation to reduce GHGs

B+LNZ Expenditure (\$,000) 2022-2023 | 122

A series of case studies aimed at finding ways to reduce GHG emissions while keeping farms profitable.

A computer model called Prisym, developed by Agrisystems and Analytics, uses information like increasing liveweight gain, hogget mating, and reducing grazing area to search for the best combination of actions for a given farm.

Based on the case studies so far, combining certain changes can make a difference in reducing GHGs, but further consideration needs to be given to practicalities of on-farm implementation and farmer preferences and values. The project is due for completion in early 2024.



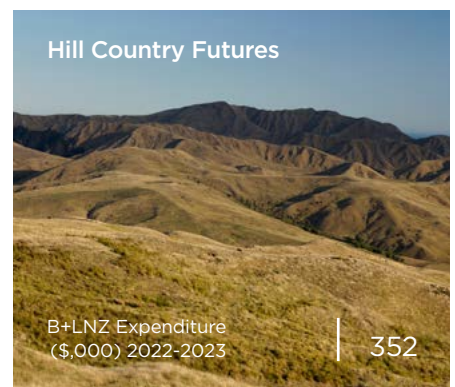
Cool Sheep® Programme

B+LNZ Expenditure (\$,000) 2022-2023 | 129

A three-year programme aiming to support opportunities for the uptake of low methane sheep among commercial farmers.

It uses genetic selection to reduce GHG emissions from the NZ national flock and develops information systems to incorporate these animals’ low methane credentials into on-farm GHG calculators, further enhancing the sector’s focus on reducing its GHG footprint.

The programme is supported by MPI through the Climate Emergency Response Fund, B+LNZ and other organisations.



Hill Country Futures

B+LNZ Expenditure (\$,000) 2022-2023 | 352

A five-year programme, which wrapped up at the end of 2022, aimed at future-proofing the profitability, sustainability, and wellbeing of hill country farmers, farm systems, and rural communities. HCF recognised that a thriving hill country farming sector is vital for NZ’s economy.

The \$8.1 million partnership programme was led by B+LNZ with co-funding from MBIE, PGG Wrightson Seeds, and RAGT New Zealand. It focused on two main interconnected workstreams: Resilient Farmers, and Resilient Forages.

Actively engaging the farming community, HCF adopted a collaborative research approach involving B+LNZ, farmers, universities, Crown Research Institutes, and consulting agencies.

A wealth of resources were created, including extension materials and tools covering social, environmental, and technical aspects.



Advancing AgYields to support forage/crop decision making

B+LNZ Expenditure (\$,000) 2022-2023 | 50

AgYields, a central repository for all pasture and crop yield data and growth rate information collected in NZ, allows farmers to see which pastures and crops have been grown in their districts and how much they grew so they can select more resilient pasture and crop systems.

Work includes demonstrating how AgYields can be used to inform decisions and providing guidelines to standardise data collection. B+LNZ is supporting this initiative for at least the next three years.



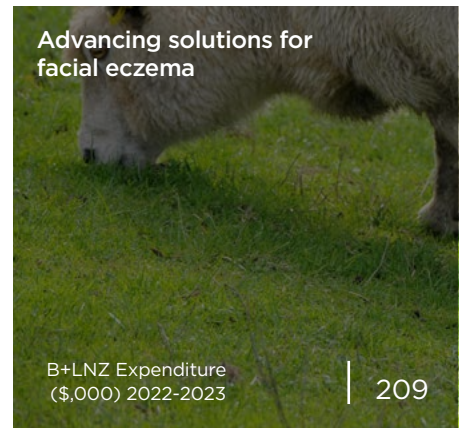
Sustainable internal parasite management

B+LNZ Expenditure (\$,000) 2022-2023 | 437

A collection of projects aiming to advance understanding and promote positive changes in parasite management practices. Encompasses:

- a pilot study assessing targeted, selective treatment through the Smartworm® app
- genetic research on three Trichostrongylus species (T. axei, T. vitrinus, and T. colubriformis) with a focus on investigating resistant genes
- a Parasite Management Group facilitating farmer learning through regular meetings with subject matter experts
- a pilot study modelling the impact of anthelmintic resistance
- an assessment of communication methods to enhance learning and management support
- the development of a parasite management calendar.

B+LNZ is working with several organisations to deliver this work including CSIRO Australia, Wormwise, Scarlatti and Wairarapa Vet Services.



Advancing solutions for facial eczema

B+LNZ Expenditure (\$,000) 2022-2023 | 209

B+LNZ's Economic Service estimates the annual cost of FE to the NZ sheep, beef, dairy and deer sectors to be around \$332m. B+LNZ is involved in multiple projects for advancing solutions for FE:

- Developing a laboratory test for assessing FE tolerance in animals without exposing them to the FE toxin. AgResearch is refining biomarkers linked to tolerance for commercial diagnostic test development, with the project expected to conclude in 2024. Identifying FE tolerant livestock would have a profound positive impact on productivity by reducing disease-related losses, lowering costs, and promoting overall animal health and wellbeing.
- Research led by AgResearch with support from Manaaki Whenua Landcare Research, focusing on understanding the species of fungus associated with FE in NZ. Preliminary findings indicate at least three Pseudopithomyces species with varying toxin-producing capacities. This research is crucial for advising farmers on management strategies and developing tools for FE.
- Farmers are taking part in research by collecting sheep poo, to help B+LNZ understand how widespread FE is in NZ, fill gaps in our understanding of its prevalence, and whether a warming climate is having an effect on its distribution. This work will help shape future tools and solutions for FE management.



Catch the Rain

B+LNZ Expenditure (\$,000) 2022-2023 | 96

A project delivered by Quorum Sense in collaboration with Manaaki Whenua Landcare Research and B+LNZ, aiming to collaboratively address the challenge of enhancing rainfall retention in soils for improved soil and climate resilience.

Over a three-year period, the project is engaging farmers and scientists to identify existing knowledge and barriers related to soil water infiltration.

Through co-designed on-farm trials, the impact of selected management practices on soil water infiltration and other soil/pasture metrics will be assessed. Farmers will learn more about how to help their soils absorb rain rather than seeing it run-off.

Results, data analysis, and project reporting expected to be completed by December 2025.



Resilient forages for Northland

B+LNZ Expenditure (\$,000) 2022-2023 | 25

A collaboration between B+LNZ, DairyNZ, AgFirst Northland and Primary Purpose aimed at understanding the unique needs of Northland farmers in coping with a changing and often unpredictable climate.

Before year end, we started initial work interviewing livestock farmers to get valuable insights into forages and pasture management and to understand influences on decision-making.

The overall goal is to create a business case for government co-funding to ensure Northland farmers can keep producing top-quality forage for livestock, now and in future. The project is due for completion in early 2024.

Bringing it to life on farm

A big focus of our R&D work is turning insights into actionable on-farm information and support. Following is an example of how we tested thinking on-farm at Lanercost. You can find out more about our work behind the farm gate in the Extension section on page 24. B+LNZ's R&D and Extension teams work closely together – and with the Environment team on work like the catchment groups programme outlined below.

Future Farm

This year saw B+LNZ's Future Farm project end. In early March, a final field day was held at Lanercost – the 1,310-hectare hill country farm near Parnassus in North Canterbury, to summarise what had been achieved over the farm's five-year tenure.

The philosophy behind the Future Farm was for it to be used as a testing ground for new technologies and farm systems and take risks that commercial farmers would not be prepared to take.

Significant work over the five years saw the farm used as a testing ground across a number of areas including low methane sheep genetics, using artificial insemination to make rapid genetic gain in a commercial sheep flock, adaptive cropping in an increasingly regulatory environment, greenhouse gas modelling to reduce emissions, and dealing with parasite resistance.

Changing priorities meant we chose to finish the lease on the Future Farm on 31 March 2023.

Catchment Community support

Our Catchment Community Group programme continues to support farmers in taking a leadership role to establish and run catchment groups, which bring positive impacts on farming communities.

During the year, we worked closely with catchment groups to run workshops across the country including on Farm Planning and GHG Calculator and action plan workshops.

We have also been supporting catchment groups by profiling their work in B+LNZ's weekly e-newsletter that goes to nearly 25,000 subscribers. This raises awareness of the group's work to encourage wider participation.

Stories have included: the Waimatā Catchment Restoration Project - demonstrating how the group continues to make a visible improvement to the health of the Waimatā River and biodiversity in the wider community; the North Otago Sustainable Land



Management group's field day hosting Year 11 students from all of Oamaru's three high schools; and the Mangatangi and Maramarua Catchment Community Group in Waikato, which has been going from strength to strength since it formed in 2021.

Genetics

nProve

nProve is the free online tool designed to help commercial farmers find the rams that best fit their particular needs.

It presents data in a user-friendly, transparent format to allow farmers to objectively compare genetics and find breeders who have rams that fit their criteria. Using a series of buttons and slider scales, farmers can customise what they're looking for in their ram team.

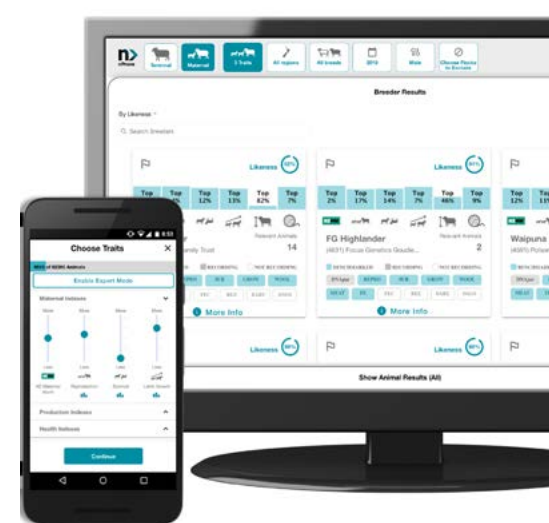
With commercial farmers reporting that ram buying is getting more complicated – having to juggle figures for a range of traits on sale day – nProve can help simplify ram selection and empower farmers to have valuable conversations with their ram breeders.

Access to the best data possible means farmers can get a sound estimate of how progeny will perform and impact on farm profitability.

nProve has been built from the beginning to be multi-species with deer, sheep milking flocks and the New Zealand beef industry all using parts of it alongside the New Zealand sheep flock.

Uptake of nProve is increasing. In the coming year B+LNZ Genetics will work to further farmer understanding of the benefits nProve can provide.

nProve for stud breeders is nearly complete, with early users enjoying the functionality and access it gives them to data about their flocks.





Sheep Progeny Test

B+LNZ Genetics hosted a final field day for the Low Input Sheep Progeny Test in November 2022. The project successfully highlighted the role genetics can play in a sheep's ability to perform with minimal inputs in a challenging environment.

During the year, Central Progeny Test (CPT) flocks were artificially inseminated. The purpose of the CPT is to connect flocks across breeds (which wouldn't happen naturally) and underpin New Zealand's world-leading genetic evaluation. Many measurements were taken at the test sites throughout the year, including liveweights, body condition scores, eye muscle measurements, worm FECs, methane emissions and carcass information including VIAscan measurements, DNA parentage tests and tail data.

