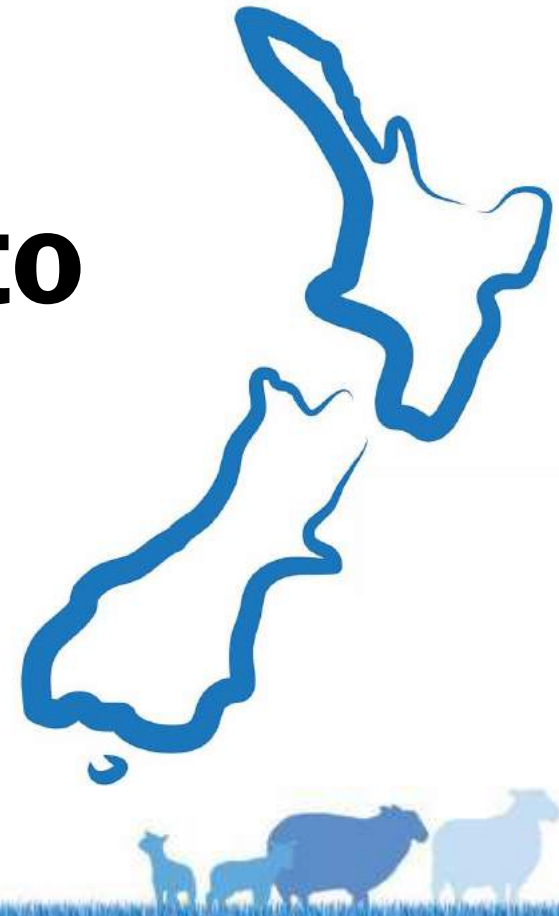
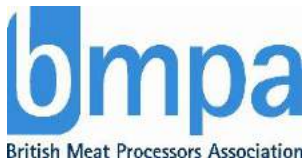


**Red meat industry visit to
New Zealand
March 2018**



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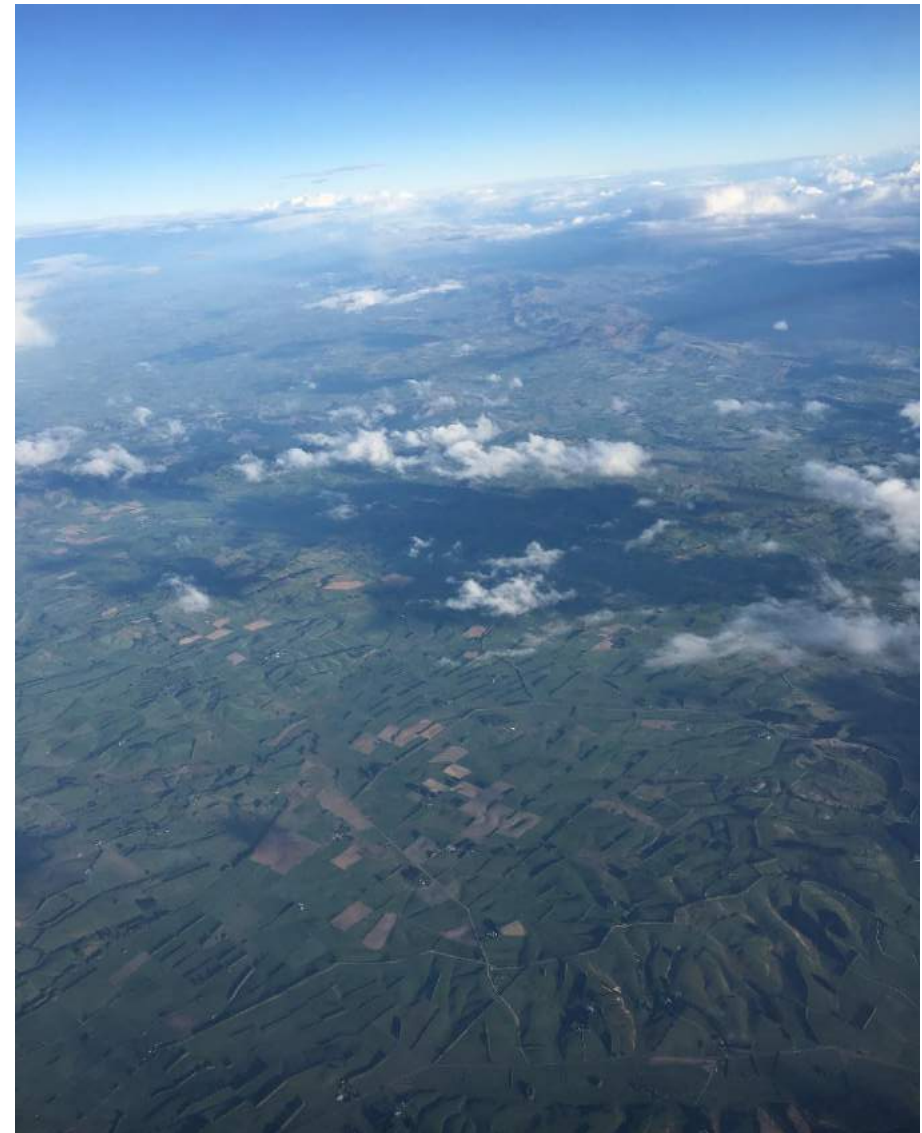
- Roundtable discussion with farmer and processing sector representatives.





