

# Ensuring Sustainable Sheep and Beef Farming in New Zealand



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Global Agenda MSP Meeting  
Cali, Colombia  
8 October 2014

1. Who We Are
2. The Challenge of Improvement
3. Land and Environment Plans
4. Red Meat Profit Partnership
5. Concluding Thoughts

- Industry-good organisation, farmer-owned
- Funded by producer levies
  - NZ \$25.7m in levies in 2013, plus \$4.3m of other income
  - Requires a referendum, last in September 2009, next in 2015



**FARM**

**MARKET**

**PEOPLE**

**INFO**

## STRATEGIC OBJECTIVES (WHAT WE DELIVER)

Deliver research, development and technology transfer for whole farm systems

Deliver market strategies to improve access, demand and positioning for New Zealand meat and related products

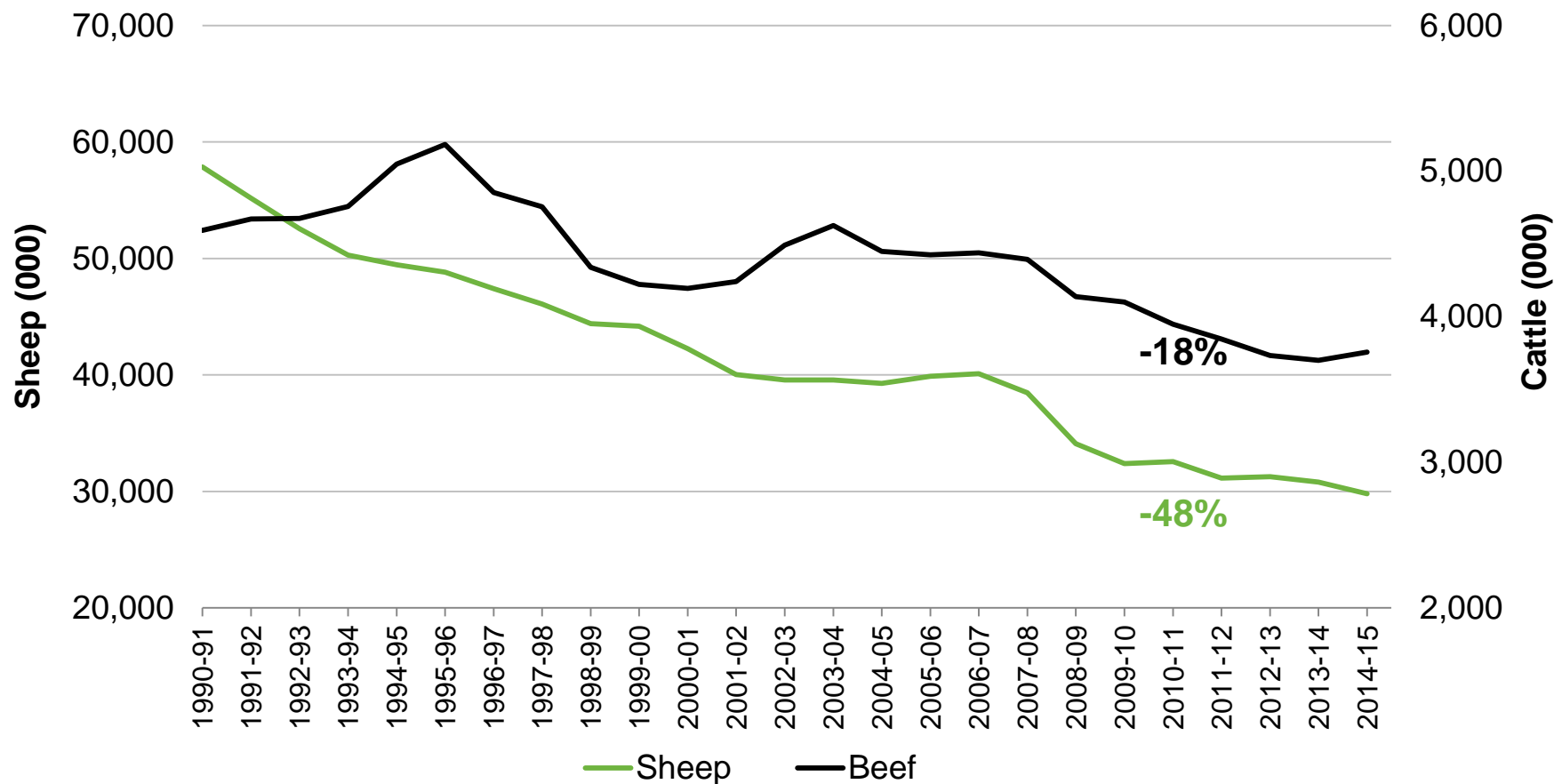
Provide leadership to improve the standing of the sheep and beef sector to attract and retain skills