Cool Sheep Programme

The three-year, \$4.2 million Cool Sheep Programme is funded by B+LNZ and the Ministry for Primary Industries through the Climate Emergency Response Fund. It aims to give commercial farmers the opportunity to use low methane sheep and reduce the methane emissions from their farm and the national flock.

Through the Cool Sheep Programme, stud breeders have the opportunity to have their rams measured for methane emissions, with Cool Sheep® supporting the cost of the process (phenotyping costs) for eligible breeders. The programme will pave the way for the widespread use of lower methane-producing sheep in New Zealand's sheep flock, which will benefit farmers, the wider industry and the environment.

The project is well underway with a minimum of 5,000 stud sheep being measured on-farm annually. Since 2018, more than 22,000 rams have been tested on farms around New Zealand.

(See also 'Science, research and development' pages)

Informing New Zealand Beef Programme

The leading-edge Informing New Zealand Beef (INZB) Programme is into its fourth year in its mission to give breeders and farmers genetic tools to help produce great tasting beef and drive production efficiency. This seven-year partnership, supported by B+LNZ, the New Zealand Meat Board and MPI's Sustainable Food and Fibre Futures fund, aims to boost the sector's profits by \$460 million over 25 years.

The research programmes are well underway.

In December 2022, artificial insemination was undertaken at Pāmu's Kepler Station near Te Anau. This saw 405 cows inseminated to Hereford and Angus bulls. Sires included 13 bulls selected from Angus and Hereford breeders countrywide, an international Angus bull, and link sires used in the 2021 mating. Semen from these bulls was also used at Lochinver Station near Taupō in January, alongside four Simmental bulls.

At the end of May, the first lot of BPT animals were processed. Carcass quality data was recorded through Silver Fern Farms Beef EQ programme. Fat cap and rumen samples were also taken from the carcass to contribute to greenhouse gas trait research.

Angus, Hereford and Simmental breeders nominated 52 bulls for use in the across-breed BPT's mating season, which was undertaken at Kepler farm and Lochinver Station. This is the highest number of bulls since the programme was launched in 2020.

In April, a greenhouse gas cattle genetics workshop was held and included key researchers across the cattle sector in New Zealand. The purpose of the workshop was to create an aligned and efficient approach to greenhouse gas genetics research in cattle.

In July, members of the B+LNZ Genetics team saw first-hand the cutting edge of research and development in the North American beef industries on a study tour. The team picked up key insights about the scale of the Canadian and US sector, especially the research and allied industries around farming, the vast amount of genetic science research being undertaken, and the increasing availability and decreasing cost of new technology to benefit the industry.

The tour was a valuable opportunity to learn more about international beef cattle genetics to support our mission to improve the profitability and sustainability of New Zealand's beef industry.

Dairy Beef Progeny Test

The Dairy Beef Progeny Test (DBPT) is now into its eighth year at Pāmu's Renown farm in Taupō with significant progress made.

Farm modelling highlighted the value of using top-ranked and proven beef bulls versus average beef bulls across dairy herds, and the opportunity for dairy and beef farmers to work together for mutual advantage.

DBPT data in the research database now has close to 400,000 measurements on approximately 16,600 animals.

People and training

Our sector is a major employer in New Zealand and B+LNZ continues to invest in and support growing, training and retaining people. To support our farmers to grow as employers and foster positive work environments, we work with education and training providers to identify and meet skill development needs for the sheep and beef sector and support the development of leadership throughout rural communities to future-proof the industry.

B+LNZ is a principal partner of the **'Agribusiness in Schools' programme**, which celebrated 10 years in 2023. The programme has successfully seen over 4,000 students participate from 120 schools across New Zealand. It is equipping students to be involved in the food and fibre industry and helping teachers promote our sector and its many possibilities, while also helping to positively change both school and community perceptions of the primary sector.

We continued our partnership with **NZ Young Farmers**, supporting the upkeep of the **Agrication website** with teaching and learning resources

for primary and secondary students, aligned to the New Zealand Curriculum. We also supported the annual AgriKids competition and continued as a supporter of the Food and Fibre Youth Network.

B+LNZ continues to support **cadet farms** across the country, which remain a popular avenue into sheep and beef farming. This pathway provides school leavers with practical, hands-on experience while completing formal qualifications. Some of the cadet farms B+LNZ supports include Growing Future Farmers, Otiwhiti Station, Waipaoa Station and the Whangārei A&P Farm Intern programme. We also work with cadetships to offer workshops and provide resources.

B+LNZ and **Primary ITO | Te Pūkenga** have been working together since the early 2000's to provide new learning opportunities for those entering the sheep and beef farming industry or looking to progress their careers. In July, B+LNZ signed a Memorandum of Understanding (MOU) with Primary ITO | Te Pūkenga to continue the collaboration now and into the future.

We have been working across the vocational training space and in particular with **Muka Tangata** – the Workforce Development Council for the food and fibre sector, and others in the industry, to develop a specific workforce development plan for sheep, beef and deer farming. The plan includes a work programme to address both short and long-term challenges and guides advice to the Tertiary Education Commission and industry.

The **B+LNZ Generation Next programme** continued in 2023 with 72 future farming leaders from across the country, and applications will open in January 2024 for the next intake of the programme.

Throughout the year, we also supported the development of people on-farm through our field days, workshops, and tools and resources available on **B+LNZ's Knowledge and Employment Hubs**.



Extension

Sow, Grow, Thrive webinar series

The Sow, Grow, Thrive webinar series kicked off in September. The aim of the series was to empower farmers for financial success and focused on using the economic downturn to really examine every aspect of the farm business, positioning to fully capitalise on the inevitable economic upswing.

It brought farmers and financial experts (bankers, farm accountants, farm consultants, financial advisors) together online to discuss how to better manage the challenging financial times. Topics included reforecasting, securing refinancing, mastering budgeting, planning ahead and controlling the controllables to ensure a thriving agricultural business.

Each of the sessions provided good insights and practical tools to help farmers. Key themes that emerged were the need to plan, the importance of teamwork, the value of connection and self-care.

Over 1,000 farmers and rural professionals tuned in on the series and the feedback was extremely positive.



Our work with Māori farmers

Māori farming interests provide a significant amount of levy funding and it's been estimated that more than 15 per cent of sheep and beef exports come from Māori farming interests. Māori farms tend to be larger than the average NZ farm, run more stock, and have different ownership models. We are continuing to build our engagement with Whenua Māori levy payers, Iwi and Hapū to gain better understanding and support Māori farming.

*Tēnei te karanga,
Tēnei te tangi,
Kia tūhwera ngā tatou,
Ki te whei-ao
Ki te Ao-marama*

Tihei Mauri Ora!!!

This year has been a very fruitful but busy period for the Māori Agribusiness team. We welcomed Huia Cook into the team as Kaiāwhina Ahuwhenua Māori to support Pania King and Charles Taituha to deliver their mahi on time, on budget and to a high level. Chevon Horsford has also been brought in to initiate discussions with Māori levy payers through Te Taitokerau, to better understand their

needs and work needed to bring value to their levy dollar. Charles has taken a position in the Leadership Team, which will help build better connection for Māori into B+LNZ with this role bringing a different lens to strategic issues or challenges across the organisation.


When the floods hit Te Tairāwhiti in January and February, Pania played a significant role in the rural response mahi that was undertaken throughout the region to bring direct support to all of our farmers who were affected. Thanks go to Pania for her tireless efforts and the many others who responded to the critical needs of the region's farmers.

Our B+LNZ whānau would like to pay homage to Paki Nikora who passed away in September. We thank him for the support of the Ahuwhenua Trophy, as well as engaging many times with our teams to share his mātauranga about the complex issues and exciting opportunities that our agricultural sector has faced and will face into the future. Moe mai, moe mai, moe mai rā e te rangatira

The Māori Agribusiness team would like to thank all the Māori levy payers for their continued support of our kaupapa and help to shape up tools and events to deliver value to all.

Farmer resources by the numbers

During the year, we have increased the quality of our farmer engagement.


 **1.6m**

1.6 million website visits and 22% increase in amount of time people spent on news pages




12,907

12,907 people attended 394 events

 **1.2m**

Over 1.2 million people reached through B+LNZ social media channels and 8% increase in number of followers

 **1.1m**

1.1 million eDiaries delivered and open rate up 18% (remaining well above the industry average)

 **50%**

50% increase in amount of time people spent watching videos on B+LNZ Knowledge Hub

Responding to extreme weather events

Following cyclones Hale and Gabrielle, and the Auckland Anniversary weather event in early 2023, B+LNZ worked with a range of groups to calculate the direct on-farm impact on North Island sheep and beef farmers. This was found to be in the range of \$367-422 million. The work helped inform Government of what support farmers needed to get back on their feet quickly and to ensure impacts didn't spread beyond the farm gate.

The damage was primarily to on-farm infrastructure such as fences, tracks and accessways, dams, culverts, bridges, and water reticulation. Most of these costs are not insurable.

The cost identified was made up of \$12-16 million for Northland-North Auckland, \$18-21 million for Waikato-Bay of Plenty-Coromandel and \$336-385 million for the East Coast, Hawke's Bay, Tararua and Wairarapa. B+LNZ estimated that 1,200 farms in these areas were affected and suffered damage.

The East Coast and Hawke's Bay region was the most severely affected, particularly around the Gisborne area, and an estimated 55 per cent of sheep and beef farms in the region suffered damage.

B+LNZ worked closely with the Ministry for Primary Industries, regional

and local councils, Regional Action Groups, Te Tumu Paeroa and farmers across the North Island to undertake its analysis and subsequently to ensure there was a well-coordinated process for farmers to receive financial support.

Our team worked across regional North Island, feeding into the national emergency Civil Defence-led response and connecting with farming communities as part of the local Rural Advisory Groups (RAGs) to have a coordinated response. RAG is made up of members from B+LNZ, Rural Support Trust, DairyNZ, Federated Farmers, Fonterra and MPI On Farm Support.

As the response moved into the next phase, B+LNZ shifted into supporting the short-medium term recovery response on a region-by-region basis offering practical information and support.

We worked with Federated Framers to implement a comprehensive recovery plan for cyclone-impacted farmers along the Tairāwhiti coast. The focus has been on repairing and reinforcing waterway fencing and boundary fences, critical for stock management and the safety of rural communities. There is still a lot of work to be done and this will continue into 2024 with North Island Weather Events (NIWE) funding, ensuring sustained support for affected farmers.



B+LNZ Farmer Council

B+LNZ's seven Regional Farmer Councils, supported by the National Farmer Council Executive, continued to be a vital link to grassroots farmers, providing input and advice on regional extension priorities and activities alongside guidance on policy positions and strategic activities.

