



BULLETIN

UPDATE ON 2019 WORK | JANUARY 2020

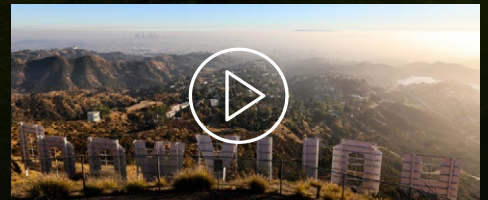
A message from our CEO

As I reflect on the state of the sheep and beef sector, it's clear the 2019 year was marked by unprecedented regulatory change but at the same time insatiable global demand for our products.

New Zealand's red meat exports have continued to perform strongly, despite global trade uncertainty, with exports for veal, beef, lamb, mutton, and co-products totaling \$9.7 billion for the 12 months to 30 September 2019. Beef + Lamb New Zealand's (B+LNZ) New Season Outlook 2019-20 has also tipped both sheepmeat and beef exports to break \$4 billion for the first time in the 2019-20 season, driven by continuing strong global demand for New Zealand's premium grass-fed red meat.

As farmers, we have a lot to be proud of and a remarkable story to tell our fellow New Zealanders and the world. We have half the ewe numbers we farmed in 1990 yet we're exporting about the same amount of lamb, and it's worth twice as much in export returns.

→ Get more content online



TASTE PURE NATURE

Watch a video highlighting some of the achievements of the 2019 Taste Pure Nature marketing campaign in the US



ENVIRONMENT STRATEGY PROGRESS REPORT 2019

Check out a summary of progress under the B+LNZ environment strategy

TURN TO PAGE TWO

FROM PAGE ONE

A message from our CEO

We're farming with two million less hectares, but have reduced our environmental footprint and our absolute greenhouse gas emissions by 30 percent since 1990. At the same time, we've conserved 1.4m ha of native bush (25% of NZ's total), and farm 180,000 ha of forestry. That's what I call farming excellence. Many New Zealanders recognise this too with recent research showing huge respect for what we do.

This document provides a summary of B+LNZ's work in 2019.

Major achievements have been the launch of Taste Pure Nature in California; the government's agreement to a collective Primary Sector proposal on measuring agricultural emissions and offsets at the farm level; the government's agreement to the Food and Fibre Skills Action Plan; and our engagement with over 3,500 farmers during the Essential Freshwater consultation process.

In 2020, we're prioritising five areas of farmer facing activity — areas that farmers have told us are a priority and where we can make the most difference.

1. Extending our high value country of origin brand— Taste Pure Nature—so that international and domestic consumers understand the unique qualities and value of New Zealand red meat
2. Continued environmental policy advocacy and supporting active on-farm planning and catchment communities;
3. Launching our new Farming Excellence R&D and extension strategy and integrating RMPP activities especially the Action Networks Programme
4. Growing industry trust and reputation with the New Zealand public and telling our farmers' stories
5. Successfully integrating BLG into B+LNZ to drive better genetics performance.



We recognise that we can't do this alone so we will be continuing to work closely with the other industry organisations such as the Meat Industry Association; Federated Farmers, DairyNZ, Federation of Maori Authorities and with key partners in government such as the Ministry for Primary Industries (MPI), Ministry for the Environment (MfE) and the Department of Conservation (DOC).

This is a time of opportunity matched by challenges.

However, there is one attribute of our sector that gives me tremendous confidence for the future—our industry is the most adept to change of any primary industry I've seen. By working together, we can achieve continued success and B+LNZ will continue to focus on this collaborative approach in 2020.

Sam McIvor
CHIEF EXECUTIVE OFFICER

Our Strategy

Vision

Our desired future for NZ's sheep and beef producers

Profitable farmers, thriving farming communities, valued by all New Zealanders






Purpose

How and why we do what we do

Insights and actions driving tangible impact for farmers

Priorities

How we generate impact

-  **Unlocking market potential**
-  **Enhancing our environmental position**
-  **Supporting farming excellence**
-  **Government & public insight & engagement**
-  **Building a great organisation**



ENHANCING OUR ENVIRONMENTAL POSITION

Strengthening our farmers' reputation in New Zealand and globally through sustainable environmental management

Key achievements and focus in 2019:

- Intensive engagement on national climate change, water, and biodiversity policy development and regional water processes.
- Government's agreement to the Primary Sector Climate Change Commitment: He Waka Eke Noa.
- Working to provide farmers with the tools to improve their environmental performance through new workshops on climate change, freshwater and winter grazing.
- Increased support for catchment communities, and significantly lifting the number of farmers with farm environment plans.

