

# Growing sustainable value together

Red meat sector strategy 2020

## ABOUT THIS STRATEGY

This Strategy builds on the Red Meat Sector Strategy 2011 and the 2020 Blueprint for Partnership with the New Zealand Government, and refreshes our goals for a vibrant and profitable New Zealand sheep and beef sector that excels for our people, animals and environment.

It establishes the critical priorities that Beef + Lamb New Zealand and the Meat Industry Association will work on together with industry partners, bringing together the whole of the value chain from the farm to the market.

The Strategy charts our sector's part in the Government's 'Fit For A Better World' roadmap and initiates our journey of aligning with *Te Taiao's* framework and pathway.

The Strategy captures the significant work the sector is already engaged in, and the opportunities that will build our future. It is focused on those things that we can and need to work on together.

By establishing clear goals and priorities, the Strategy provides a platform for partnerships of shared aspiration, especially with Māori, the dairy sector, other primary sector leaders and the New Zealand Government.

Māori play a significant role in the sector that in turn contributes to the wellbeing of rural and urban Māori communities around the country. This Strategy will support opportunities for further partnership to create shared value.

The dairy and red meat value chains are intrinsically connected, with further opportunities to build value from greater integration and closer cooperation. We see enormous potential for greater collaboration, to build momentum for change that enhances the wellbeing and prosperity for New Zealanders.

November 2020



# Foreword

With this Strategy our organisations are coming together to establish long-term goals and a plan for the next five years to successfully identify and unlock market opportunities, while continuously improving our sustainability, productivity and prosperity.

Since the first Red Meat Sector Strategy was adopted in 2011, cooperation has continued to grow and expand into new areas, fostering a strong collaborative spirit in our sector.

By partnering across the supply chain on the most important challenges and opportunities for our sector we have been able to create value for all sector participants, as well as our consumers, communities and country.

Our people and businesses are integral to New Zealand's communities and economy. We are proud of what we do and of our contribution to the wellbeing and prosperity of our country, and we'll keep working hard to constantly improve.

New Zealand and the world face enormous uncertainty as a result of geopolitical trends and the COVID-19 pandemic, including its flow-on effects.

As attention turns to recovery, our sector will provide an engine for New Zealand's economy and will continue to be integral to achieving our long-term prosperity and wellbeing as a nation.

This refreshed Strategy builds on the work of the last decade and establishes our goals for the next. It also sets priorities for the next five years, providing the foundation for continued cooperation and collective effort.

It weaves together our long-term aspirations with current critical priorities and new areas to explore collectively that will create opportunities in the future.

While our goals are likely to remain consistent, our priorities and pathways to achieving them will be flexible, adapting in the face of better knowledge, greater certainty and new ideas.

We are coming together to show how we will do this, with a Strategy that enables us to communicate our aspirations and to invite partners, collaborators and supporters to work with us.

We look forward to this next exciting phase for our sector and to helping to create a bright future for our people, consumers, communities and our country.

Andrew Morrison,  
Chairman Beef + Lamb New Zealand

John Loughlin,  
Chairman Meat Industry Association



# Our sector's economic story



The sector supports over 92,000 jobs, 35,702 directly and an additional 56,719 indirectly employed.



The sector is New Zealand's largest manufacturing industry and second largest goods exporter generating approximately 16 percent of New Zealand export revenue.



Halal processing is important to the sector strategy. Around 46 percent of total red meat exports are Halal certified and contribute \$3.5 billion of export revenue.



Co-products (including wool) make up around 20 percent of sheepmeat and beef exports, and are worth nearly \$2 billion.



Red meat and co-product exports worth \$9.3 billion and raw wool adding another \$533 million.



The red meat industry generates \$12 billion in industry value added each year.



We're a value-add sector. 98 percent of product exported is high value chilled or frozen cuts. Frozen carcasses now make up less than 2 percent of what is exported.



Over 90 percent of our products are exported to over 120 countries.

# Our sector's environment story

We have made significant progress over the last couple of decades in reducing our environmental footprint.