What did we learn?

- Trade
 - The situation now
 - What NZ does well
 - What we could learn
- Trade and regulation
- Halal
- Farm support
- What next / shared interests





Trade – the situation now

NZ wants free trade agreements with the EU and UK.

They are very good at negotiating.

They will not take no for an answer!



“The Bee Hive”, NZ
Parliament, Wellington



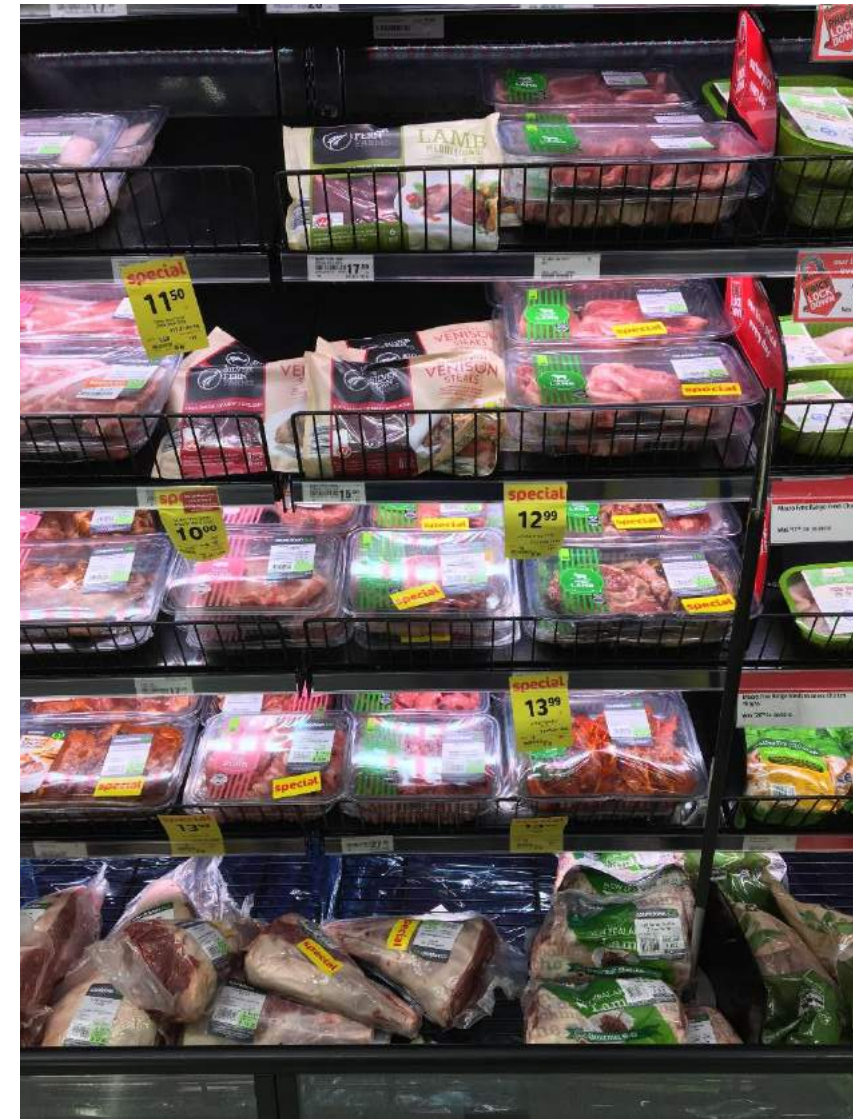
your business your future



Trade – the situation now

In principle, the UK market is of decreasing interest to NZ.