Provide credible information and analysis to support better decision making



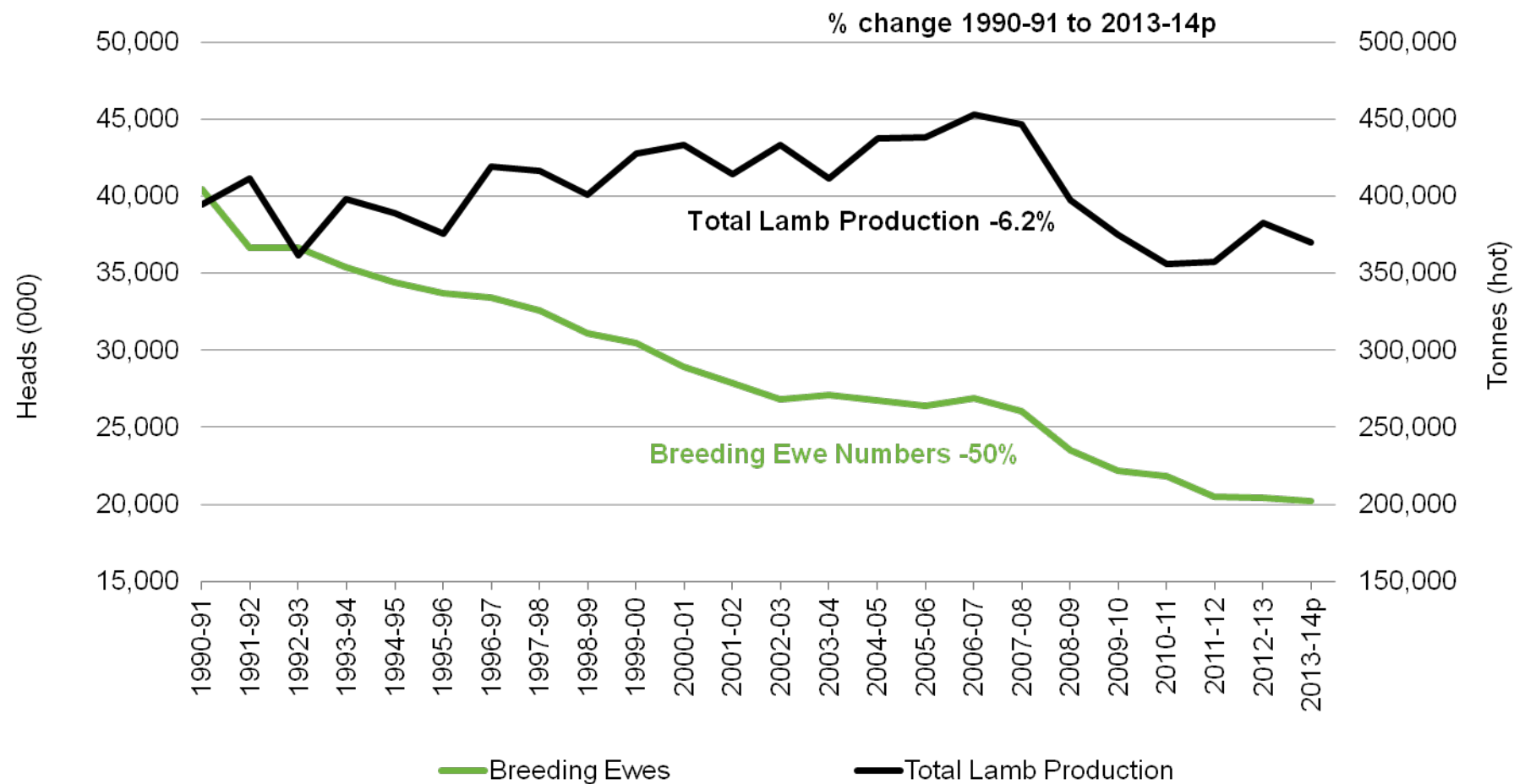
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# NZ SHEEP AND BEEF CATTLE NUMBERS