The focus has been on producing more from less. This is a story of efficiency gain and value adding. Since 1990, sheep numbers have reduced by 50 percent – but meat production has only reduced by 8 percent and the value of sheepmeat exports has more than doubled.

The following is a snapshot of our progress, but we know there is more to do.



## Climate change

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**The sector has a goal of being carbon neutral by 2050 and is already a long way towards achieving this.**

We have reduced our absolute greenhouse gas emissions by over 30 percent since 1990 and we are offsetting between 63 percent-118 percent of our remaining on-farm emissions through the sequestration from the native and exotic woody vegetation on our farms.

We are committed to making further progress through our investment in the Pastoral Greenhouse Gas Research Consortium.



## Water

**From a water perspective, sheep and beef production largely works within the limits of the land.**

**Water use:** Most New Zealand sheep and beef production relies almost entirely on rainwater and grass/pasture growth.

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

The main water quality issues from sheep and beef production are e-coli, sediment, phosphorus and impacts from winter grazing. While there are still issues that need to be addressed, nearly every one of these indicators has been improving.



## Biodiversity

**Biodiversity is hugely important to our sector.**

There are 2.8 million hectares of native vegetation on sheep and beef farms. Much of this is regenerating native biodiversity and the sector is committed to protecting and continuing to build the biodiversity on their farms.

Globally, there is concern about the amount of land used for livestock production, and deforestation as a result of livestock production.

Since 1990, the land under sheep and beef production in New Zealand has decreased by 4.3 million hectares from 12.5 million to 8.2 million hectares.

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

# Where have we come from?

The sector has made significant progress since the 2011 Strategy. MIA and B+LNZ have worked together in partnership to provide combined advocacy, thought leadership, investment and a single voice on sector issues. These pages set out some of our achievements.

## Building value and trust

**Increased coordination in the market and value chain alignment**, including the launch of Taste Pure Nature in 2019, which is now in the United States and China. Taste Pure Nature is the red meat sector's country of origin brand, aimed at building awareness and preference for New Zealand's naturally raised, grass-fed, beef and lamb. This is a whole of sector initiative aimed at raising the value of our red meat exports.

**The New Zealand Farm Assurance Programme (NZFAP)**, launched in 2017, is delivering an authentic and independently verified animal raising and production assurance standard for our international consumers. It is estimated to have saved the industry \$1.9 million in audit costs over three years (or \$642,000/annum) and reduced the total number of on-farm audits by 37 percent.

**Advocacy for new market access**, including the removal of trade barriers and protecting current market access. For example, the Comprehensive and Progressive Trans-Pacific Trade Agreement (CPTPP) will result in \$60 million savings in tariffs to Japan alone.

**Modernisation of the food safety and regulatory compliance framework** which underpins our reputation as exporters of high quality and safe food for global markets. This has been supported by ongoing investment in food safety science research and development, including through the New Zealand Food Safety Science & Research Centre, funded by MIA and other stakeholders.

**The 2014 New Zealand Red Meat Processing Sector Research and Development Strategy and MIA Innovation Limited**, established and funded 50:50 by industry and Government to oversee a programme targeting product quality, processing technology, food safety and nutrition. Predicted economic returns of around \$340 million.

## Major improvements have been made on returns within the sector

Gross Farm Revenue:		Gross Farm Revenue/Hectare:		Earnings Before Interest and Tax:		Sheep and Beef Exports:	
2010-11	\$444,591	2010-11	\$670	2010-11	\$112,240	2010-11	\$6.8B
<b>2018-19</b>	<b>\$621,100</b>	<b>2018-19</b>	<b>\$908</b>	<b>2018-19</b>	<b>\$172,100</b>	<b>2018-19</b>	<b>\$9.1B</b>

Source: B+LNZ Economic Service



## **Building farm profitability and productivity**

**The Red Meat Profit Partnership (RMPP):** a \$65 million programme to drive sustainable, long-term profits for New Zealand's red meat sector. Evaluation by Scarlatti Limited concluded that for every \$1 invested, RMPP will return \$17 in value.