In 2023, the B+LNZ Farmer Council Review was a major priority. This looked at the purpose and scope of the Council and its work. A workshop with Farmer Councillors, as part of the conference in June, provided feedback on the need for change across several areas to ensure a successful future for the Farmer Council and B+LNZ. In July and August, in-depth interviews with the Farmer Council Executive and non-Farmer Council farmer focus groups were undertaken. This activity, along with a quantitative survey helped inform a recommendation that went to the B+LNZ Board at the end of September. Following the Board's approval of recommendations, an implementation plan has been developed for the GM Extension.

Developing leaders in our farming community has continued to be a focus again this year with Regional Farmer Councils having the opportunity to participate in a Leadership Development Programme covering governance, communication and leadership modules.

All sheep, beef, and dairy levy payers on the B+LNZ electoral roll can participate in their Regional Farmer Council, and we work to ensure there is a cross-section of farmers and skillsets represented.





Regional round-up



Northern North Island

2023 got off to a rocky start with the Auckland Anniversary Day floods and Cyclone Gabrielle. In the months that followed, the focus was on supporting farmers affected by these adverse weather events, with a particular emphasis on reconnecting communities. There were a raft of community events focusing on social connection and the importance of reaching out in times of need, enabled by the funding that came into the region post-cyclone.

We still managed to run a number of field days and workshops on the theme of productivity and production. This was a shift from previous years' focus on environmental policy.

The year was rounded off with the very successful Ladies Long Lunches. After a two-year hiatus, it was a pleasure to be able to bring these events back for our rural women.



Mid Northern North Island

With most of the region experiencing higher than average rainfall, the wet weather gear was certainly well used this year. Despite the weather, around 1,200 people attended 58 events held across the region.

Our work with catchment groups has been an integral part of extension delivery and connection with farming communities. Workshops have run in conjunction with catchment groups to further B+LNZ farmer reach.

The Te Pahu monitor farm proved to be extremely popular with over 100 people coming along to the first field day held in June 2023. On the back of positive feedback and farmer interest, the number of on-farm days to be held there in 2024 will be increased.

The Farming for Profit Programmes continue to focus on regional issues with content driven by farmer needs. These days were always well attended, and we are grateful to those who open their businesses to farmer groups.



Western North Island

It has been a busy year in the region with Mikaela Greg taking up the reins of Extension Manager from Jason Griffin, who is now managing the North Island extension team on a fulltime basis.

A total of 58 extension events (46 led by B+LNZ) were held, or supported in the region, attracting nearly 2,000 attendees.

We were pleased to host the B+LNZ Annual Meeting in New Plymouth in March.

B+LNZ's Big Dine In celebration event, held in June, was once again a huge success and doubled as a farewell for long serving B+LNZ Farmer Councillor and Taranaki icon Bryan Hocken.

The Farming for Profit programmes in Taranaki, Whanganui and Manawatu, which focused on farm production and profitability, continued to have strong engagement. These programmes gave farmers the opportunity to learn from experts and see first-hand how other farmers are implementing changes in their farm systems. Designing and implementing water reticulation systems on hill country farms was a common focus across these days.

Eastern North Island

The year revolved around tackling the aftermath of Cyclone Gabrielle. The Havelock North-based team worked tirelessly to support the Rural Advisory Group, providing daily information to Civil Defence on farming communities grappling with extensive damage and isolation. Our focus has also been on rebuilding confidence on farms and providing social connection via various events.

We adapted our Farming for Profit programme in recognition of the challenges in the region. A very successful event was 'Managing Difficult Times' in Tararua/Wairarapa, which included insights from farmer panels with experience in overcoming challenges such as adverse weather events and high interest rates. Recovery takes time and our commitment remains strong in assisting farming communities to embed resilience into their farming systems for the foreseeable future.

The Generation Next programme, launched last year to build sector capability, continued to be successful. There was strong interest in 'Trees within Farms' workshops, and the parasite management workshops, specifically Wormwise, remained very well attended.



Northern South Island

A highlight for the West Coast was the Recharge Tour with Julia Jones (Head of Analytics at NZX and a former KPMG farm enterprise specialist), who brought her dynamic and fun perspective to farmers to help them see a vision for a bright future.

With the Tasman region experiencing more issues with facial eczema, it was a prime opportunity to run workshops to grow farmer knowledge about the disease. The first workshop, held in Wakefield, was a well-supported event, with a post-mortem and interactive facilitation. We had incredible feedback on the event.

We ran three hugely successful Farming for Profit programme events stretching from the Marlborough Sounds to Ward, which addressed regional issues and encouraged local producers to look ahead at innovation and technological advances. Farming for Profit programmes in North and Central Canterbury ran with a focus on production and environment. These days were well received by local farmers.

Information about parasite management was in big demand particularly in North Canterbury, which had experienced an outstanding summer weather-wise. We ran a number of Wormwise workshops, including a pilot for an Advanced Wormwise Workshop, providing farmers with the opportunity to learn more about pasture management and rotational grazing for parasite management.

Across the region, our 'Fearless and Flourishing', 'Succession Planning' and Generation Next Programmes continued to provide support, inspiration, networking and connection. Over 2023, the foundation was laid for a move to more interactive and structured learning opportunities for farmers and each sub region of Northern South Island will have its own bespoke delivery plan.



Southern South Island

It was a wild year weather-wise starting with a very dry spell in which farmers had to manage the dry for a second season and make stock decisions early. In response, we held a very successful Farming for Profit field day focusing on managing in the dry and the impact of good decision-making.

We continued with our Southern South Island Farmer Council's desire to get back to grassroots farming, with field days focusing on production and profitability. These proved to be very successful and well supported. We held a total of 12 on-farm field days, out of a total of 54 extension activities across the region. We cannot thank our farmer hosts enough. There were so many highlights, including the field day at Awatere Station focusing on all-grass wintering and another at Castle Rock where we discussed managing the financial wave.

The Ladies Long Lunch continued to grow and thrive with 325 women packed into the Gore Town and Country Club.

At the end of the year Claire Teutenberg joined the team as the new Extension Manager for Southland while Hannah Blakely took on the role of South Island Extension Team lead.

The wider B+LNZ team is integral to our work on the ground and special thanks to Theresa Laws and our facilitators for their delivery, along with our Southern South Island Farmer Council, which has been endlessly supportive and helped identify the region's key priorities.



Central South Island

This year our extension delivery covered a wide range of activities from empowering young farmers to parasite management, all with a strong emphasis on enhancing farm profitability and financial wellbeing.

Our Farming for Profit programmes have provided farmers across the region with financial guidance, tackling everything from farm budgeting during tough times to understanding global economic trends. Our Methven event, 'Finding Financial Freedom', made complex financial information accessible and easy to manage. Following that success, 'Feeling the Financial Squeeze' in Waimate drew over 120 attendees, with the evening covering budgeting, market insights, and the importance of maintaining a positive mindset.

In Coastal and Central Otago, the Farming for Profit programmes have consistently delivered quality, informative events with credit going to the facilitators and steering committee members.

Our 'Fearless and Flourishing' event celebrated the resilience of rural women, uniting passionate individuals to share experiences, brainstorm ideas, and equip each other with tools for building successful businesses.

The Central South Island Regional Showcase Dinner was a highlight, offering real-life examples and insights into farm succession planning, effective communication, and maximising opportunities through equity partnerships.

Throughout the year, the Generation Next cohort expanded their horizons, embraced new challenges, and deepened their understanding of the agriculture sector. Congratulations to all our graduates.

Looking ahead to 2024, profitability and production will remain a key focus as we deliver more on-farm events and bring new tools and research via our extension activities.





Championing the sector

B+LNZ promotes our farmers as the world's best red meat producers – we build respect and support among New Zealanders and advocate for Government policies that enable rather than restrict farmers.



Total levy investment* in this strategic pillar was \$8.5m for 2023. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
Trust and reputation / Communications	\$2.6 million	
Keeping farmers informed	Understand the needs of the sector, keep farmers informed and connected.	
Telling the Farmer Story	Tell a strong story about the value of farming and contribution to thriving rural and regional communities.	
Advocacy on national & regional policy	\$5.9 million	Advocate on policy issues on behalf of farmers and increase public understanding and support for farmers.
Insights & Risk Management	Proactively identify and develop insights that drive action on risks and opportunities for farmers and the sector.	
Biosecurity	Strengthen and improve our livestock traceability systems and update New Zealand's preparedness planning for disease outbreaks.	
Environmental data, insights, and policy advocacy	Build B+LNZ's environmental data and insights to inform policy advocacy and communications.	



** Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income*

Championing the sector

Key achievements in 2023

- Commissioned and released a number of reports that helped shift the conversation on key policy topics including methane targets, carbon farming, and the cumulative impact of government policy. Many of these reports drew on data from the B+LNZ Sheep and Beef Farm Survey.
- Significant engagement with all political parties in the lead up to the 2023 General Election to ensure sheep and beef farmer issues were highlighted and reflected in policy manifestos.
- Ran the highly successful 2023 Beef + Lamb New Zealand Awards to shine a light on the people, technologies and innovations that contribute so much to New Zealand's world-leading red meat sector.
- Supported a range of campaigns and events throughout the year, such as Open Farms and Meat the Need, connecting our urban and rural communities and building a more positive attitude of our sector.
- Achieved some hard-won policy concessions from the Labour Government, including changes to the low slope map for stock exclusion..

Building trust and reputation

Our work to increase public understanding and support for farmers has continued throughout the year. As well as keeping farmers informed and connected, we sponsor activities that build a positive attitude of our sector, telling a strong story about the value of farming and its contribution to thriving rural and regional communities - often creating opportunities for people and sheep and beef farmers to directly connect.

Open Farms Day

The annual Open Farms Day ran in March. Despite having a lower number of hosts due to Cyclone Gabrielle, it achieved the highest visitor turnout so far with 3,680 Kiwis stepping foot on a farm. This was a 35 per cent uplift in visitor numbers compared to 2021.

One of the event's aims is to bridge the gap between urban and rural New Zealanders. Feedback from both visitors and hosts was positive again this year - 93 per cent of visitors said they would visit again, and 87

per cent of hosts said they would host again. Feedback also showed a significant positive change in people's perception about farming.

B+LNZ has sponsored Open Farms Day since its inception as it provides an opportunity for urban Kiwis who are interested in understanding more about New Zealand farming to directly connect with beef and sheep farmers. Open Farms Day is also backed by the Our Land and Water National Science Challenge and MPI's Sustainable Food & Fibre Futures fund.



New B+LNZ Inc marketing campaign

A new marketing campaign, part-funded by B+LNZ, called 'Good Things Start with New Zealand Beef and Lamb' launched in April 2023 across television, print, and digital media.

The campaign is personified by Black Ferns rugby sensation Stacey Waaka, reflecting the vibrant, healthful lifestyle epitomised by New Zealand beef and lamb.

After six months in market, the campaign had been seen over 40 million times and the response was overwhelmingly positive. The campaign will be running throughout Summer 2023.



Meat the Need

B+LNZ is a proud sponsor of Meat the Need, a farmer-led charity helping families in need.

The initiative gives farmers and farming organisations the opportunity to support the most vulnerable in our communities by providing them with high quality protein.