The environment has been one of our top priorities and we have continued to increase investment in this area.

The environment and potential regulatory changes are the biggest issues on farmers' minds. We have been advocating on farmers' behalf to ensure the development of sound, science-based policy. Once the policy framework is clearer, we will be focused on ensuring farmers have the right tools to implement these changes.

CLIMATE CHANGE

Climate change has been one of the major areas of focus. We have been engaging intensively in two key policy processes, the Zero Carbon Bill and *He Waka Eke Noa*.

Climate change is a complex area that policy-makers and industry groups across the world have been struggling to find solutions to. Our approach to dealing with this complexity is to ensure we base our policies and advocacy on the best available science so that our positions are sound and defensible. Taking a principled and analytical perspective gives us the best possible chance of achieving an outcome that can work for farmers, the wider primary sector and New Zealand..

Zero Carbon Bill

The Zero Carbon Bill, which sets the targets for reductions in greenhouse gases by 2050, was passed by Parliament on 7 November 2019.

B+LNZ worked closely with other agricultural organisations to advocate for a scientific and equitable approach to the methane targets. We support many elements of the Zero Carbon Bill, however we remain unhappy with the 24–47% methane reduction range as this range is asking methane to “cool” the planet while other gases are just being asked to provide no additional warming from 2050—which is not fair or equitable.

Our sector is committed to playing our role to address climate change. We have reduced our absolute emissions by 30% since 1990 and have set a goal of being carbon neutral by 2050. We have signed up to He Waka Eke Noa through which we will continue this process by taking a farm-level approach to addressing our agricultural emissions and ensuring farmers get credit for the sequestration happening on their farms.

We welcome Minister James Shaw's indications in parliament that as part of the legislation, the Independent Climate Change Commission has the power to review the range. We will continue to advocate for this to happen as soon as possible.

Climate Change Commitment—He Waka Eke Noa

We welcome the government's agreement to the Primary Sector Climate Change Commitment (He Waka Eke Noa) which sets out a farm-level approach to reduce agricultural emissions.

By working with the government, we have the best opportunity to develop a framework that is practical and simple for farmers, rewards positive change and supports the sector to reduce and offset farming's emissions. Please visit:

www.beeflambnz.com/climatechangecommitment

Afforestation

There is absolutely a place for forestry and farmers are very supportive of the integration of trees within a farming operation, but there is growing concern in some regions about increasing numbers of productive sheep and beef farms selling into forestry and the potential impact this may have on regional communities.



ENHANCING OUR ENVIRONMENTAL POSITION

B+LNZ is undertaking analysis to understand the extent of the conversion happening, what is driving it, and the impacts on regional communities.

We would like to work with the government to understand what they are trying to achieve and to avoid unintended consequences.

There are a number of policies (such as the relaxation of the OIO rules around foreign investment in forestry) that have led to an increase in conversions, and other policies in train (relating to the Zero Carbon Bill and Essential Freshwater Policies) that will likely accelerate this trend.

The Zero Carbon Bill currently allows unrestricted offsetting of fossil fuel emissions. The PCE estimates only 40% of carbon emissions will be reduced by 2050 and companies will look to offset 60% through trees, requiring 5.4 million hectares of land. The price cap on carbon is also expected to be lifted in the next few years, which could potentially make carbon forestry more profitable than sheep and beef farming. Modelling of the impact of the Essential Freshwater policy proposals by Local Government New Zealand forecasts significant conversion of sheep and beef farms into forestry as a result of the land use change restrictions and increased compliance for farms. Once in forestry, the land use change restrictions mean the land has to stay in forestry.

