



## Update on COVID-19

The following is a joint update from the Meat Industry Association and Beef + Lamb New Zealand on COVID-19-related issues.

### **Alert Level 2**

As you will be aware, the Government will make a decision on Monday about whether the country will move to Alert Level 2. We will update farmers on what this will mean for you early next week, once we know with certainty what the new arrangements will be, including how we may be able to reintroduce farmer events. For the latest thinking on operating safely at Alert Level 2, please visit the Government's [Unite against Covid-19 page](#).

The clear feedback we are getting from farmers is that it is a challenging time, and many are keen to get together, discuss the issues, share ideas and support each other, particularly with the tight feed conditions (while being COVID-19 safe). We'll be in contact soon with our plans.

### **Processing capacity**

While we appreciate processing capacity has created on-going challenges in many regions, companies have continued to improve capacity as they have bedded in the new standards under the Alert Level 3 protocol. Most processing companies are now operating at 80-90% capacity.

Companies are making good inroads into the backlog on the back of achieving processing efficiencies, adding extra shifts, overtime, weekend processing and transporting sheep from the South Island to the North Island to free up capacity in the south. The latest analysis shows that over the last two weeks there has been a significant lift in processing throughput across all the key stock classes. The increase in throughput is summarised in the table below:

North Island	South Island
Beef: +10%	Beef: +27%
Cull Cow: +11%	Cull Cow: +31%
Lamb: +14%	Lamb: +26%
Mutton: +16%	Mutton: +68%

In general terms, this represents an extra 87,000 sheep and 8,500 cattle that has been processed each week over the last couple of weeks.

Year-to-date processing progress shows that lamb processing has reached 75% of the total season's production forecast in both islands. Mutton has reached about 85% of forecast production in both islands so sheep processing is well advanced.

On cattle, bull processing is advanced with both islands passing 75% of forecast production. Steer and Heifer in both islands is in the early 60%, as is cull cow processing in the North Island.

Processing of South Island cull cows has yet to reach 50% of forecast production and is behind where it would normally be at this time of year. This is where the most pressure is currently and the longest waits for farmers. Some cows are being transported to the North Island and companies are working hard to catch up, but farmers in the south are likely to be heading into early winter carrying more cows than they would want, especially given the feed situation.

Over 110,000 cull cows have been processed across the country in the last three weeks. It's worth

noting that in the July – September quarter, traditionally between 10-15% of the annual cattle kill takes place.

We continue to encourage farmers to keep in contact with their processors to ensure they're clear on their individual situation and can plan accordingly.

### ***Exports and markets***

Markets remain volatile, but on a positive note, New Zealand red meat exports surpassed \$1billion for the month of March 2020. This is the first time the sector has passed the \$1billion mark in a single month.

It is a credit to the processing and exporting companies for the agility and resilience they have shown in navigating their way through rapidly changing global markets to achieve this result, and it is welcome news given the increased costs and challenges that companies and farmers have faced in the last few months: [MIA media release](#).

### ***Feed situation***

Feed conditions around the country remain incredibly tight, particularly in the Hawke's Bay, East Coast, Northland, Southland and Canterbury.

While there has been some recent rain, all analysis indicates grass growth in these parts of the country will be insufficient for many farmers through the coming months, even if we have perfect growing conditions for the remainder of Autumn.

We know many farmers are feeling under pressure and it is really challenging.

It is vital farmers in feed-short areas have a feed plan for the next 4-6 months. Many will need to use all three core feed management strategies:

- reduced stocking rates
- supplementary feed
- nitrogen/fertiliser use

B+LNZ's feed planning info can be found here: [Feed planning resources](#).

Please reach out if you are needing help.

We are working closely with the Rural Support Trust and other organisations. We also welcome the Government's announcement this week of \$500,000 to assist farmers through the coming months.

### ***Other industry issues we are working with the Government on***

B+LNZ and MIA are also working with the Government (and other industry groups such as Federated Farmers and DairyNZ) on a range of specific initiatives to support our respective sectors.

For example, we are all focused on the processing and feed situation, and a range of immigration and staffing issues. B+LNZ has been advocating for scanners to come into the country for the upcoming ewe scanning season and getting sale yards back up and running.

B+LNZ and DairyNZ are also working together on a range of environment, winter grazing and water policies.

This is, and has been, a challenging time for the whole sector. What has been really impressive is the continued world-leading performance of farmers and processors under these conditions. This is something we can all be rightly proud of.



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