Meat the Need's inaugural Big Feed rural telethon ran in December 2022, and raised 1.2 million meals for families in need around New Zealand. B+LNZ supported and promoted the event.

Meat the Need and the Big Feed provide the sector with an excellent opportunity to tell positive stories to the wider public.

Meat Business Women

B+LNZ is proud to be a territory partner of Meat Business Women (MBW) New Zealand, which aims to encourage and empower women in the red meat sector.

MBW released the 2023 Gender Report in May, which tracks gender representation across the industry globally and this year included ethnic data.

During the year, MBW hosted a number of events, including:

- In July, a political panel discussion in Wellington. The theme was 'What does 2050 look like for women'. It was an opportunity to hear from a panel of female politicians including Nicola Grigg (National Party) and Steph Lewis (former MP for the Labour Party) about their vision for our sector.
- In early August, the traditional pre-Red Meat Sector Conference networking lunch with renowned businesswoman Theresa Gattung giving advice for women on their own professional paths. It was a packed-out event, which was also generously supported by MPI.



Beef + Lamb New Zealand Awards

The winners in the 2023 B+LNZ Awards were announced at a gala dinner held at Te Pae Convention Centre in Christchurch in October. The Awards recognise the people, the technologies and innovations that contribute so much to New Zealand's world-leading red meat sector and enable us to showcase this to the wider public.

The judging team had a difficult task given the calibre of the entries in the nine award categories. It was a very well-attended event with Awards partner Farmlands and award category sponsors attending to present the awards.

2023 award winners:

- AgResearch Emerging Achiever Award was won by Darfield-based **Amy Hoogenboom**.
- The Rabobank People and Development Award was won by the **New Zealand Rural Leadership Trust**.

- The Alliance Significant Contribution Award was won by Canterbury-based Farm Systems Scientist **Tom Fraser**.
- The FMG Rural Champion Award was won by the nationwide farmer mental health and wellbeing initiative **Surfing For Farmers**.
- The B+LNZ Regional Leadership Award went to Cheviot sheep and beef farmer **Ben Ensor**.
- The Ballance Agri-Nutrients Science and Research Award was won by the **Low Methane Sheep Genetics Programme**.
- The Datamars Livestock Technology Award was won by **Silver Farm Farms/Lynker Net Carbon Zero Mapping Tool**.
- The Gallagher Innovative Farming Award was won by the Marlborough-based fence post recycling company **Repost Ltd**.
- The Silver Fern Farms Market Leader Award was won by the recently formed veal company, **Pearl Veal**.

Red Meat Sector Conference

In August, over 300 processors, farmers and industry professionals gathered at the 2023 Red Meat Sector Conference in Auckland, jointly hosted by B+LNZ and the Meat Industry Association. The theme was 'Driving sustainability, value and growth' and provided the industry with a great platform to engage, collaborate, and envision the future of our red meat sector.

The conference had a packed programme of speakers including National Party Leader, now Prime Minister Christopher Luxon; Ministers Damien O'Connor and Todd McClay; celebrity chef Nadia Lim, who discussed her Central Otago farm and commitment to telling farmers' stories; and business strategist, trend forecaster and author Michael McQueen.

Conference topics and discussions included New Zealand's sophisticated commercial strategy, which maximises returns through exporters selling product into over 100 countries simultaneously while varying volumes between markets as prices fluctuate; and the importance of meeting market expectations, especially around animal welfare, food safety and the environment.

Pre-election advocacy to influence government policy

With the 2023 General Election in October, a major focus was on ensuring the main political parties understood the issues facing sheep and beef farmers. In the lead-up to the election, B+LNZ and other sector partners collaborated on activity to keep the sector's issues front of mind as political parties developed their policy platforms.

Manifesto

In December 2022, B+LNZ and the Meat Industry Association (MIA) launched the red meat sector manifesto. With political parties still shaping their policy platforms ahead of the election, the document set out a comprehensive package of policy changes aimed at sustainably growing export revenues and increasing jobs.

The recommendations spanned across the policy areas of climate and environment, workforce and industrial relations, trade, biosecurity, and innovation, research and development. A copy of the manifesto was sent to every MP, as well as rural and provincial mayors across the country.

A key theme of the manifesto was major policy changes needed to work with New Zealand's red meat production system rather than against it.

There was a strong call to press pause on any new environmental regulation, like biodiversity and RMA reform, and to work with the sector to fix policies already in place like freshwater.

We continued to meet with politicians from all the main parties to talk through the key policy priorities up until the Election.

Briefing to Incoming Ministers

In late August, MIA, in conjunction with B+LNZ, hosted a cocktail function at Parliament with politicians where we jointly launched the Briefing to Incoming Ministers (BIM). The BIM sets out strategic challenges New Zealand must grapple with to improve the prosperity of the country and Kiwis, and how to do this.

Kiwis Backing Farmers Campaign

In February, B+LNZ launched the 'Kiwis Backing Farmers' campaign in partnership with advocacy group 50 Shades of Green.

The campaign, which followed on from the development of the sector manifesto, was aimed at highlighting the cumulative impact of environmental regulations on farmers. It asked New Zealanders to show their support for the sheep and beef sector and thriving rural communities, and called on the Government to press pause on new rules and work with the sector to fix existing ones, like putting limits on forestry offsets in the Emissions Trading Scheme.

More than 3,000 people sent over 27,000 individual emails to ministers as a result of the campaign, exceeding our goal.



Watch the
Rural Issues Debate

Thursday 14 September at 7.30pm

 Heather du Plessis-Allan HOST	 Damien O'Connor LABOUR	 James Shaw GREENS
 Todd McClay NATIONAL	 Andrew Hoggard ACT	 Mark Patterson NZ FIRST

Brought to you by

Rural Issues Debate

In September, B+LNZ, in partnership with Federated Farmers and DairyNZ, organised the Rural Issues Debate, which featured politicians from all the main parties outlining their primary sector policies and how they intended to address the significant issues facing our sector.

The panel included Damien O'Connor (Labour), Eugenie Sage (Green Party), Todd McClay (National), Andrew Hoggard (ACT), and Mark Patterson (New Zealand First), and was hosted and moderated by Newstalk ZB host Heather du Plessis-Allan.

The debate focused on rural issues and the topics that affect the vast percentage of the New Zealand population that does not live in a major city centre – around 2.5 million New Zealanders – as well as shining a light on rural issues to a wider New Zealand audience.

Held in front of a live audience of 300 people at Hamilton's Mystery Creek, over 35,000 more followed the livestream and many more the recording posted on the NZ Herald website afterwards. The event also generated a lot of additional media coverage across a range of outlets.

Advancing sector policy and advocacy

We have lifted investment in our insights and research work during the year, recognising the increasing role it plays in helping to shift the policy conversation. It also enhances our reputation as a trusted source of information about our sector and farming businesses. Our reports are increasingly used by many within the sector and by influencers interested in the topics, and they help underpin our advocacy efforts. During the year we have also partnered with others to fund research where we have common goals.

Key reports we released this year include:

- *Agriculture emissions and warming in Aotearoa New Zealand to 2050* - groundbreaking research by world-leading climate scientists that clearly showed New Zealand's methane reduction targets are too high. (See 'Methane targets' below)
- *Cumulative impact of Government policy on New Zealand sheep and beef farms* by BakerAg, which quantifies the cumulative effects of the Labour Government's environmental reform agenda on farms, showing it has been detrimental. This was the first time anyone had done this kind of analysis and furthered our case for a more detailed review of policies and their effects.
- *International Emissions Trading Schemes and Forestry Review*, exploring the relationship between emissions pricing and forestry in other countries. It found New Zealand's policy of allowing fossil fuel emitters to offset all their greenhouse gas emissions by planting trees is at odds with the rest of the world, and it's having a damaging impact on the agricultural sector and rural communities. (See 'Carbon farming' over the page.)



Methane targets

B+LNZ, with Federated Farmers and DairyNZ, worked with leading climate scientists from Oxford University to inform a submission to the Climate Change Commission on New Zealand's methane targets.

The study, led by internationally respected climate scientist Professor Myles Allen, measured the warming impact of New Zealand's current methane targets and demonstrates the importance of taking a warming-centered approach to emissions reduction. It clearly showed that New Zealand's current methane reduction targets are too high and would see methane offset all the expected additional warming from carbon dioxide and nitrous oxide from the entire New Zealand economy.

With the Climate Change Commission set to review New

Zealand's methane reduction targets in 2024, in line with the Zero Carbon Act, we commissioned this research to help inform the conversation as the global understanding of climate change science has evolved significantly since New Zealand's targets were set in 2019.

It is critical the most up to date research is considered to give farmers confidence about what they are being asked to do. This research shows the current methane targets would ask farmers to do more of the heavy lifting and bear more of the cost than other parts of the economy.

The research has been submitted to the Climate Change Commission ahead of a public consultation in 2024, when farmers will have the opportunity to have their say on the Commission's advice on targets. Note: the new Government has indicated it will review the targets based on warming.

Agricultural emissions pricing

In response to farmer feedback, particularly during the 2023 Annual Meeting remits process, B+LNZ changed its position on the original He Waka Eke Noa proposal that was put to Government in 2021, and no longer supports it.

Instead, we advocate for the focus to be on setting up a cost-effective, sector-wide farm level measurement and reporting framework that is practical and useful for farmers. Regulatory frameworks need to allow for assessment of new mitigation tools, which is a far more effective policy approach than pricing. Further work to validate and recognise all forms of scientifically credible on-farm sequestration is needed.



Carbon farming

The rate of whole-farm sales for conversion into forestry, particularly for carbon farming, remains a significant issue facing sheep and beef farming.

B+LNZ strongly supports the integration of trees within farms, seeing this as a win-win - it can go a long way towards meeting New Zealand’s climate change commitments rather than through the conversion of entire farms.

In May we released research showing that New Zealand and Kazakhstan are the only countries that allow 100 percent offsetting in their carbon pricing mechanism and that allowing fossil fuel emitters to offset all their emissions by planting trees is having a damaging impact on the agricultural sector and rural communities.

In July, the Labour Government opened consultation on a review of the Emissions Trading Scheme (ETS)

and the role of forestry within it, and specifically on potential changes to the permanent category of the ETS. B+LNZ’s submission was informed by nearly 200 survey responses, which was critical in understanding the range of farmer views on this complex area. We also provided a submission template for farmers to use.

In August, we released an independent report showing changes are needed to the ETS and what these should be. The analysis, by legal firm Meredith Connell, was commissioned before the Labour Government released proposals for consideration and was provided to the Ministry for the Environment. It also informed B+LNZ’s consultation submission.

Also in August, B+LNZ released updated research by Orme & Associates showing the scale and pace of sheep and beef land purchased for forestry

is even higher than first thought. The amount of land sold in 2021 soared 66 per cent compared to the previous year. We will be discussing with the new Government ways to address this issue.

Biodiversity

B+LNZ remains very concerned about the National Policy Statement on Indigenous Biodiversity (NPSIB), which was finalised in July. While minor changes were made on the exposure draft, released in 2022, fundamental issues remain making it complex and cumbersome and will significantly impact sheep and beef farmers.