The following report looks at the potential impacts of widespread afforestation on Wairoa www.beeflambnz.com/research-afforestation-impacts-wairoa. We have commissioned further case studies for other parts of the country.

Development of tools and research for climate

We are investing in a number of projects so farmers will have the tools to manage their agricultural emissions.

In 2019 we launched our Farm, Trees and Carbon workshops to provide advice how farmers can integrate trees - whether native or exotic - into their farms. Over 10 workshops have been held with over 200 farmers.

We are working with Enviromark, Overseer and other agricultural organisations to develop a system for farmers to measure their emissions and offsets and seek carbon neutral accreditation.

We have also invested in research to measure the sequestration on sheep and beef farms from their native and production forestry to establish our sector's net carbon position. We hope to release this research soon.

In November, B+LNZ Genetics launched a methane "research breeding value" which will allow farmers to identify and breed low methane sheep (www.beeflambnz.com/news-views/sheep-farmers-now-able-breed-low-methane-sheep).

This world-first breeding tool is thanks to a 10-year multi-million-

dollar collaboration between the Pastoral Greenhouse Gas Research Consortium (PGGRC), New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) and AgResearch, supported by the Ministry of Business, Innovation and Employment and Ministry for Primary Industries.

WATER

Essential Freshwater consultation

We have been engaging intensively with our partners, officials and the government over the government's essential freshwater proposals. More than 3,500 sheep and beef farmers attended dozens of freshwater meetings, including 25 hosted by Beef + Lamb New Zealand (B+LNZ) during the consultation period.

We support the intent of the government's proposals and are working to address the sheep and beef sector's specific issues.

We support effective freshwater policies and the need for clear, science-based environmental bottom lines that protect human and ecological health, as well as frameworks that empower farmers and communities to work together to achieve these.

The main concerns that have been raised by sheep and beef farmers are that the current proposals would reward the highest nitrogen leaching operations and penalise the farming systems with the lightest environmental touch, through a number of "grandparenting" provisions. The Government is, in effect, placing higher costs on our most environmentally sustainable and low impact farming systems.

B+LNZ commissioned research by Baker Ag to measure the impact of the proposed Essential Freshwater proposals on sheep and beef farms. BakerAg applied the proposed regulations to four farm types across the country and estimate the costs would be \$2.4 million and \$3.4 million per farm over a decade, many times greater than the \$148,500 over 10 years estimated by MfE.

www.beeflambnz.com/freshwaterconsultation

The proposals would lock in existing land uses and prevent the small changes in farming systems on low-emitting farms that would be needed to offset the additional costs to comply with other parts of the proposed regulations.

BakerAg found the capital costs of meeting the proposed changes would be \$185,000 for a mixed cropping farm and \$680,000 for a hill country sheep and beef farm. In addition, there would be ongoing compliance costs of between \$35,000 and \$80,000 per year.

The research also estimates a loss of net future income of between \$95,000 and \$184,000 per farm as a result of 'grandparenting' provisions, which lock in sheep and beef farms at their current stocking rates and land-use, and impractical fencing requirements.



ENHANCING OUR ENVIRONMENTAL POSITION



With some small but important changes to the proposed policies, it would be possible to meet the country's environmental objectives. In our submission to the government on the essential freshwater policy proposals, B+LNZ recommends the following changes:

- Removing the grandparenting and fencing provisions and adopting an industry approach, including the existing New Zealand Farm Assurance Programme (NZFAP), to support sheep and beef farmers to improve freshwater quality.
- Allow hill country cropping as a permitted activity with careful management of soil type and discharge.
- Amend land-use change restrictions, particularly the moratorium on forestry to pastoral conversion, and allow extensive farming systems to diversify into other extensive or low environmental impact systems.
- Use of tailored land and environment plans to manage stock access to waterbodies or exclusion in hill country.
- A focus on the identification and management of critical water source areas and proper stock management.

Tools for Farmers on Water

In parallel with our policy engagement, B+LNZ has been working hard to provide farmers with the tools to improve water quality on their farms.

Great progress has been made with farm environment planning.

