



Media Release

Meat Industry Association of New Zealand (Inc)

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Beef Farmers encouraged to give serious consideration to Meat & Wool New Zealand's Beef Levy Proposal

The Meat Industry Association (MIA) believes an increase in the Meat & Wool New Zealand (M&WZN) beef levy charged on all animals slaughtered, must be given serious consideration by farmers, as part of joint industry initiatives to protect New Zealand's beef export interests in key markets.

MIA Chairman, Bill Falconer, said the MIA's processor and exporter members have worked collaboratively with M&WZN on a number of promotions of New Zealand beef for both the export and the domestic market in the past four years. The intention is to increase this, leveraging the investment of the two groups with more joint venture promotions.

"We need to be lifting our marketing investment particularly in those North Asian markets where we have made significant gains while the US was shut out because of BSE, and it makes sense to work together to do it. As US beef returns to Japan, Taiwan and Korea, we must make sure we don't lose the market share that New Zealand's grass-fed beef has gained.

"In the past three years New Zealand beef exports to Japan, Korea and Taiwan have increased in value by 86 percent. These are markets that hold increasing potential, and the joint venture model, that sees matched funding from both farmers and processors, is one that has worked extremely well."

The generic promotions that the two organisations have already worked together on include a mix of media advertising, trade fair participation, PR industry functions and trade research. All of these activities have positioned grass-fed New Zealand beef as a natural product that is healthy.

M&WZN is currently consulting with its levy payers, asking for feedback on two options concerning the beef levy. One is to hold the levy per head and rationalise the organisation's activities. The second is to increase the levy by 80 cents per head of cattle slaughtered to \$4.40, and further develop New Zealand's beef profile in Asia.

Mr Falconer said individual meat companies and M&WZN were increasingly joining forces to carry out promotions.

“The progress in Asia has been excellent with New Zealand beef getting penetration in the retail and food services sectors – especially in Japan and Korea. We are seeing a far greater awareness of New Zealand beef and it’s important we keep up this momentum.

Mr Falconer said an important link between the two groups was the Meat Promotion Group which was made up of meat processors and exporters, marketers, representatives of the Meat Industry Association and Meat & Wool New Zealand management and directors.

The MIA is a voluntary membership body representing meat processors, exporters and marketers. Its members collectively process and market \$5 billion of meat exports each year – 30 per cent of New Zealand’s primary sector revenue, and 17 per cent of the nation’s exports by value.

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