**Farming extension:** New Zealand continues to lead the way with world class extension and people capability programmes, creating sustainable learning environments. The RMPP Action Network has led to innovation in on-farm practice change. Now New Zealand's biggest business improvement collective, the Action Network boasts 200 groups and 1600 farming businesses. Independent analysis indicates an annual net return of \$24/ha.

**Biosecurity partnership:** MIA and B+LNZ became partners with Government in 2017 through the Government Industry Agreement for Biosecurity, with an agreed model for cost-sharing and joint decision-making for biosecurity responses, which was used during the *Mycoplasma bovis* response.

## **Caring for the environment, people and animals**

**The sector's 2018 Environment Strategy** lays out a long-term vision for the sector of 'He kaitiakitanga mo te tai ao - World leading stewards of the natural environment and sustainable communities'. Focused on healthy productive soils, thriving biodiversity, reducing carbon emissions and cleaner water, the strategy aims for every sheep and beef farm to have an environment plan, and the sector as a whole moving towards carbon neutrality by 2050.

**Addressing climate change.** The sector is working with the Government and Māori to implement the Primary Sector Climate Change Commitment - He Waka Eke Noa. This is an unprecedented agreement to develop, in partnership, a practical framework to measure, manage and reduce on-farm emissions and recognise and increase on-farm sequestration.

**The New Zealand Roundtable for Sustainable Beef,** established in 2019 as part of the Global Roundtable for Sustainable Beef (GRSB), is committed to ensuring the beef sector is economically viable, socially responsible and environmentally sound.

**As New Zealand's largest manufacturing employer and one of the biggest trainers in New Zealand,** meat processing companies trained 5300 people in NZQA-recognised qualifications in 2018, provided intensive training, mentoring and supervision for 136 apprentices and established the New Zealand Meat Industry Scholarship programme in 2017.

**Strong commitment to health and safety.** Investing in eliminating critical risks is doing much to make the industry a safer work environment. Companies are working with WorkSafe New Zealand to collaborate on health and safety issues and develop guidelines and information. More than 4000 farmers have participated in Farm Safety Management Systems workshops and B+LNZ has also developed stage two of this programme to help with on-farm implementation.

**New Zealand has some of the world's highest animal welfare standards,** and farmers and meat processors work hard to ensure their animals are well cared for and treated humanely. We have taken a leadership role in collaborating across the sector to improve animal welfare outcomes. This has led to continued improvements over recent years, particularly on winter grazing and bobby calves.

# Our context today

In 2020 our sector operates in an increasingly complex and dynamic context. Our goals and strategic priorities are informed by these key aspects of the changing environment, which present both risks and opportunities. Our collaborative approach means we can anticipate and grasp opportunities to create value or mitigate risks, and continuously improve our adaptability and resilience in the face of change.

**Research by the sector in recent years confirms the opportunities for high quality and high value red meat products that meet consumer needs as part of sustainable and healthy diets.** Studies highlight the dynamism of global red meat markets and complex forces driving consumer preferences relating to food, as well as the emergence of alternative or substitute products. Today's food producers must be closely connected to consumers, differentiate their products in the market and be able to demonstrate product attributes and qualities.

**There are also potential new opportunities from rising consumer interest in sustainable products that support health and wellbeing.** New Zealand's pasture-based production creates unique opportunities for meeting the needs of consumers that prefer sustainably produced natural products. The sector's reputation as a trusted, high quality supplier of safe and sustainable food, underpinned by a science and evidence-based regulatory system, continues to be of paramount importance.



**The ongoing uncertainty and disruption globally due to COVID-19 is heightening potential risks to market access, including from rising protectionism.** It is likely that the global environment for trade will continue to be challenging. Increased market and product diversification and efforts to strengthen New Zealand's trade relations and network of trade agreements, while continuing to uphold the global rules-based trading system, will be critical.

**Science and technology continue to create opportunities for innovation, including new products that unlock value for consumers, and grow our reputation as providers of safe foods. Processing technology is being harnessed to create safer workplaces and science-based farm solutions are being developed to improve sustainability and productivity.**

Digital technologies are creating new ways to tell our story, while the COVID-19 crisis is a catalyst for new market channels and business models that bring producers closer to their consumers. A well-resourced science system and sustained investment are essential to innovation, competitiveness and responding to increasingly complex challenges such as climate change.