- More than 900 farmers attended 72 workshops in 2018-2019. Over 3,750 farmers have now attended an LEP workshop.
- 49 percent of sheep and beef farmers now have a Farm or Environment plan in place, up from 36 percent in 2017 (Source B+LNZ UMR Quarterly Survey).
- 80 percent of sheep and beef farmers with a Farm or Environment plan are actively implementing their plan.

We're also upgrading our Farm Environment Plan template to cater for changing policy needs and ensure full coverage of soils, water, climate and biodiversity and on supporting every farmer to have an active plan by the end of 2021.

In 2019, we launched new freshwater workshops to help farmers monitor and improve freshwater quality on farm. Nine workshops have been held so far with over 100 farmers attending.

Good progress is also being made on the Freshwater Improvement Fund project that we are partnering with the Ministry for the Environment to demonstrate the environmental progress that can be made by linking farm and catchment planning. There have been four new Catchment community groups in the Hawke's Bay in the Maraekakaho area, the Wairarapa in the Wainuioru catchment, in Otago in the Thompson's Creek catchment near Alexandra, and in the Mimihau catchment in Southland.

We have undertaken significant work in the past year to improve winter grazing practices. We updated all our winter grazing resources for farmers (to include advice on what paddock and crop to choose) and developed and launched new winter grazing workshops to help farmers minimise sediment runoff from wintering cattle on crops.

We have run major communications campaigns aimed at providing advice on best-practice winter grazing management and held joint workshops with DairyNZ in Southland with Agri-professionals so that advisors are providing farmers with consistent best practice advice.

Catchment Communities programme

We have significantly lifted our support of catchment communities around the country.

There are now 70 community groups connected with B+LNZ operating in various catchments around New Zealand. B+LNZ has been working to support these groups to get up and running, develop their focus, and ensure ongoing technical and administrative support.

B+LNZ is also bringing together catchment groups to share information on their work and this includes connecting groups online.

BIODIVERSITY

B+LNZ is looking forward to working constructively with the Government and communities on the proposed National Policy Statement for Indigenous Biodiversity (NPSIB) and welcomes the extended consultation period which runs through to 14 March 2020.

With sheep and beef farms being home to 2.8 million hectares of native vegetation, which includes 1.4 million hectares of native forest – the largest area of indigenous biodiversity outside of the Department of Conservation estate—indigenous biodiversity is hugely important for our sector;

B+LNZ's vision is for the integration of indigenous species and habitats within a productive pastoral farming systems

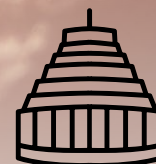
We do have concerns, however, that some of the proposals take a "grandparenting approach" and actually place stricter rules on those that have done the most to protect and enhance their biodiversity. Ultimately, we want a framework that rewards and incentivises good work, where biodiversity is viewed as an asset.

Also, importantly the policy must work hand in hand with other natural resource policy such as climate, soils, and freshwater.

Enhancing biodiversity is just one part of our farmers' environmental stewardship commitment. The sector's environmental strategy also covers freshwater, climate change, and soil health and productivity, and it's critical these work cohesively with any proposed biodiversity policies to deliver improved environmental outcomes as well as thriving rural communities.

GOVERNMENT AND PUBLIC INSIGHT AND ENGAGEMENT

Backing our farmers on the issues that count



Key achievements and focus in 2019:

- Significant collaboration with industry partners such as the Meat Industry Association, Federated Farmers and DairyNZ.
- The completion of an in-depth analysis of public perceptions of the sheep and beef sector.
- Significant engagement across all areas of government in key policy areas like trade, climate change, water, afforestation, biodiversity, biosecurity.
- On-going intensive engagement in the *Mycoplasma bovis* response.
- Input into the NAIT review.

Public perception of red meat and the red meat sector

There has been significant interest and commentary about the future of red meat in relation to people's diets and health and environmental concerns, driven in particular by the EAT Forum.

With the global population expected to grow one billion by 2030, it is vital we have conversations about the sustainability of our food supply. The New Zealand sheep and beef sector is already a world leader in terms of sustainable production and is taking steps to further improve on this.

B+LNZ has completed comprehensive research on public perceptions of the red meat sector in collaboration with B+LNZ Inc and MIA with funding from AGMARDT.