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

# BREEDING EWE NUMBERS AND TOTAL LAMB PRODUCTION



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

# PRODUCTIVITY COMPARISON



		1990-91	2013-14	
Ewe Lambing	%	100.4	120.9	<i>+20 lambs</i>
Hogget Lambs	% of all lambs	-	4.1	
Average Lamb	kg	14.35	18.34	<i>+28%</i>
Lamb Sold	kg/ewe	9.76	18.15	<i>+86%</i>
Wool Production	kg/hd greasy	5.28	5.36	<i>+2%</i>
Average Steer	kg	297	310	<i>+4%</i>
Milksolids	kg/cow	260	340	<i>+31%</i>



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# WHAT IS A LAND AND ENVIRONMENT PLAN?



- LEPs ask producers to develop:
  - A stock-take of land, soil and water
  - An assessment of production opportunities and environmental risks
  - A response plan outlining specific actions
- LEPs must be documented
- Focus is on managing individual farms' environmental assets

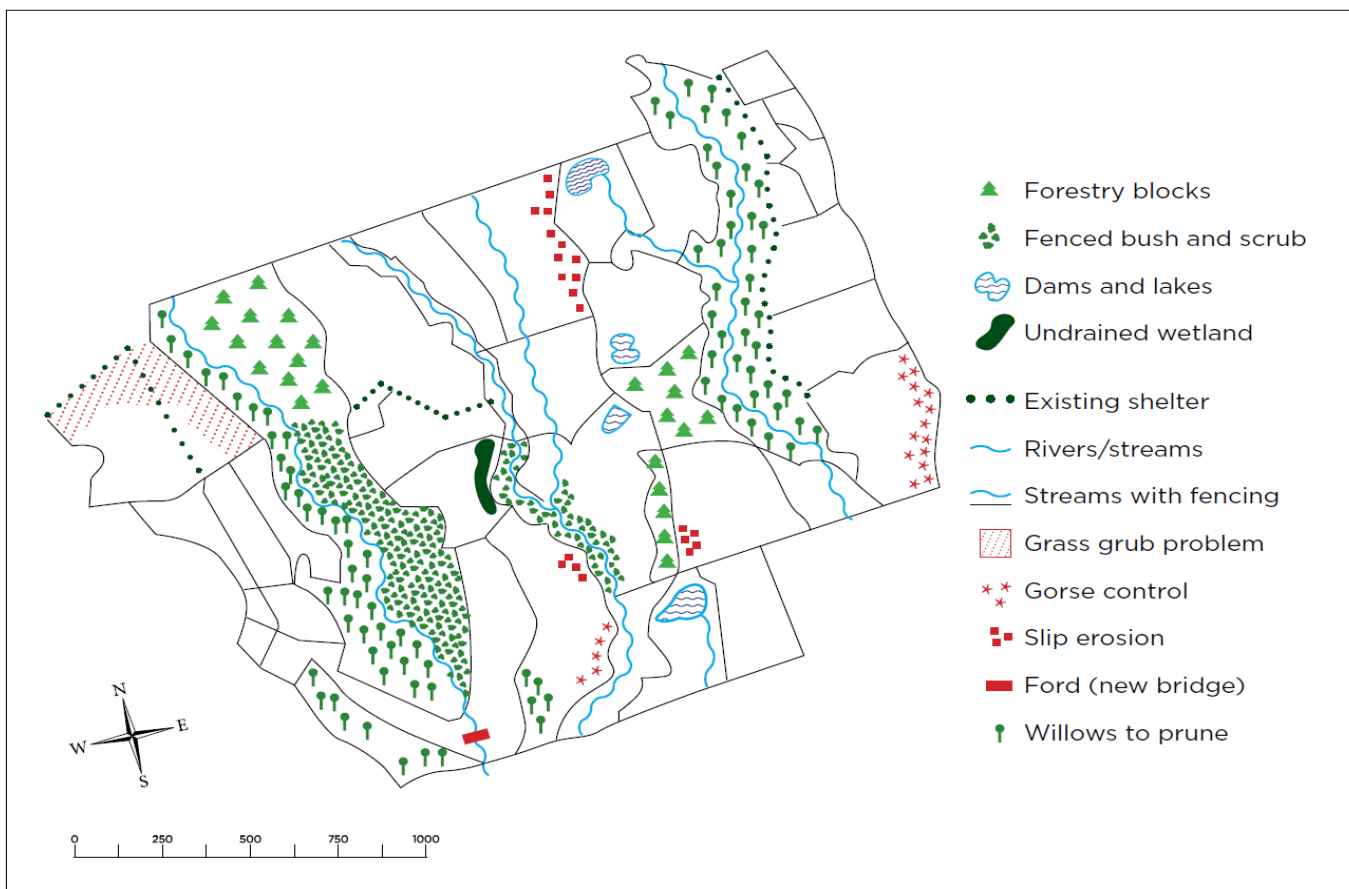
# LEP LEVEL 1: STEP 1 - MAPPING



- Using a farm map, identify and chart:
  - Key resources that are valuable to the farm business and the environment
  - Any resources that need maintenance
- Then look at each paddock individually for issues, for example:
  - Fertility or performance issues?
  - Drainage/run-off issues?
  - Unprotected riparian margins?
- List all issues identified, and prioritise them

# LEP LEVEL 1: STEP 1 - MAPPING

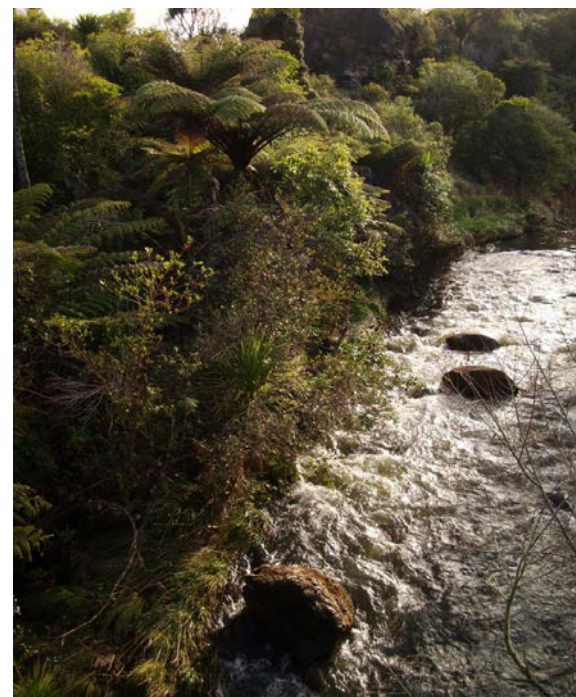
**Example of a Level 1 LEP map**



# LEP LEVEL 1: STEP 2 – RISK ASSESSMENT



- Farmers then undertake a guided risk assessment that focuses on five key factors:
  - Nitrogen loss
  - Phosphorus loss
  - Erosion
  - Faecal bacteria
  - Productive capability





# LEP LEVEL 1: STEP 2 – RISK ASSESSMENT



- Risk assessment asks questions for each of the areas of focus
- Responses indicate if there is a higher level of environmental risk, or areas for productivity improvement
- Specific actions to manage the higher level of risk or improve productivity are documented

# EXAMPLE - NITROGEN



- Questions:
  - Is your farm's stocking rate higher than 18 stock units/ha?
  - Do cattle make up more than 20% of the farm's stock units?
  - Is your farm located in a high rainfall area?
  - Are N-fertilisers used?
  - Are supplements used?
  - Is the soil type shallow and/or very porous?
  - Is cropping a significant part of farm activity?