We continue to advocate for implementation to be put on hold and for major changes to be made. The new Government has indicated a willingness to do this. The definition of a Significant Natural Area (SNA) is still too broad and sizeable areas of sheep and beef farms are likely to be captured, which will limit what farmers can do on that land, tying them up in red tape and devaluing farms.

During 2023, the Labour Government consulted on a biodiversity credit system to incentivise farmers to protect and enhance biodiversity on their land. Our initial response was that while this could offset some impact it will require a lot of work and is unlikely to compensate for the flawed underlying regulation. B+LNZ’s submission was informed by farmer feedback via a survey.



Freshwater

Significant changes are still needed to the freshwater rules, including the national bottom lines for sediment and *E. coli*, stock exclusion, and freshwater farm plans.

In September, the Labour Government announced some further changes to the stock exclusion regulations. Getting improvements was a win for our sector.

However despite several positive changes there are still no exemptions for low-intensity farming systems. It is vital that this is resolved. The current 1 July 2025 date for when beef cattle on low-slope land need to be excluded is looming and the uncertainty is having significant impacts on farmers who

need time to plan and fund any stock exclusion requirements.

Freshwater farm plans have been activated in parts of Waikato and Southland and will roll out across the country over the next two years. B+LNZ does not believe freshwater farm plans should be mandatory for all farmers and is unhappy with the costly certification and auditing requirements. We are also pushing for there to be as little duplication as possible between the requirements of freshwater farm plans and other farm planning requirements. The new Government has indicated willingness to make significant changes in this space, which are urgent and vital.

Mycoplasma bovis update

The eradication programme continued with no new confirmed infections (since April 2022) up until September 2023, when a dairy farm in Selwyn was confirmed to be infected with *M. bovis*, which was identified by standard background screening. The programme had expected to identify more infected properties during spring testing, and it does not undermine progress toward eradication.

The next stage of the programme is a surveillance phase, which signals a move from active management of the disease and a transition to monitoring and response, as the estimated 10-year eradication plan passes its half-way mark. If successful, New Zealand will be the only country in the world to achieve eradication and return to being *M. bovis*-free.

B+LNZ has continued its work with other industries on the MPI Foot and Mouth Disease (FMD) Taskforce, which was established in 2022 to increase New Zealand's readiness for FMD.

Additional work has also been ongoing on a National Pest Management Plan, which is anticipated to come into effect in July 2024. If approved, it will provide legislative authority for a management agency to carry out the programme's services, including enforcement.

Until this change occurs, oversight of the programme will continue to be carried out by the *M. bovis* Governance Group made up of MPI, DairyNZ and B+LNZ.

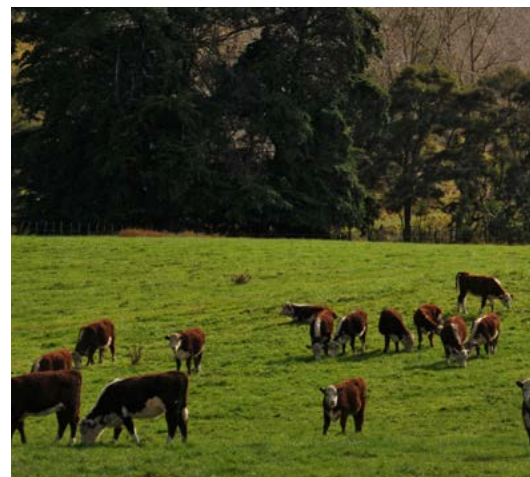


Our regional policy work included:

- Presenting a joint case with Federated Farmers in the Waikato PC1 Environment Court hearings
- Supported Federated Farmers' Environment Court appeal on the proposed Southland Water and Land Plan, where the Environment Court had made decisions that risked making all pastoral farming require resource consent
- Informing economic reports by Otago Regional Council to ensure the council has a strong understanding of sheep and beef livestock production and red meat processing, and providing submissions and evidence on the Otago Regional Policy Statement on freshwater
- Engaging with and providing feedback to regional councils at various stages of their regional freshwater planning processes, reflecting farmer concerns.

Formal submissions made in the past year:

- National and Built Environment and Spatial Planning Bills
- Review of the design of the New Zealand Emissions Trading Scheme (NZETS) and its permanent forestry category
- Ministerial Enquiry into Land Use
- Draft advice on the second Emissions Reduction Plan (2026-2030)
- Deferral of NZETS reporting obligations for animals-farmer activities consultation
- Inquiry into climate adaption
- Biodiversity credit system consultation
- Stock exclusion regulations consultation.





Increasing market returns

B+LNZ works to ensure our farmers receive increased value from our sustainable farming systems and natural grass-fed beef and lamb – we identify and create market opportunities, work to dismantle trade barriers and grow consumer preference for New Zealand beef and lamb.



Total levy investment* in this strategic pillar was \$7.4m for 2023. The following table is a summary of the key initiatives within this pillar.

Name	Description	Contribution to strategic priority
Market Development	\$5.9 million	
Taste Pure Nature	Development and implementation of the activation strategy for Taste Pure Nature in the United States and China.	Build and implement the means to market NZ red meat as a premium product in markets across the world.
Market Insights and innovation	Identify, develop and share opportunities for market innovation and collaboration with processing companies, including new products categories and channels to market.	
Sector engagement & quality assurance	Provide governance support to the New Zealand Farm Assurance Programme and ensure alignment to Taste Pure Nature, creating a platform for increased pricing.	
Domestic promotion	Provide funding for the promotion of beef and lamb within New Zealand, while improving trust and reputation in the sector.	
Market Access	\$1.5 million	
Facilitating Trade	Protect and improve access to global markets.	Maintain and increase access to key markets to capture maximum value.
FTAs & Brexit	Improve our market access into the UK and Europe with no loss of access due to Brexit.	

** Levy Investment is the total cost of the programme including operating costs (people, rent, vehicle & travel) and project costs, offset by any third party programme income*

Increasing market returns

Key achievements in 2023

- UK-NZ free trade agreement entered into force in May bringing significant new market access for beef products. A new FTA with the EU was not as positive for our sector but provided increased access, which wouldn't have happened without our advocacy.
- Release of the biennial *Barriers to International Trade* report with the Meat Industry Association.
- Increased awareness of, and preference for, New Zealand's grass-fed beef and lamb in the key markets of China and US through the Taste Pure Nature brand.
- Through our work as part of important international groups such as the International Meat Secretariat, the Global Roundtable for Sustainable Beef and the Global Sheep Forum, we have continued to position New Zealand sheep and beef farmers as leaders in sustainability.
- Successfully bid for a seat on the Global Roundtable for Sustainable Beef Board, where we represent New Zealand's beef producers' interests. The two-year term begins in November 2023.

Taste Pure Nature

Throughout 2023, B+LNZ continued to build awareness and aspiration to buy New Zealand grass-fed beef and lamb in the US and China through our Taste Pure Nature (TPN) brand marketing campaign.

US update

The TPN campaign in the US continued to drive positive results. B+LNZ's tracking shows preference for New Zealand beef and lamb remains high with our target audience of Californian Conscious Foodies.

Our paid media programme continued to be an effective tactic to reach California Conscious Foodies, generating more than **118.3 million impressions** in 2023. We ran five campaigns throughout the year, including a holiday-themed campaign in the lead-up to Christmas to encourage New Zealand grass-fed beef and lamb onto the American festive table. The campaign resulted in more than **10.6 million views and 44,000 clicks** to the website, where consumers could learn more about our exporters' products and where to buy.

We continued to build on our social media presence in 2023 focusing on platforms most used by our target audience, including Instagram, Facebook and Pinterest, which generated more than **99,800 engagements** and attracted over 3,000 new followers to our channels.



During the year, we sponsored an editorial content series on Triple Pundit, a digital media platform reaching a global audience of people interested in environmental, social and sustainability issues. The series highlighted New Zealand's sustainable farming systems and its aspirations for the future. Articles were distributed in newsletters, on social media and across more than 60 affiliate websites and had a potential reach of more than **600 million readers**.

In June, B+LNZ launched its influencer programme on social media in partnership with Atkins Ranch, Silver Fern Farms and First Light Farms to reach more Conscious Foodies with a mix of recipe, nutrition and educational content. In working with foodie social media

influencers What's Gaby Cooking, FlavCity, Plays Well With Butter, The Real Food Dietitian's and Spoon Fork Bacon, **over 15 million people** (the number of people who follow these influencers across all platforms) potentially learnt about New Zealand beef and lamb, our partner brands and were inspired to buy. Influencers continue to be a trusted source for discovery, information and education on social media platforms, and beyond.

We also continued to develop content for the Taste Pure Nature website, such as 'The Road to Carbon Neutral' webpage, and over the year traffic to the website **increased by 20 per cent**.

China update

The TPN campaign continues to be well received by Chinese Conscious Foodies. B+LNZ's tracking shows awareness for New Zealand beef and lamb remains high with quality, taste, trust and safety the key reasons for consumption.

Social media platforms such as WeChat, RED (Little Red Book) and Douyin continued to be a great way to connect with Chinese Conscious Foodies. This year, social platforms attracted **over 18,000 new followers**, achieved a **30 per cent uplift in content readership**, and a **25 per cent increase in engagement**.

'From New Zealand Naturally Good' was a three-month brand marketing campaign that ran from October to December 2022, across social media platforms. B+LNZ worked with Alliance and Silver Fern Farms on this campaign.

In May, we launched the TPN WeChat Mini Programme - a mini-website for consumers to learn more about the New Zealand grass-fed origin story, our exporters' brands and products, and where to buy.

Influencers play an important role in our China content strategy and in partnership with Silver Fern Farms and Alliance, we worked with influencers across categories such as food and lifestyle, fitness and family living. This generated content with more than **11.2 million impressions, 128,000 engagements**, and **total readership of 2.9 million**.

We also partnered with Life Weekly, one of China's most prominent media outlets, to produce a targeted content series encouraging readers to 'Discover the Taste of New Zealand' and how they can incorporate New Zealand beef and lamb into a healthy lifestyle. The campaign achieved more than **42 million impressions** and over **44,000 engagements**.

A key focus of this year's marketing programme was to leverage traditional holidays and seasonal festivities. We launched three seasonal campaigns in partnership with China's largest recipe app 'Go Kitchen'. Our Chinese New Year campaign generated more than **22 million impressions** and **299,000 website clicks**, while the Spring and Summer Solstice campaign delivered



81 million impressions and **848,000 engagements**, which is 28 per cent and 42 per cent higher than the platform benchmarks for such activity.

Market insight and innovation

In August, we launched the Taste Pure Nature premium ready-to-heat beef and lamb meal solution range in Shanghai supermarkets. This is part of the innovation programme, which brings new, added-value products to the market to test their acceptance, with commercial adoption by New Zealand export companies if successful.

A successful launch promotion with Bund Foodie Company supermarket was followed by interest from several other prominent Chinese retailers, including Hema Fresh, which started selling the meals at their new, high-end Premier store at the end of September.