Public perceptions are positive but there were increasing concerns about the environmental impacts of red meat production. The research highlighted there is very little knowledge among New Zealanders about how sheep and beef cattle are raised in this country, in particular, our free range grass-fed systems; very low water usage; significant reduction in greenhouse gas emissions; and major biodiversity on our farms compared to global production systems, particularly those based on grain.

The research also showed a lack of knowledge of the economic contribution sheep and beef farmers have to both regional and national economies.

B+LNZ is now working with B+LNZ Inc and MIA on a joint strategy aimed at lifting the reputation of and trust in our sector. As part of this, we are already funding a number of projects such as supporting the launch of an "Open Farm" programme that will provide an opportunity for New Zealanders to engage directly with farmers across the country; and developing a website that will have key facts about the sector.

Mycoplasma bovis

Biosecurity remains a concern for many farmers with the *Mycoplasma bovis* (*M. bovis*) phased eradication programme underway. Following farmer support for a levy increase last year, B+LNZ has employed an additional resource to lift our capability on biosecurity and animal welfare.

The latest report from the independent Technical Advisory Group (TAG) concluded that achieving eradication is feasible, and supports the changes the Programme has made over the past six months.

We will continue to work with government and DairyNZ to ensure the eradication programme represents value for money and has the greatest chance of success, and that farmers are represented every step of the way.

Biosecurity

We all know the introductions of pests and diseases onto farms can be devastating, but implementing simple management practices can reduce the risk to businesses and families.

B+LNZ, with the support of DairyNZ, is rolling out Biosecurity workshops throughout the country to help build farmer awareness of the steps they can take to protect themselves, their neighbours and others in the sector. The first workshops were held in Waiau, North Canterbury, and Blenheim, and additional ones are planned.

Animal Welfare Regulations requiring the use of pain relief for dehorning and disbudding came into effect on 1 October 2019, and we worked to ensure farmers were aware of these changes.

Over the past year, we have advocated on behalf of farmers with MPI on the next tranche of animal welfare regulations that will bring 'significant surgical procedures' into an infringement notice regime. It is good to see that MPI's proposals will allow competent farmers to treat bearings, in particular.

UNLOCKING MARKET POTENTIAL

Championing our world class farmers and unlocking the sector's full market potential



Key achievements and focus in 2019:

- Extending our high-value country of origin story—Taste Pure Nature— co-developed by the sector, so that the unique qualities and values of New Zealand red meat can be easily understood by consumers.
- Conducting the research into consumer needs and the unique characteristics of our target markets, in order to develop tailored market activation strategies
- Unlocking opportunities to create greater value through improved pathways to market, driving the sector to pursue opportunities to capture greater value for farmers through collaboration and/or controlling value added activities further down the value chain.
- On-going work to prepare for Brexit.
- Input into the EU/NZ FTA negotiations.

Taste Pure Nature

Taste Pure Nature successfully launched in late March 2019 with a pilot rollout in California. The pilot has been very successful and we are now looking to begin to roll out Taste Pure Nature in China in early 2020.

The purpose of Taste Pure Nature is to increase consumer awareness of and create a preference for New Zealand grass-fed meat, and provide a marketing suite and identity to underpin the brand building activities of New Zealand exporters.

The target customer for Taste Pure Nature is a consumer we've dubbed the "Conscious Foodie", who was identified following two years of in-depth research. Conscious Foodies care about the provenance of their food. They want to know it was raised ethically and as naturally as possible and they want to build experiences around their food.

The first phase of activity focused on building generic awareness of the Taste Pure Nature brand.

In parallel, we have worked with three initial partners the Lamb Company (a joint venture between Alliance, Silver Fern Farms, and ANZCO), Atkins Ranch, and First Light Foods to develop marketing plans that leverage off the brand, including initiatives such as influencer events; digital marketing campaigns; and retail promotions.

The success of Taste Pure Nature relies heavily on collaboration with our export and marketing companies, and their support to date has been widespread and greatly appreciated.

Research into global mega trends influencing the red meat sector

B+LNZ has released a major report that explores the global mega trends that could impact New Zealand's red meat sector and lays out a potential roadmap for the sector to respond to them.