# EXAMPLE - NITROGEN



- If 'Yes' answered to any questions, suggested actions to document include:
  - Avoiding application of N in winter, or when heavy rain is forecast
  - Ensure run-off from yards etc. is discharged onto land
  - Undertake a nutrient analysis and develop a nutrient budget

# BRINGING THE LEP TOGETHER



- Priorities from the mapping process, and risk management actions are brought together
- Responses to priorities and actions are developed that are:
  - Specific
  - Measurable
  - Achievable
  - Relevant
  - Time-bound
- The responses are documented, and become a work plan – regularly reviewed and progress recorded



# NEXT STEPS



- Farmers can register their LEP with B+LNZ
  - Enables us to provide updates on land and environment issues
- Farmers can move on to higher, more complex versions of the LEP:
  - Level 2 LEP: land management units based on landform type used as basis of assessment. Three-year action plan developed.
  - Level 3 LEP: produces an auditable plan to demonstrate good management practice



# EXPLAINING THE BENEFITS OF THE LEP PROCESS



- Benefits can be hard to quantify for the farmer, but they include:
  - Improved animal health and welfare
  - Improved economic efficiency
  - Preserving or improving farm capital value
  - Protecting the farm for the next generation



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# ‘CLOSING THE EFFICIENCY GAP’



- Important to look at efficiency gaps not just between countries, but within countries

## New Zealand Lamb Productivity Gap

FARM QUINTILE	LAMB PRICE	LAMB SALES	LAMB SALES
<i>(Profit)</i>	<i>(\$/hd)</i>	<i>(kg/ha)</i>	<i>(NZ\$/ha)</i>
20-40% (Q2)	91.70	44	222.20
Top 20% (Q5)	94.23	103	522.01
Difference (%)	+3%	<b>+134%</b>	<b>+135%</b>

Source: Beef + Lamb New Zealand Economic Service, Sheep and Beef Farm survey

# RED MEAT PROFIT PARTNERSHIP



- Partnership to lift sheep and beef profitability and productivity
  - Government
  - Beef + Lamb New Zealand
  - Meat processing, exporting and marketing (Alliance, ANZCO, Blue Sky Meats, Greenlea Premier Meats, Progressive Meats, Silver Fern Farms)
  - Financial services (ANZ Bank, Rabobank)
- 7 year programme costing NZ\$65 million
  - 50% from government
  - 30% from B+LNZ
  - 20% from meat processing industry



- **Project 1: Understanding Behaviour Change**
  - What are the barriers to, and motivations for, changes to farm practises?
  - What makes 'High Performance Farmers'?
  - How can we segment the farmer population to better deliver messages?
- **Project 2: Sector Capability**
  - Attracting talent, and developing existing farmers and farm advisors
  - Having an effective extension programme to enable behaviour change on-farm





- **Project 3: Systems and Data Integration**
  - Develop key metrics to assist farmers decision making
  - Promote a greater interaction of industry-wide data
  - Develop farm business tools and calculators
- **Project 4: Production and Provenance**
  - Continuous efficiency improvement, lifting the standard of the average red meat farmer
  - Aligning assurance programmes, incl. enabling addition of environmental indicators
  - Building a positive story around New Zealand beef and lamb



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# CONCLUDING THOUGHTS



- With LEPs, the first step is the most important
  - Entry level needs to deliver meaningful improvement without being overwhelming
  - Complexity can be added in stages
- Lifting efficiency is not only an issue between countries, it is a domestic issue as well

# THANKS FOR LISTENING



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