**Attracting and retaining talented, adaptable and skilled people continues to be competitive and COVID-19 has created new challenges to meet workforce needs, as well as new opportunities to re-train and encourage new people to join the sector.** Changes to vocational training will provide new opportunities to improve the quality and uptake of education and training.

**Māori are an increasingly significant contributor to the red meat sector.** Identifying ways to partner Māori agribusiness, to both learn from and support their growth, is critical to the sector.

**The environment, climate change, biodiversity and care for people and animals continue to be critically important for consumer and public trust.** Significant changes in domestic policy and meeting New Zealand's emissions reduction targets will impact all land users in New Zealand. The sector must remain competitive to avoid losses of sheep and beef farms and processing plants in regional communities.

**New Zealand's response to *M. bovis*** has raised awareness of the significant risks to New Zealand from pest and disease incursions, and highlighted opportunities to strengthen protection and preparedness.



# Our way forward

The sector has set out a vision and established clear long term goals. Strategic priorities for the next five years, to provide focus and to accelerate progress, are set out in more detail over the following pages.

VISION

## Growing sustainable value together

OUTCOMES

**Greater profitability, sustainability and resilience**

**Increased value for our customers and consumers**

**Greater social and economic benefits for Aotearoa**

**Enhanced integrity, trust and reputation of the sector**

2030 GOALS

**Sustainably profitable**  
Lift innovation, performance and productivity

**Premium value**  
Build a platform to create and capture value

**Vibrant communities**  
Provide economic growth and employment

**Trusted guardians**  
Guardianship of reputation, animals, water and land

2025 PRIORITIES



### Market position

New market access  
Assurance  
Differentiation  
Product benefits and attributes



### Innovation

Future processing plants  
Future farms  
Future products  
Data integration  
Traceability



### Sustainability

People  
Reputation  
Environment  
Biosecurity  
Animal care

# Our 2030 goals

## For growing sustainable value together



**Sustainably profitable** - To enable all participants in the sector to lift their sustainable profitability and competitiveness through innovation, excellence and increased productivity

*Creating tomorrow's farms, processing plants and products through innovation, science and technology; ensuring all parts of the animal achieve their most valued use, safeguarding biosecurity and increasing our resilience to volatility, uncertainty, complexity and ambiguity.*

**Metrics: Sector productivity / Farmer confidence / Sector profitability**

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**Premium value** - To build a platform to create and capture value from our world class products and production systems

*Understanding our customers and being able to anticipate their future needs; building a closer fork-to-farm relationship through transparency, traceability, trust and two-way information flows; building our New Zealand red meat narrative, brand and recognition of the attributes of our products and production methods; and working with Government to improve and grow our market access.*

**Metrics: Value generated per animal / Customer satisfaction / Value of sector exports**

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**Vibrant communities** - To increase economic and social benefits for our people and communities through providing economic growth opportunities, growing skilled and adaptable people and underpinning vibrant rural communities

*Growing meaningful employment opportunities, increasing the diversity, capability, skills and qualifications of our people and promoting their health and wellness.*

**Metrics: Sector employment numbers / Training uptake and apprenticeships / Economic contribution**

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**Trusted guardians** - To enhance our reputation, trust and integrity through everything we do, including fulfilling our guardianship responsibilities for our land, water and animals

*Maintaining the highest standards of quality, food safety and animal care, and contributing to flourishing, healthy New Zealand landscapes through science-based, practical solutions to improve soil and water quality and address global climate change.*

**Metrics: Environmental KPIs / Consumer trust and reputation measures / Animal care global measures**

# How we'll achieve our goals

To achieve our goals, in the next five years we will focus on the strategic priorities of market position, innovation and sustainability.

Each priority supports multiple 2030 goals. Each goal will be achieved through a range of current and planned initiatives to build momentum and progress. Areas that the sector will explore collectively to identify and capture future opportunities have also been included.