Silver Fern Farms will scale up for commercial production and launch the range under their own brand in late 2023.



Trade access


New Zealand sheep and beef is a vital part of New Zealand's export-driven economy. With over 90 per cent of the red meat sector's production exported to 119 countries in 2022, trade access continues to be a crucial focus for B+LNZ.


While there has been significant focus on the EU and UK free trade agreements (FTAs) and on the sector's reliance on China, the sector has been growing its exports to other


markets. In 2022 there were record exports to Thailand (\$62 million) and Vietnam (\$32 million).


During the year we contributed to the FTA negotiations.


The focus of our trade policy is also on resolving non-tariff barriers to trade, which place a significant cost burden on the sector. These cover a range of issues and are difficult to address, however our FTAs do offer some avenues to help with this.

13%
 **Export receipts in 2022 \$11.8 billion up 13 per cent on 2021**

In 2022 the sector still faced an estimated tariff burden of \$197 million


2010 | **2020** **In the period between 2010 and 2022, the total tariff burden on the sector reduced from 5.9 per cent (\$370 million) in 2010, to 1.7 per cent (\$197 million) in 2022**


Non-tariff measures cost the sector \$1.5 billion


86%
 **86 per cent of the sector's trade will be covered by a preferential trade agreement of some kind, such as FTAs, when the EU FTA comes into force in 2024**

Barriers to International Trade report

In June, B+LNZ and the Meat Industry Association released the biennial *Barriers to International Trade 2022/23* report.

Since our last report, the sector has faced many challenges, including recovering from the disruption caused by the COVID-19 pandemic, significant climate and weather events, and implementation of new regulations that place further pressure on operations. Despite these challenges, the red meat sector posted export receipts in 2022 at \$11.8 billion, its best-ever result and a growth of 13 per cent on the previous year. This makes the sector the country's second biggest export goods producer.

The growth has been driven by demand from our largest market China, however, there has also been significant growth in smaller markets such as Malaysia, Thailand, and the Philippines, demonstrating the diversity of our exports.

The tariff costs imposed on the red meat sector's exports have generally been declining over the last decade or so, due to the steady reduction of tariffs under New Zealand's network of FTAs. However, 2022 saw a 22 percent increase in the sector's tariff costs compared to the previous year. This was almost entirely due to a higher volume and value of beef exports to Japan and South Korea, where there are still relatively high tariffs for some products.

Complementary research on non-tariff measures shows New Zealand faces 2.3 times more non-tariff measures than the world average, and some of the technical barriers to trade impose \$340 million in administrative costs that provide little consumer benefit.

As tariffs have dropped, non-tariff measures have become one of the most significant challenges for the red meat sector. These impose significant costs in production and administration, as well as causing delays and commercial uncertainty. We are working to prioritise this as part of the New Zealand trade strategy.

Free trade agreements (FTAs)

New Zealand currently has FTAs with the majority of the countries we export to, and when the FTA with the EU comes into force in 2024, 86 per cent of the sector's trade will be covered by a preferential trade agreement of some kind, such as FTAs.

These agreements will progressively reduce tariffs over time and continue to deliver benefits to New Zealand beef and sheep farmers.

UK

The FTA with the UK came into force on 31 May 2023. It provides significant benefits for the sector as it delivers comprehensive access for beef and creates new avenues for growth for the red meat sector. B+LNZ and the Meat Industry Association worked closely with New Zealand negotiators to secure commercially meaningful outcomes for red meat, particularly for beef products.

In the first year New Zealand has a duty-free beef quota of 12,000 tonnes, significantly more than previous access. This increases to 38,820 tonnes in year ten, after which beef exports will

be tariff-free, although a safeguard mechanism is in place from years 11-15.

Based on 2022 export volumes, the potential tariff savings in the first year will be at least \$3 million, which is significant for a relatively small export volume. Given that exports will increase with the new quota access, the actual value of the tariff savings will likely be much larger in the first year alone.

Not only will the FTA support the sector to unlock further value in this important market, but it will further strengthen New Zealand's already diverse export base.



European Union (EU)

The European Union (EU) FTA, when implemented in 2024, will also provide some beef access, which will slowly improve over the following seven years to 10,000 tonnes cwt.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

We've continued to work hard to ensure we get the maximum value out of the free trade agreements we already have in place. An example of this is through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), where we will see Japanese tariffs on New Zealand beef drop from a starting point of 38.5 per cent down to 9 per cent in 2033 - they are currently at 23.3 per cent.

Gulf Cooperation Council

During the year we continued to support the New Zealand government in its FTA negotiations with the Gulf Cooperation Council (Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman) where tariffs of up to 15 per cent remain on some products.

India

There remains a high level of interest in securing an FTA with India and we, along with the Meat Industry Association, are supporting work to progress this.



International cooperation

New Zealand-European Union free trade agreement

In February 2023, B+LNZ attended meetings in Brussels to support work on the ratification of the NZ-EU FTA, which was signed on 9 July 2022, and is expected to enter into force in 2024.

The Global Roundtable for Sustainable Beef (GRSB)

During 2023, we continued our work to advance sustainable beef production and secured a side event at COP 28 in November 2023, with the GRSB, the Canadian Cattle Association, and the Global Dairy Platform, to advocate for GWP* and a warming approach to methane reduction targets. We were successful in our bid for a seat on the GRSB Board for a two-year term, which begins in November 2023. We will use this opportunity to lead the conversation on international beef sustainability.

Global Sheep Forum (GSF)

B+LNZ continued to work with counterparts from the Australian, British, Canadian, and US sheep industries through the GSF to share knowledge and work on issues we have in common. We've been working on a 'Next Generation' sheep farmers programme, to link up young sheep producers from around the world, which we are looking to launch in 2024.

International Meat Secretariat (IMS)

Through the IMS, we have worked to position New Zealand sheep and beef farmers as leaders in sustainability, and advocate for international policy that protects food production and recognises the importance of red meat for global nutrition.

In September, we attended the United Nations Food and Agriculture Organization meeting in Rome, as part of the IMS delegation, in support of the release of the FAO's methane report. This is a key document for our future advocacy on this issue.

The International Beef Alliance (IBA)

The IBA concludes at the end of 2023, as its functions are being covered by other groups such as the GRSB and the IMS. We will continue to work with IBA members through these organisations and bilaterally on issues of interest.

APEC

In August, B+LNZ attended the APEC meeting in Seattle, where we spoke on food security, climate change and trade.

In New Zealand

Domestically, we have hosted a number of visits during the year, including with Chinese and British Government officials and the Australian sheep industry organisation. These visits highlight the unique nature of New Zealand sheep and beef farming and demonstrate our commitment to high quality, sustainable and ethical red meat production.



Budget

Levy Expenditure

Funded by levies of \$30.2 million, New Zealand Meat Board grant funding of \$1.4 million, interest & other income of \$1.2 million and levy reserves of \$1.8 million in 2023.

Priorities	Actual 2022-23 \$,000	Budget 2023-24 \$,000
Supporting Farming Excellence	\$15,610	\$18,040
Increasing Market Returns	\$7,350	\$3,270
Championing the Sector	\$8,542	\$8,378
Administration	\$3,029	\$3,120
Total Levy Expenditure	\$34,532	\$32,808

*Total Levy Expenditure is net of third party programme income of \$5.2 million in 2023 (\$5.4 million budgeted in 2024).

Budget 2023-24

	Beef Levy Dollars Per Head	Sheepmeat Levy Dollars Per Head
Supporting Farming Excellence	3.17	0.46
Increasing Market Returns	0.64	0.07
Championing the Sector	1.57	0.20
Administration	0.60	0.07
	5.98	0.80
Income		
Levy	5.20	0.75
NZMB Industry Good Grant	0.46	0.02
Interest Income	0.18	0.02
	5.84	0.79
Levy Stream (Deficit) For The Year (funded from Reserves)	(0.14)	(0.01)

Governance

B+LNZ Governance Statement

The Board has responsibility for the strategic direction of B+LNZ, approving business strategy and objectives, and monitoring performance of the Chief Executive Officer.

The B+LNZ Board has adopted a Board Charter which sets out the responsibilities of the Board, the delegations to management and a Board review of performance.

The Board comprises six farmer directors, two industry directors and an independent director.

An associate director position is offered by the Board to create a development opportunity for aspiring directors from the sector. This position was filled by Glen McDonald over the last financial year.

The Board met eight times in the financial year and held extra meetings as required.

The Board has two Committees both shared with the New Zealand Meat Board (NZMB).

Audit & Risk Committee: This Committee assists the Board with its governance responsibilities for financial reporting, external audit, and risk management.

The Audit & Risk Committee comprised Martin Coup (Chair), Kate Acland (until April), Bayden Barber, Alex Guilleux (from April), Geoffrey Young (from April), George Tatham (until May), Pat Crawshaw (from May) and Sarah Paterson (NZMB director).

People and Culture Committee: This Committee assists the Board in the oversight of the remuneration policies for the B+LNZ team, reviews for the CEO and his reports, and the oversight of culture and development within B+LNZ.

The People & Culture Committee comprised Scott Gower (Chair), Kate Acland, Alex Guilleux (until April), Nicky Hyslop, Andrew Morrison (until March), and Peter Conley (from February).

	Board Meeting	Audit & Risk Committee	People & Culture Committee
Number of Meetings	8	3	4
A Morrison (Chair until 30 March 2023)	4		1
K Acland (Chair from 1 April 2023) (Deputy Chair until 30 March)	8	1	1
B Barber	5	2	
M Coup	7	3	
S Gower	8		4
A Guilleux	8	2	4
N Hyslop	8		4
P Conley (from February 2023)	5		1
G Young (from April 2023)	4	1	
D Surveyor (until December 2022)	2		
G Tatham (until May 2023)	5	1	
P Crawshaw (from May 2023)	4	1	
G McDonald (Associate)	8		

Gender Diversity

The gender breakdown across the B+LNZ team from governance, Leadership Team and the B+LNZ team as at 30 September 2023 is set out below.

	This Year		Last Year	
	Female	Male	Female	Male
Directors (incl. Associate)	2	8	3	7
Leadership Team	3	6	1	7
Team	78	32	80	33

Remits from 2023 Annual Meeting

Nine remits were proposed and voted on by farmers. While the results are non-binding, they are an indication of farmer sentiment, and the Board has directed work take place in response. The table below shows progress by year end on each of the nine remits.