This is the product of six months of work, including the commissioning of research by Singapore based consultancy Kantar, to identify the major trends. We then worked with farmers, key industry partners – particularly processing companies, and government to identify how the sector should respond to these trends.

Understanding the future trends enables B+LNZ, farmers and the wider industry to be prepared and ensure that our strategy and investment decisions made today will position the industry for a successful future.

All of these mega trends and potential responses are interconnected and no one part of the supply chain can tackle them alone. We need an integrated, coordinated and collaborative approach. This is how the sector is now working.

We have already started to feed this work into initiatives across the entire supply chain starting on farm with our Farming Excellence strategy; Environment strategy; and Pathways to Market project with processing companies.

You can read the summary report and full report here:

www.beeflambnz.com/news-views/shaping-future-red-meat-sector-report



UNLOCKING MARKET POTENTIAL

New pathways to market

B+LNZ is working in partnership with processing companies on identifying potential new pathways to market and avenues for greater sector collaboration to realise these opportunities.

Our research has shown that there is greater value to be extracted from taking more control in the value chain and getting closer to consumers, and the initiatives are aimed at working to capture more value that is returned to farmers.

Trade access

Brexit remains a major focus for B+LNZ's trade team and we are working closely with the Meat Industry Association, New Zealand Meat Board, and the government.

The NZMB has contingency plans in place for the scenario of UK leaving the European Union with or without a deal. This involved a significant amount of work updating Meat Board software and processes in a bid to eliminate any possible delays that we could control for shipments of New Zealand red meat to the UK and EU.

We continue to advocate for a sensible approach to be taken by the EU and UK to the WTO quotas. We remain opposed to the UK and EU's current proposal to split our WTO quotas for sheepmeat and beef, if and when the UK leaves the EU Customs Union. B+LNZ will continue to advocate for a long-term solution that does not erode our WTO rights.

We are closely following the EU and New Zealand FTA negotiations. The negotiations are still in their early stages, and we will continue to seek improved access for our products, particularly beef.

A fundamental principle for our industry is that WTO rights are set in stone, and we will not accept any cut back of our WTO access for the promise of improved access under an FTA in the future.

We are also keeping a close eye on the United States and have employed agricultural trade expert Jason Frost, who was based in the New Zealand Embassy in Washington and has 20 years experience working on market access.





SUPPORTING FARMING EXCELLENCE

Providing insights, tools and services that build better farm businesses



Key achievements and focus:

- Getting the Future Farm up and running.
- Developing a breeding value for methane production for sheep.
- Refreshing of our People and Capability strategy.
- Leadership in developing a cross-agriculture primary training proposal.
- Progressing the Farming Excellence strategy.

B+LNZ Future Farm

In November 2018, we launched the Lanercost Future Farm in North Canterbury, which aims to demonstrate to farmers and others how new technologies and systems impact performance, while maintaining the highest production standards within a leading environment footprint.

So far, the focus has been on getting the farm up and running and getting the infrastructure, staff and livestock in place. We've released a summary of learnings from the lease process, which can be found on the Future Farm website www.futurefarm.co.nz

Over the next 12 months, we will start to test new technologies and farm systems. Farmers have told us the Future Farm needs to perform at a high level to be relevant and to be able to really see the impacts of new technologies. Our Future Farm Insight Manager will focus on ensuring the wider farming community is kept up-to-date with production and financial information from the Future Farm, as well as specific projects taking place.

Farming Excellence Strategy

We are developing a strategy for the delivery of a Farming Excellence programme over the next three to five years.

The focus is on identifying areas inside the farm gate that farmers would like to have a greater influence on to drive improved productivity and profitability. As part of this, B+LNZ is also identifying the role it has in delivering against these needs.

Led by John Ladley, B+LNZ General Manager South Island, the development of the Farming Excellence strategy is an across-business effort. UMR completed a piece of research based on nine farmer focus groups and a survey of 1,050 farmers to understand farmers' needs around research and extension and the best way for farmers to receive the resources and information we have available.