## Our 2025 strategic priorities



### Market position

- New market access
- Assurance
- Differentiation
- Product benefits and attributes



### Innovation

- Future processing plants
- Future farms
- Future products
- Data integration
- Traceability



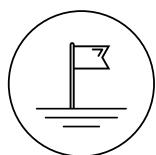
### Sustainability

- People
- Reputation
- Environment
- Biosecurity
- Animal care









## Strategic priority one

# Market position

The sector's overarching priority will be to continue to grow the recognition of, and value from, our New Zealand pasture-based farm systems and the sustainable nutrition they create, all backed by robust assurance systems and evidence.

The foundations for this have already been established through the Taste Pure Nature origin brand, the New Zealand Farm Assurance Programme and New Zealand's internationally trusted food safety system. The focus will be on accelerating and expanding this, and increasing coordination across the supply chain.

Maintaining and improving trade access to our key markets such as China, the European Union, North America and the United Kingdom will remain important, as will identifying potential new markets.

	2022	2025
<p><b>1.1 Maintain and improve existing market access:</b> Creating new market access opportunities, improving access and removing barriers.</p>	<p>Implement a blueprint to support the relationship with China and open new market opportunities with the EU and UK through New Zealand's FTAs.</p> <p>Successfully maintain existing WTO access in the EU and UK.</p>	<p>Market access is protected and improved across key markets and a strategy developed for potential emerging markets.</p> <p>Expansion of CPTPP to other significant global players.</p> <p>Continued support of a rules-based global trade framework, that is respected by our major trading partners.</p>
<p><b>1.2 Assurance:</b> Extending the Farm Assurance Programme to cover 100 percent of sheep and beef farms and expand its scope to include further aspects of New Zealand's production systems valued by consumers.</p>	<p>100 percent of export eligible beef and lamb covered by NZFAP.</p> <p>Continue to develop the assurance programme to meet evolving consumer needs.</p>	<p>100 percent New Zealand-produced beef and lamb covered by NZFAP.</p>
<p><b>1.3 Differentiation:</b> Achieving In-market differentiation of our products based on our grass-fed advantage, quality attributes and New Zealand provenance.</p>	<p>Deepen Taste Pure Nature in collaboration with companies and build demand for grass-fed beef and lamb.</p> <p>Evolve the sustainability story in response to consumer trends.</p>	<p>Taste Pure Nature partnerships are delivering increased farm gate returns.</p>
<p><b>1.4 Product benefits and attributes:</b> Establishing the science and evidence base for claims relating to NZ production systems, animal welfare, product attributes, nutrition and health benefits.</p>	<p>New Zealand red meat sector has completed development of science-based credentials to enhance the Taste Pure Nature value proposition and sector reputation.</p> <p>In-plant, on-farm and genetic tools are in development to ensure eating quality is maintained or improved.</p>	<p>Targeted R&amp;D investment in the Pasture Raised Advantage Nutrition study is on track to deliver an expanded knowledge base for red meat.</p> <p>Farmers and processors are rewarded for improved eating quality across the industry.</p>





## Strategic priority two

# Innovation

New Zealand is the world leader in on-farm and processing plant technology, which has underpinned the success of the sector.

We will continue to invest, in partnership with the Government, in strategic projects to position the sector for the future. Investment in data and digital technology will be a high priority.

### Other areas of focus include:

- advancing industry good research to enhance our farm and processing systems such as the 'Plant of the Future' project to identify future trends, technologies and disruptors in red meat processing
- greenhouse gas mitigation and sequestration options
- investigation of options for farm systems change through the Hill Country Futures programme and Future Farm.