Remit	Status
<p><i>The impact of the “weighted vote” on decisions is reviewed and reported back to farmer levy payers in order to understand how this mechanism influences outcomes and if on balance, it has a material influence that potentially leads to inequities in decisions. In particular the influence of the government-owned farms on voting outcomes must be reviewed and addressed. This may lead to a requirement for the B+LNZ Constitution to be amended to reflect the risk and inequity involved in weighted voting.</i></p>	<p>The B+LNZ Board has undertaken and considered analysis of the impact of the weighted vote compared to ‘one farmer one vote’ counting over the last ten years. The analysis showed that in all but two of the 13 Director elections over that period the weighted vote and the one-for-one vote would have delivered the same result, and in the two cases where the result would have been different voter turnout was unusually low. The Board therefore determined that no changes to the B+LNZ Constitution should be made in relation to weighted voting. This decision was posted on the B+LNZ website in June 2023.</p> <p>B+LNZ is continually working to ensure we have the best possible view of farmer opinion to support decision-making, and to increase voting participation by farmers.</p>
<p><i>B+LNZ & NZMB Board members and their contact details displayed on the B+LNZ website.</i></p>	<p>This has been completed and farmers advised.</p>
<p><i>B+LNZ will clearly define and communicate the role of the Farmer Council and local Farmer Councillors and display the members of the B+LNZ Farmer Council, with their contact details on the B+LNZ website.</i></p>	<p>A third party-led review of the B+LNZ Farmer Council was completed and recommendations approved at the December 2023 B+LNZ Board meeting.</p> <p>Inputs to this review included:</p> <ul style="list-style-type: none"> • (June) feedback from a workshop at the Farmer Council Conference on the need for change across several areas to ensure a successful future for the Farmer Council and B+LNZ • (July and August) in-depth interviews with the Farmer Council Executive and non-Farmer Council farmer focus groups • (September) a quantitative survey • feedback from the national Farmer Feedback Sessions held May-July 2023. <p>Implementation of recommendations has been put into the GM Extension workplan for January-August 2024.</p> <p>Recommendations can be summarised into five critical areas:</p> <ul style="list-style-type: none"> • clarity of purpose, role and scope • updating operating procedures • establishing processes to support onboarding and communication • reviewing the structure and connection of B+LNZ Farmer Council, Farm Research Advisory Group and Environmental Reference Group to manage workload for members along with the farm impact feedback and farmer voice that B+LNZ needs for the work of the functions these groups support • establishing a clear communication plan and channels for promoting and presenting the role of the B+LNZ Farmer Council across B+LNZ regional activities. <p>The chairs and deputy chairs of regional Farmer Councils are displayed on the B+LNZ website. The dedicated B+LNZ Farmer Council webpage will be updated with the revised purpose, role and scope in due course. The review did not recommend including contact details of Farmer Councillors on the B+LNZ website, informed by feedback from Farmer Councillors themselves.</p>

Remit	Status
<p><i>Where the B+LNZ Farmer Council and other Farmer Reference Group members are used by the organisation as the “voice” for grassroots farmer feedback, they are not constrained in any way by B+LNZ through non-disclosure agreements or any other type of policy which will result in their views being suppressed. In addition, B+LNZ should clarify by what means all farmers have to feedback to the organisation in a way that will allow their voice to be heard.</i></p>	<p>The Farmer Council and farmer reference groups are two important mechanisms for farmer voices to be heard, and B+LNZ also uses face-to-face meetings with farmers, workshops, surveys, webinars, emails, phonecalls and other tools to hear grassroots farmers’ voices.</p> <p>No member of any group is constrained from having their views heard, and this is a core philosophy of the B+LNZ Farmer Council and Farmer Reference Groups. Non-disclosure agreements perform the role of ensuring confidential discussions can be had with sensitive information that would not otherwise be available to B+LNZ. These non-disclosure statements do not prevent farmers from publicly stating their position, or agreement/disagreement with any B+LNZ position.</p> <p>While B+LNZ always aims to communicate clearly the positions taken and the reasons behind those positions, we recognise it’s an area for improvement.</p>
<p><i>B+LNZ immediately engage an independent review analysing the process of how B+LNZ currently assemble a mandate that reflects the wishes of their levy payers and the effectiveness and transparency of all advocacy.</i></p>	<p>B+LNZ has taken action to improve its engagement with levy payers on policy issues.</p> <p>An independent policy advocacy review was commissioned in 2023 and will be released in early 2024. It compared B+LNZ’s practices in two policy processes (He Waka Eke Noa and Essential Freshwater) against best practice as identified through a literature review.</p> <p>A series of farmer feedback sessions and farmer focus groups were held around the country to listen to farmer concerns, and that feedback also fed into this policy advocacy review.</p> <p>The policy advocacy review indicated that B+LNZ was using many best practice approaches but recommended areas for improvement. B+LNZ has accepted these recommendations and will be implementing them.</p>
<p><i>B+LNZ does not at any time commit to a policy and/or recommendation which may have significant ramifications for levy payers without prior best-practice consultation with levy payers that would solicit and seek their agreement to proceed.</i></p>	<p>Work on this remit has been covered in the policy advocacy review.</p>
<p><i>B+LNZ exit the HWEN (He Waka Eke Noa) Partnership immediately in order to advocate for sheep and beef farmers to achieve a more sustainable and equitable emissions reduction proposal in an unbiased and unconstrained manner.</i></p>	<p>B+LNZ has withdrawn its support for the He Waka Eke Noa pricing proposals but maintains the position that there is value in working through some issues collectively with other sector groups.</p> <p>B+LNZ believes there is no justification for pricing emissions given the sheep and beef sector’s progress on reducing emissions, coupled with the fact the current methane target is too high, and any reduction in NZ production is likely to be picked up by other countries which are less emissions-efficient.</p>
<p><i>That B+LNZ commits to ongoing unrelenting advocacy for a different pricing mechanism to what was recommended in the ‘HWEN’ proposal (and the subsequent response to government).</i></p>	<p>This was part of the independent policy advocacy review, the recommendations of which are now being implemented.</p> <p>As per above response, B+LNZ no longer supports a price on emissions and has withdrawn its support for the He Waka Eke Noa pricing proposal.</p>
<p><i>During any advocacy negotiations where there is a perceived or actual conflict between advocating for the Sheep and Beef sector versus the Dairy industry, this conflict must be declared by B+LNZ and the advocacy position taken will be from a sheep and beef sector standpoint.</i></p>	<p>B+LNZ focuses first and foremost on the needs of sheep and beef farmers and how we can best advocate on their behalf. We also work closely with both DairyNZ and Federated Farmers to try and ensure the pastoral sector is as influential and coordinated as possible, but always with the objective of getting the best outcomes for sheep and beef farmers.</p> <p>Ahead of regional plan changes in response to freshwater policy, the organisations are working together on how best to represent what our communities want to see in the freshwater space. This includes respecting that B+LNZ and DairyNZ have a duty to advocate for their respective industries, and a mechanism for dealing front-on with conflicts that arise as a result.</p>

Statement of Service Performance

For the year ended 30 September 2023

Beef + Lamb New Zealand Limited (B+LNZ) exists under the Commodity Levies Act 1990. No later than every six years sheep and beef producers vote to support B+LNZ’s industry good mandate and continue paying red meat levies.

The last farmer referendum was held in 2021 and the Commodity Levies (Meat) Order 2021 regulation approved which provides levy funding from sheep (75 cents per head) and beef (\$5.20 per head) production at point of slaughter for investment in the strategic priorities, as set out in the referendum levy proposal.

Under the 2021-26 strategy, B+LNZ’s vision is sustainable and profitable farmers, thriving rural sustainable farming communities, valued by New Zealanders.

Working with our farmers our priorities are:



Supporting farming excellence. Our farmers run sustainable, profitable, farming systems.

We do this by supporting farmers to achieve this by delivering the world’s best research, innovation and extension.



Championing the sector. Our farmers are celebrated as the world’s best red meat producers.

We do this by positioning the sector to be respected and supported by New Zealanders and advocating for policies that enable our farmers.



Increasing market returns. Our farmers receive increased value for our sustainable farming systems and natural grass-fed beef and lamb.

We do this by identifying and creating market opportunities, dismantling barriers, and growing consumer preference for New Zealand beef and lamb.

Our farmers

Partnerships are a key enabler to our strategy, and engagement with farmers is central to what we do, across our teams, programmes, events and advisory groups. Our priority is face-to-face contact where possible, but we reach farmers in a range of ways.

We track key indicators to better understand how our engagement is working and how farmers are feeling about the sector. Surveys are conducted by an independent third-party provider on a quarterly basis using well established methodology.

Farmer awareness of B+LNZ and satisfaction with B+LNZ are key measures of success for B+LNZ and represent farmer perception of overall performance.

Investment

B+LNZ’s investment in industry good activities is allocated across the strategic priority areas, as approved by farmers during the referendum process, and third-party income and Government funding is sought to leverage the levy funds invested.

The strategic priority areas are broken into programme areas and reported against the budget targets set for the 2023 year to provide transparency where the levy investment is made on behalf of farmers.

Farmer metrics

	Target	2023	2022 (unaudited)
Farmer awareness of B+LNZ (12 month rolling average)	>80%	82%	81%
Farmers neutral or satisfied with B+LNZ (12 month rolling average)	>75%	69%	80%
Farmer events	450	394	571
Event attendees	13,000	12,907	15,026

Farmer awareness and satisfaction with B+LNZ is summarised from the September 2023 survey of a representative sample of 495 farmers from across all regions chosen by an independent research provider from the B+LNZ farmer database. The survey is conducted on a quarterly basis.

The target is to achieve awareness levels more than 80%. Awareness levels have averaged 82% across the year slightly up from the previous year. Farmers are asked how much they know about B+LNZ and what it does with reference to the strategic priorities.

Farmers satisfaction Includes both satisfied and neutral responses returned in the survey. Farmers are asked to rate satisfaction (a score of 1-2), neutral 3 and dissatisfied 4-5). Over the last twelve months the rolling average for neutral and satisfied farmer responses has fallen to 69% with a big shift from satisfied to neutral. Key drivers for this shift was farmer views that the B+LNZ position on He Waka Eke Noa and climate change was not supported by them and B+LNZ was not seen to be standing up well enough for farmers with the Government

Farmer events summarise the farmer events run by B+LNZ and includes joint events with partner organisations. The number of events and the number of attendees has reduced with significantly less GHG know your Numbers workshops being held in the 2023 financial year and also the Impact of the Auckland anniversary cyclone and Cyclone Gabrielle In the Northern and Eastern North Island regions. While less events had been planned (those run by partners), the impact of the cyclones also contributed across the North Island to the reduction in the 2023 year.

Investment by strategic priority \$,000

	Target 2023	Actual 2023	2022 (unaudited)
Supporting Farming Excellence	18,500	15,610	14,098
Research	3,848	2,656	2,459
Genetics	4,901	4,600	3,304
Extension	4,569	4,409	3,996
Recruitment & training	1,324	960	1,175
Environment on farm	3,859	2,985	3,165
Increasing Market Returns	7,942	7,350	7,327
Taste Pure Nature, consumer insights & market innovation	6,135	5,897	5,534
Market access & policy	1,806	1,453	1,793
Championing the sector	7,769	8,542	6,640
Trust, reputation and communication	2,355	2,669	2,253
Advocacy on national & regional policy	5,414	5,874	4,388
Third party income as a % of levy income	19%	20%	18%

The major movements compared to Target (budget) were the delays to establishing a Facial Eczema research programme that has been contracted post balance date, recruitment and training requiring less funding as funding contracts were concluded and Informing NZ Beef milestones moving into the 2023-24 financial year.