As the strategy is developed, the delivery of extension programmes will be reviewed. We will consider the most effective means of delivering extension programmes either by B+LNZ, or partnering with other organisations to extend the reach to farmers and be more efficient and effective. A highlight of the current extension programme is the success of podcasts as a channel to help farmers access information important to them. To date, there have been nearly 70,000 downloads of the "Scene + Herd" B+LNZ podcasts.

People and Capability

Farmers emphasise that the future success of our industry relies on attracting talented and motivated young people and equipping them with the skills to be successful.

In 2019, B+LNZ reviewed where we are investing our time and energy to get the best outcome for our farmers and the people entering the industry. Farmers told us that they wanted us to focus on initiatives that would build capability behind the farm gate.

Practically, that means B+LNZ will continue to support agriculture in schools in several ways. We're focused on those students who are making career decisions (generally those in Years 12 and 13) and those people that influence their choices – teachers and guidance counsellors. As an example, we work with Young Farmers to provide "Teacher's Day Out" – an opportunity to take teachers onto farms so they can see the opportunities available to their students while also providing teaching resources to make it easy for teachers to talk about farming in the classroom.

B+LNZ is a strong supporter of the St Paul's Collegiate agricultural programme, acting as a hub to build more agriculture courses in secondary schools across New Zealand and getting recognition from NZQA for agriculture as a valid secondary school subject with University Entrance status.

For school leavers, B+LNZ will continue to support cadet farms around the country and assist in the development of new cadet farms. This is an area we hope to see grow. Alongside our farmer extension programmes, we work with and support Kellogg's Rural Scholars and the AgriWomen's Development Trust to promote the next generation of farming leaders.

SUPPORTING FARMING EXCELLENCE



Food & Fibre Skills Action Plan

B+LNZ welcomes October's launch of the new Food & Fibre Skills Action Plan 2019-2020. This government and primary sector initiative aims to fix the skills gaps facing farmers and growers. Through our involvement in the Skills Leaders Working Group, we, have taken a leadership role in reforming the approach to primary sector skills and training.

Our Chief Insight Officer Jeremy Baker is chairing the establishment group responsible for the implementation of the strategy. During the initial phase, we will be focused on the establishment of the Workforce Development Council, helping to set up a new Centre of Vocational Excellence for the primary sector, and continuing our own initiatives to support on farm training and development for sheep and beef farmers.

Māori engagement

B+LNZ has completed a stocktake of the Māori sheep and beef sector to better understand who and where our Māori levy payers and stakeholders are. This piece of work, led by B+LNZ's Sector Capability Manager Doug Macredie, will help us to find and engage with our Māori levy-payers in a more effective and efficient manner. It will also help us access new funding streams to help lift farming excellence. As a result of this work, B+LNZ is intending to establish a Maori advisory group.

B+LNZ will continue our strong relationship with the Ahuwhenua Trust after another successful Māori Farm of the Year competition and the Federation of Māori Authorities.

Science, Research, and Development

Our industry is underpinned by good science and we are continuing to ensure that our research institutes and universities are working on projects which will deliver for our farmers. The three main areas of focus are farming systems (including the important Hill Country Futures programme), animal health and production, and the environment. As a core partner in the Pastoral Greenhouse Gas Research Consortium, B+LNZ continues to play an important role in the search for methods to reduce methane emissions from ruminants on pasture. This year has seen a Breeding Value created for methane production in sheep. This world-first development has been rolled out to selected breeders to build the genetic database which will in turn allow all New Zealand farmers to add it to the selection criteria for their flocks.

Genetics

Beef + Lamb New Zealand Genetics (BLG) has been integrated into B+LNZ as a separate business unit following the end of the partnership funding programme between B+LNZ and the Ministry of Business Innovation and Employment, with B+LNZ now taking over sole funding of BLG's activities.

BLG continues to run the New Zealand Genetic Evaluation for sheep, taking data from farmers and generating breeding values which allow farmers to select breeding stock with the best genetics for their goals. Using breeding values calculated by BLG means farmers do not have to rely on how an animal looks to judge its performance and the performance of its offspring. This year has seen the addition of the "One Step" process for combining genomic (DNA) data with phenomic (on-farm) measurements giving farmers even better information.