	2022	2025
<p><b>2.1 Future processing plants:</b> Investing in research and development that increases the sustainability and productivity of our processing plants, including through the use of new technologies.</p>	<p>The sector has developed a road map and secured an investment mechanism for emerging technology research and development to improve the sustainability and productivity of processing operations, including plans for the development of an electronic, hands-free meat inspection platform.</p>	<p>An active programme of R&amp;D is delivering technology solutions which underpin the processing plant of the future, including an electronic, hands-free meat inspection platform.</p>
<p><b>2.2 Future farms:</b> Investing in research and development that increases the sustainability and productivity of our farms, including through the use of new technologies.</p>	<p>Farm systems research is prioritised to allow farmers to be responsive to consumer trends, including regenerative agriculture.</p> <p>A genetics strategy for sheep, beef and dairy beef is developed across the sector to maintain our world leading sheep infrastructure and build the performance of beef and dairy beef.</p>	<p>New farm systems are rooted in a New Zealand context and the red meat sector has opportunities to serve consumers looking for specific attributes.</p> <p>Next generation farm business models are developed and prototyped.</p>
<p><b>2.3 Future products:</b> Exploring new generation beef products and other co-products that enhance the value of the whole animal.</p>	<p>The sector has identified new products and has developed a model for investment to bring them to market.</p>	<p>A pipeline of R&amp;D is underway investing in new generation beef and other co-products, with at least one product nearing readiness for commercial uptake.</p>
<p><b>2.4 Data integration:</b> Identifying opportunities to grow value through integrated data and connectivity across the whole supply chain.</p>	<p>A systems map has been created across the value chain, identifying key gaps in data collection and connectivity and proposing solutions.</p>	<p>The sector is investing in infrastructure solutions to support data collection, storage, protection, integration and usage.</p>
<p><b>2.5 Traceability:</b> Developing a plan for achieving farm to customer traceability.</p>	<p>NAIT is delivering target traceability with 50 percent of all animals tracked via eASD.</p> <p>Develop on-plant tools for tracking of product through processing (linking to eASD).</p>	<p>All animals tracked via eASD, 100 percent product traceable back to individual animal and farm of birth. Data flow allowing on-farm decisions to be informed by customer feedback.</p>





## Strategic priority three

# Sustainability

The three pillars of economic, social and environmental sustainability will remain a top priority.

We will continue to invest in improving our environmental footprint and communicating progress to our consumers and the public. Priorities include establishing a practical farm-level framework to address agricultural emissions through He Waka Eke Noa; and all farmers having a plan to manage their water, soil, climate change and biodiversity.

We will remain focused on building the capability and adaptability of our people, supporting their wellbeing and safety, and ensuring the economic value from our sector flows to the rest of the New Zealand economy.

	2022	2025
<b>3.1 People:</b> Attracting and developing skilled and adaptable people across the value chain.	A workforce development plan is in place, meat processing workers are achieving NZQA qualifications, and apprenticeships in meat processing increased to more than 100 a year.	Sustainably addressed labour shortages, and the sector has the right resource to operate at an optimum level.
<b>3.2 Reputation:</b> Strengthening New Zealanders' trust in, and connection with, the red meat sector.	A well co-ordinated programme to reposition the red meat sector with the public has been developed and implemented.	Improved trust and reputation for the sector.
<b>3.3 Environment:</b> Enhancing the sector's environmental position in New Zealand and globally.	Sector hits He Waka Eke Noa climate change milestones. Sector on track to deliver water quality improvements. Tools are commercially available to farmers allowing them to reduce the methane production of their livestock without reducing animal performance.	All sheep and beef farmers have an active farm plan which delivers on water, climate change and biodiversity commitments, improves farm performance and meets customer needs. Environmental traits are included in the National Breeding Objectives for livestock.
<b>3.4 Biosecurity:</b> Supporting world class biosecurity protection systems and preparedness.	<i>M Bovis</i> eradication on track. Foot and Mouth Disease readiness and response operational agreement with Government and other animal industries is finalised. NAIT compliance is improved.	Every farm and processor has a biosecurity plan that effectively manages biosecurity risk. The sector has an active plan for effective and rapid response and recovery (including for rapid resumption of trade) in a major biosecurity emergency.
<b>3.5 Animal care:</b> Identifying opportunities from emerging science and trends in animal care.	A meat/dairy sector strategy has been developed to ensure 'whole-of-life' welfare to create value and maintain New Zealand's reputation for high animal welfare standards and practices. Animal lifetime performance improved through research into improved animal health e.g. facial eczema, parasite resistance, newborn lamb survival.	Consumers continue to have confidence in sector animal welfare. New Zealand maintains a high world standing for animal care.