Policy time was shifted to national and regional policy work particularly climate and freshwater, regional planning and then into industry trust and reputation including the Kiwis Backing Farmers campaign.

Summary Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2023

	Group Year Ended 2023	Group Year Ended 2022
In thousands of New Zealand dollars	Total	Total
Non Exchange Revenue		
Levies Received	30,194	30,252
Biosecurity Levies Received	3,069	2,997
Other Non Exchange Income	5,133	4,224
Exchange Revenue		
Other income	3,706	4,140
Total Income	42,102	41,613
Operating expenses	(44,439)	(41,308)
Net operating surplus/ (deficit) from operating activities	(2,337)	305
Net finance income / (expense)	565	(561)
Net operating surplus/ (deficit) for the year before income tax	(1,772)	(256)
Income tax expense	(45)	(27)
Net operating surplus/ (deficit) for the year	(1,817)	(283)
Total comprehensive income for the year	(1,817)	(283)
Attributable to:		
Levy payers	(1,817)	(283)
	(1,817)	(283)

These statements are to be read in conjunction with the notes on page 53. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2023

In thousands of New Zealand dollars	Parent Year Ended 2023		
	Beef	Sheepmeat	Total Levy Stream
Non Exchange Revenue			
Levies Received	14,181	16,012	30,194
Biosecurity Levies Received	3,069	-	3,069
Other Non Exchange Income	3,359	1,774	5,132
Exchange Revenue			
Other income	1,470	1,789	3,260
Total Income	22,079	19,575	41,655
Operating expenses	(22,382)	(21,592)	(43,974)
Net operating surplus/ (deficit) from operating activities	(303)	(2,017)	(2,319)
Net finance expense	278	287	565
Revaluation of Investment in Subsidiary company	12	18	30
Net operating surplus/ (deficit) for the year before income tax	(13)	(1,712)	(1,724)
Income tax expense	(22)	(22)	(45)
Net operating surplus/ (deficit) for the year	(35)	(1,734)	(1,769)
Total comprehensive income for the year	(35)	(1,734)	(1,769)
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:			(48)
B+LNZ Investments Ltd			(41)
B+LNZ Emissions Company Ltd			(7)
Group Net operating surplus/ (deficit) for the year- Levy Stream			(1,817)

These statements are to be read in conjunction with the notes on page 53. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2022

	Parent Year Ended 2022		
In thousands of New Zealand dollars	Beef	Sheepmeat	Total Levy Stream
Non Exchange Revenue			
Levies Received	14,076	16,174	30,251
Biosecurity Levies Received	2,997	-	2,997
Other Non Exchange Income	2,594	1,631	4,224
Exchange Revenue			
Other income	1,592	1,719	3,312
Total Income	21,259	19,524	40,784
Operating expenses	(20,309)	(20,025)	(40,335)
Net operating surplus/ (deficit) from operating activities	950	(501)	449
Net finance expense	(272)	(291)	(563)
Net operating surplus/ (deficit) for the year before income tax	678	(792)	(114)
Income tax expense	(14)	(14)	(27)
Net operating surplus/ (deficit) for the year	664	(806)	(141)
Total comprehensive income for the year	664	(806)	(141)
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:			
			(142)
B+LNZ Investments Ltd			42
Pastoral Genomics Ltd			5
B+LNZ Emissions Company Ltd			(189)
Group Net operating surplus/ (deficit) for the year- Levy Stream			(283)

These statements are to be read in conjunction with the notes on page 53. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2022	24,472	24,472	24,385	24,385
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(1,817)	(1,817)	(1,769)	(1,769)
Total comprehensive income for the year	(1,817)	(1,817)	(1,769)	(1,769)
Balance at 30 September 2023	22,655	22,655	22,616	22,616

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2021	24,755	24,755	24,526	24,526
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(283)	(283)	(141)	(141)
Total comprehensive income for the year	(283)	(283)	(141)	(141)
Balance at 30 September 2022	24,472	24,472	24,385	24,385

These statements are to be read in conjunction with the notes on page 53. A copy of the full financial report is available from Beef + Lamb New Zealand Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

In thousands of New Zealand dollars	Group 2023	Group 2022	Parent 2023	Parent 2022
EQUITY EMPLOYED				
Retained earnings	22,655	24,472	22,616	24,385
TOTAL EQUITY EMPLOYED	22,655	24,472	22,616	24,385
Represented by:				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6,192	4,256	6,190	4,089
Trade and other exchange receivables	809	783	795	740
Non-exchange Receivables	2,872	3,095	2,857	3,094
Term Deposits	4,000	7,500	4,000	7,500
Jarden - Managed Investment Portfolio	1,260	628	1,260	628
Derivative financial instruments	10	115	10	115
Assets held for sale	-	929	-	-
Advance to Subsidiary Company	-	-	-	761
TOTAL CURRENT ASSETS	15,143	17,306	15,112	16,927
NON-CURRENT ASSETS				
Property, plant & equipment	672	422	672	422
Intangible assets	357	77	357	77
Jarden - Managed Investment Portfolio	11,572	11,613	11,572	11,613
Investments in subsidiary companies	-	-	-	255
Term receivables- Exchange	34	24	34	24
TOTAL NON-CURRENT ASSETS	12,635	12,136	12,635	12,391
TOTAL ASSETS	27,778	29,442	27,747	29,318
CURRENT LIABILITIES				
Trade and other payables	3,875	3,865	3,883	3,857
Income in Advance	376	299	376	299
Derivative financial instruments	5	3	5	3
Deferred Revenue	87	-	87	-
Liabilities held for sale	-	29	-	-
Employee entitlements	703	753	703	753
TOTAL CURRENT LIABILITIES	5,046	4,949	5,054	4,912
NON CURRENT LIABILITIES				
Lease Liabilities	77	21	77	21
TOTAL NON-CURRENT LIABILITIES	77	21	77	21
TOTAL LIABILITIES	5,123	4,970	5,131	4,933
NET ASSETS	22,655	24,472	22,616	24,385

The Board of Directors authorised these financial statements for issue on 6 December 2023.

A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



K Acland
Chair



M Coup
Chair Audit & Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

In thousands of New Zealand dollars	Group Year ended 2023	Group Year ended 2022
Net cash flows from operating activities	(860)	(31)
Net cash flows from/(to) investing activities	2,795	(4,091)
Net increase/(decrease) in cash and cash equivalents	1,935	(4,122)

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 NZGAAP for a public benefit entity 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 2023. 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 NZGAAP and complies with New Zealand equivalents to International Financial Reporting Standards (NZIFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.
- If you require a complete set of the annual financial report please contact Chief Operating Officer, Beef + Lamb New Zealand, P O Box 121, Wellington or phone 04 473 9150. Alternatively the Financial Statements are available on website www.beeflambnz.com.

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 of the full Financial Statements.

All of the farmer and industry directors of Beef + Lamb New Zealand Limited are directors of the New Zealand Meat Board and all plus the independent director are directors of Meat & Wool Trust Ltd.

Board of Directors Fees	2023 (\$000)	2022 (\$000)
Chair	76	76
Directors	38	38
Chair of Board Committees	4	4

The above fees represent the annualised fees payable to Directors. The Company pays no other fees to Directors for their representation on subsidiary or other related organisations.

During the 2023 year (1 October 2022 to 30 March 2023 a Deputy Chair fee of \$5.6K was paid to K Acland (2022 \$4.4K).

The total director fees pool approved by farmers is \$401,500.

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 on the left 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.

(\$,000)	Number of Employees	
Remuneration Range	2023	2022
100-109	11	6
110-119	8	7
120-129	5	7
130-139	8	5
140-149	2	4
150-159	2	4
160-169	4	0
170-179	7	4
180-189	3	4
190-199	1	3
200-209	0	2
210-219	3	1
220-229	0	1
230-239	3	3
270-279	1	0
280-289	0	1
380-389	1	0
400-409	0	1

The People & Culture 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 2023. 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.

Meat and Wool Trust Ltd (Shareholder Beef + Lamb New Zealand Ltd)	Kate Acland, Bayden Barber, Peter Conley (A), Martin Coup, Patrick Crawshaw (A), Scott Gower, Alex Guilleux, Nicky Hyslop, Andrew Morrison (R), George Tatham (R), David Surveyor (R), Geoffrey Young (A).
Subsidiary Companies and Associates	
B+LNZ Clover Company Ltd Holds B+LNZ interest in Pastoral Genomics Research Consortium	Sam McIvor
B+LNZ Emissions Company Ltd Holds B+LNZ interest in Pastoral Greenhouse Gas Research Consortium	Sam McIvor
B+LNZ Investments Ltd Holds B+LNZ interest in the North Canterbury Future Farm	Sam McIvor
Taste Pure Nature Ltd Licences meat exporters with Taste Pure Nature branding	Sam McIvor
Primary Resources Ltd Non-trading	Andrew Morrison (R), Sam McIvor (A)
B+LNZ Genetics Ltd Non-trading	George Tatham (R), Sam McIvor, Cros Spooner
Beef + Lamb New Zealand Incorporated	Andrew Morrison (R), Sam McIvor, K Acland (A)
North Canterbury Future Farm Management Ltd (fully owned from 1 July 2020)	Sam McIvor
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison (R), Dan Brier (A)



Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the summary company and group financial report

Opinion

In our opinion, the accompanying summary company and group financial report of Beef + Lamb New Zealand (the 'company') and its subsidiaries (the 'group') on pages 46 to 53:

- i. Has been correctly derived from the audited company's and group financial report for the year ended on 30 September 2023; and
- ii. Is a fair summary of the company's and group financial report, in accordance with PBE FRS 43 Summary Financial Statements.

The accompanying summary company and group financial report comprises:

- the summary company and group statement of financial position as at 30 September 2023;
- the summary company and group statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended; and
- the summary group statement of service performance on pages 46 to 47



Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We are independent of the company and group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm has also provided other services to the company and group in relation to strategy discovery advisory services. Subject to certain restrictions, partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditor of the company and group. The firm has no other relationship with, or interest in, the company and group.



Other matter

The statement of service performance for the year ended 30 September 2022, was not audited.



Use of this independent auditor's report

This report is made solely to the stakeholders as a body. Our audit work has been undertaken so that we might state to the stakeholders those matters we are required to state to them in the Independent 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 stakeholders as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the summary company and Group Financial report

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the summary company and group financial report in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary company and group financial report that is correctly derived from the audited company and group financial report.



Auditor's Responsibilities for the summary company and Group Financial report

Our responsibility is to express an opinion on whether the summary company and group financial report are a fair summary of the audited company and group financial report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We expressed an unmodified audit opinion on the company and group financial report in our audit report dated 6 December 2023.

The summary company and group financial report does not contain all the disclosures required for a full company and group financial report under generally accepted accounting practice in New Zealand. Reading the summary company and group financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited company and group financial report of the company and group and the auditor's report thereon. The summary financial report and the audited company's and group financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.



KPMG
Wellington

6 December 2023



www.beeflambnz.com

