



Media Release

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Sector Strategy ready for consultation in the New Year

Farmers and industry will be updated on Red Meat Sector Strategy progress and hear firsthand about the opportunities for the sector, in a series of meetings planned early in the New Year.

Deloitte is working on behalf of Beef + Lamb New Zealand, the Meat Industry Association, the Ministry of Agriculture and Forestry and New Zealand Trade and Enterprise to facilitate the development of a strategy to restore profitability to the sector.

Deloitte Partner Alasdair MacLeod said the strategy process, now more than half way through, had delivered a huge amount of industry information and data which had been analysed and worked into an initial strategy framework for discussion.

“We now want to share what we have found and test our thinking to move the sector forward.”

Mr MacLeod said comprehensive sector information had been gathered in a range of ways – interviews with farmers and industry, further farmer feedback through an online survey and an analysis of sector metrics, including performance, costs and profitability. This has provided the historical context from which to judge the sector’s recent performance and identify the issues which have hindered growth.

“From there key themes, incentives and future drivers and opportunities have emerged that can influence sector profitability and these will be discussed during the consultation process to begin in late January. We had been expecting to release these themes prior to the end of this year, but we need to do more analysis to validate them.

“What we are developing is a sector-wide framework that farmers and industry can work within – there will be elements they can implement individually to improve returns, and other sector-wide opportunities that require collective action. It isn’t and cannot be a ‘one size fits all’.

“One critical component of the strategy will be a range of action plans that will clearly show farmers and industry how they can drive value for the sector.”

Beef + Lamb New Zealand Chairman Mike Petersen said the work to date had shown there are a number of people - from farm through to the market - who are running profitable businesses in the current environment. However, there are opportunities for improved performance in every part of the supply chain. Further analysis is underway to pin down the key drivers for profitability.

“This is really the first structured discussion the sector has had on what drives value. Importantly, it will outline pathways that identify activities and interventions that will enable all sector participants to improve their respective business performance.

“We’ll be consulting with the sector on this framework and strategy direction after Christmas with meetings planned throughout the country.”

The meetings will begin in Southland during the week of 24 January 2011 and will be completed by 18 February 2011. Meeting dates and venues will be advertised through the rural media in the New Year.

Meat Industry Association Chairman Bill Falconer said for the strategy to be successful, it was going to need the collective support of producers, processors and the extended network of service providers.

“Everyone (industry and farmers) is starting from different points, so we need to develop the tools for participants to understand their needs and then we need to get like-minded people together to invest for mutual benefit.”

The Red Meat Sector Strategy is to be launched at the end of March next year.

For more information please contact: Beef + Lamb New Zealand Chairman, Mike Petersen 021 243 7344 or Meat Industry Association Chairman, Bill Falconer 021 939 520.