# Enablers

The following underpin our strategy and its success, and will be ongoing areas of focus for the sector.

**Collaboration:** We'll continue to build and strengthen connections and relationships across the sector through to our customers, focusing on two-way flows of information to ensure we know what they all value and need. We'll build strong relationships with government, Māori and other key stakeholders.

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**Future insights:** We need to continually look ahead. This will enable us to build the sector's collective ability to anticipate, manage and respond to opportunity, uncertainty and complexity.

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**Food safety:** World class food safety standards are critical for maintaining consumer confidence in our products. Being recognised as a global leader enables us to access markets and maintain New Zealand's premium global positioning.

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**Data connectivity and integration:** We need the right inputs to inform our decision making, reporting and insights, across the value chain. We need to be able to provide transparency and assurance and be able to adapt and improve.

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**Comprehensive science and evidence:** Our sector faces complex challenges and needs to demonstrate the value of our products, how they're produced and what that means to New Zealand and the world. We need solid, trusted evidence to get the right regulation, to support efficiency and innovation, and to secure access to global markets.

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**Skills and capability development:** Our people are key to our success. Everyone across the value chain needs to be supported to continually grow and adapt with changing skills and knowledge to respond to new challenges.

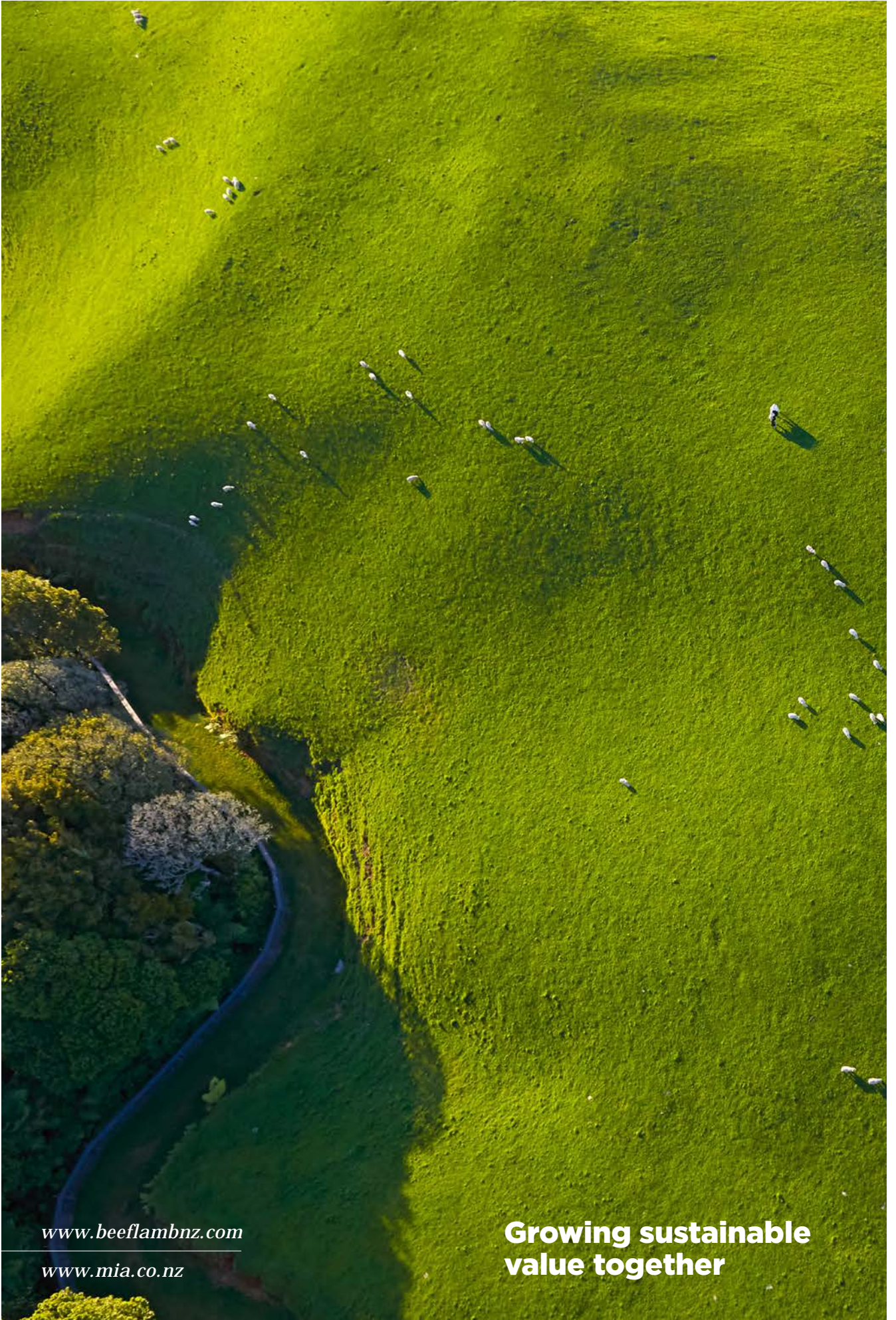
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**Open markets:** More than 90% of our production is exported to over 120 countries. A strong New Zealand market will always be important, but our diverse global reach makes us resilient and provides opportunities for growth.