But in reality we are a well-developed, premium market of continuing interest to them.



Lamb section in an NZ supermarket.



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Trade – what NZ does well

- 15% of NZ exports (by value) is red meat. \$8bn.
- 59,000 people directly employed in red meat sector, with another 21,000 indirectly employed.
- 120 export destinations.
- 2% exports are carcasses, compared to 47% in 1990.
- 68% exports are frozen, compared to 92% in 1990.
- 19% of exports are fifth quarter.



NZ sheep sector



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Trade – what can we learn?

- Close working relationship between Government departments, and between Government and industry.
- Shared belief that you're only as good as your last deal.
- Equal focus on maintaining existing markets and opening new ones. Joined-up approach to managing/reducing cost of compliance for export certificates.
- Science-based approach to accessing new markets and overturning any trade barriers.
- Shared belief that need people on the ground and regular, high-level ministerial involvement.



NZ lamb piled high, ready for export at AFFCO SPM Awarua.



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Trade and regulation

Everything is dictated by its export markets, so the Government sets very basic food safety laws and relies on commercial market forces to dictate everything else.

However, the environmental lobby (in particular) is increasingly interested and vocal.



Boning hall at
ANZCO Rangitikei



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Trade and regulation

UK and USA sets NZ 'law' ... BUT ...

NZ is the master of 'equivalents'.

And we could learn a lot from them on outcome-based regulation.



Typical NZ hill country.



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Halal

90% of sheepmeat slaughtered is stunned halal.
Nothing is non-stun.

39% of exports are sold with a halal certificate.

Annual requirement to show recovery from the
stun, plus at an inspection by an importing
country.

Government support of migrant labour to facilitate
halal certification.



Employ the Tongans or the
Samoans, not both!



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Farm support

No support – and proud.
We should all do it!

Very different climate

- Less regulation
- Shared belief in reputation
- More ‘trust’

Want market access and phone masts!

But rural communities are struggling



William and Richard Morrison



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What next?

NZ wants our market!

But it also wants to work with the UK as a fellow sheep-producing country.



Industry roundtable discussion (Government had a separate session)

- Shared interests
- Agreed on four
- Reciprocal visit in May





Shared interests

- Research and development
- Practical solutions to combating climate change
- Permission to eat / overcoming social pressures such as health, environment, animal welfare
- Halal
- Farming excellence / uptake of research and development
- Women in agriculture
- Common methodologies and metrics for measuring performance
- Regulatory co-operation on outcome-based schemes
- Labour / people capability to staff the industry going forward
- Positive health messages on red meat
- Trade in emerging markets
- Biosecurity
- Adding value to co-products



How do we get increasingly urbanised millennials to eat lamb?



your business your future



Shared interests

Our 20-year shared vision is for red meat to be a valued, premium product, produced by thriving farming communities and supply chains.



How do we get increasingly urbanised millennials to eat lamb?



your business your future



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Shared interests

9.7bn global population by 2050 – growth will be driven by sub-Saharan African, Asia and India (not the EU). New customers will not be on our doorstep.

There has been a 360% increase in UK vegans in the last 10 years.

In the USA there are 7.3m vegetarians and another 22.8m flexitarians; 55% of US residents plan to eat more plant-based foods this year.



Past the immediate Brexit trade concerns, is New Zealand a friend or a foe?



- 10-12% of millennials are faithful vegetarians.
- 92m millennials in the USA
- 400m millennials in China

- Millennials hold all the spending power.
- They will pay more for sustainability and health benefits.
- They perceive veganism as more sustainable and healthy.





Thank you



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