BLG's ongoing work will continue and overtime B+LNZ is looking to better integrate BLG's activities to drive benefits for our Environment and Farming Excellence programmes. A significant focus is now being put on the beef industry to ensure farmers have the right information and tools for better beef production.

Red Meat Profit Partnership

The Red Meat Profit Partnership (RMPP), a Primary Growth Partnership, is playing a key role in helping lift the performance of the red meat sector across the country. RMPP's range of resources and tools are helping farmers measure farm business performance and make decisions based on robust evidence.

There is now a large network of farmers and sector advisors collaborating to improve on-farm productivity and profitability thanks to the RMPP Action Network. More than 1,500 farm businesses are members of Action Groups and are benefiting from the \$4,000 per farm business seed funding to pay for facilitation and access to top level expert advisors.

RMPP has launched tools such as their Key Performance Indicators to help farmers measure their farm business performance, while the online business planning tool BizPlan is supporting farm businesses to identify goals and develop an action plan to assist in achieving these.

Work is now underway on planning ahead of the conclusion of the Primary Growth Partnership next year including transitioning selected programmes to B+LNZ. As part of the transition, the RMPP Action Network team has recently moved into B+LNZ. As a key partner in RMPP, we are developing a plan to not only support the successful Action Network programme after September 2020, but also ensure that this farmer-driven programme is fully integrated into our extension programmes. More information on the RMPP Action Network is available at www.actionnetwork.co.nz



Health and safety update

Ensuring farmers, their families and their workers come home safe and well at the end of every day is a priority for B+LNZ.

We have been investing in initiatives to support our farmers to improve health and safety on their farms. More than 4,500 farmers have already participated in stage one of our Farm Safety Management Systems (FSMS) workshops, but accident rates unfortunately still remain high.

In response to demand from farmers, we will continue to run the existing FSMS workshops, but we have also launched a follow up workshop.

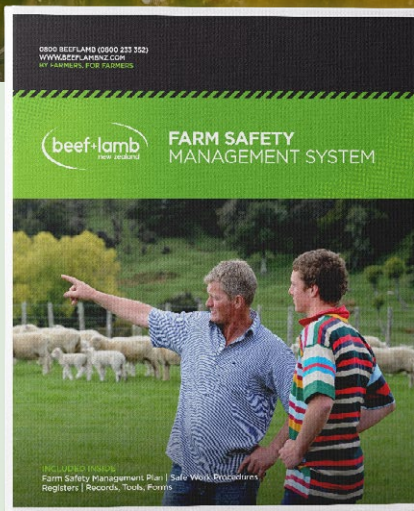
Feedback and learnings from these two pilot Farm Safety Management System level II workshops will be used to develop the final model, which will be rolled out during 2020. These will have more interactive elements than the initial workshops with the sessions focusing on farmers implementing farm safety management systems alongside input from other farmers sharing what has worked for them.

Dairy specific focus

B+LNZ has been working on a number of initiatives in 2019 that are either directly focused on delivering value back to our dairy levy payers, or broader initiatives that have a strong dairy component to the work. B+LNZ is in the process of setting up a dairy advisory group in order to provide additional input from dairy levy payers into B+LNZ's work.

Some highlights this year include the second year of results in the dairy-beef progeny testing project. This project that was launched in 2016 is starting to deliver some great insights into bull selection and breeding. A copy of the latest results released in September can be found here: www.tiny.cc/blg-dbpt

There are a number of initiatives in the market development space that will be of value to the dairy-beef component of New Zealand's exports.



The launch of Taste Pure Nature in California will be of long-term value as most of New Zealand's beef exports to the US are currently grinding beef. The market development team is also working with processing companies to identify potential new market opportunities for bobby calves.

B+LNZ has continued our close collaboration with DairyNZ this year on issues like *M. bovis*, biosecurity, winter

grazing, climate change and water. There are a number of workshops that B+LNZ has launched this year that we see as being of value to dairy farmers and have been looking to increase our marketing of these events with DairyNZ. Examples of this are the 'Farms, Trees and Carbon workshops'; 'joint winter grazing workshops in Southland'; and National workshops on biosecurity.