# Metrics

To track progress in achieving our goals, a number of metrics will be monitored and reported on, benchmarked against current data.

	Goal	Metrics	2019 baseline
	<b>Sustainably profitable</b>	<ul style="list-style-type: none"> <li>• Sector productivity</li> <li>• Farmer confidence</li> <li>• Sector profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Industry confidence at 46 percent, UMR Farmer Survey (August 2020)</li> <li>• Gross farm revenue per hectare \$908 (2018/19)</li> <li>• Export revenue of \$9.4 billion (2019/2020), 7 percent increase from last year. (16 percent of total New Zealand goods exports by revenue)</li> <li>• Number of animals processed per worker per day (typically 130 sheep per day)</li> </ul>
	<b>Premium value</b>	<ul style="list-style-type: none"> <li>• Value generated per animal</li> <li>• Customer satisfaction</li> <li>• Value of sector exports</li> </ul>	<ul style="list-style-type: none"> <li>• Farm-gate all classes weighted price \$ per head (2018): Lamb \$134; mutton \$108; beef \$1245 (2018)</li> <li>• Meat Exports \$000 per tonne SW (2018): Lamb 10,185; mutton 6,497; Beef 7,206</li> <li>• Taste Pure Nature preference measures for California, New York, Shanghai and Beijing</li> <li>• Export revenue of \$9.4 billion (2019/2020), 7 percent increase from last year. (16 percent of total New Zealand goods exports by revenue)</li> </ul>
	<b>Vibrant communities</b>	<ul style="list-style-type: none"> <li>• Sector employment numbers</li> <li>• Training uptake and apprenticeships</li> <li>• Economic contribution</li> </ul>	<ul style="list-style-type: none"> <li>• 92,000 people employed</li> <li>• 5300 people trained in NZQA qualifications with 83 percent completion rate (2018)</li> <li>• 136 meat processing apprentices to date (2018)</li> <li>• 1600 farm businesses in Action Groups</li> <li>• Annual value add \$12 billion</li> </ul>
	<b>Trusted guardians</b>	<ul style="list-style-type: none"> <li>• Environmental KPIs</li> <li>• Consumer trust and reputation measures</li> <li>• Animal care global measures</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon footprint: sheep 8.6kg CO<sub>2</sub> eq per kg LW; cattle 10.5kg CO<sub>2</sub> eq per kg LW</li> <li>• Nitrogen leaching: 17Kg/N/ha/yr</li> <li>• 2.8m ha in native vegetation on sheep and beef farms</li> <li>• Net sector emissions</li> <li>• REPZ measure of trust and reputation (Sheep 65, Beef 62)</li> </ul>



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