

# An Update from our Markets

## From the United States

Our Silver Fern Farms team in the US has had a busy week growing connections and promoting our product attributes to US customers – with particular attention paid to Net Carbon Zero Beef which is already in the US, and Net Carbon Zero Lamb which is the next cab off the rank.

We've noticed the understanding and acceptance of sustainable attributes from retailers has come a long way this year, particularly when it comes to being aware of their emissions profile and realising the benefits of supporting our NCZ range.

There was also a lot of talk of the current drought and the consequential decrease in cattle in the US and how this will play out over the next quarter and into 2023.

With Trade Fairs up and running we also had the opportunity to be in front of the country's leading Healthcare providers. There is a notable lift in awareness from this sector around the health attributes of grass-fed beef and their ambition as corporates to be sustainable. We led discussions with key buyers from around the country to open up a sector that Silver Fern Farms has not been involved in previously, potentially leading to an additional supply opportunity for high-end attributed product in the US.



GM Growth *Nicola Johnston* and China Country Manager *Alex Wang* featured in some WeChat content to support our engagement at the Conference.

## From China

Last week, our in-market team in Shanghai attended the Annual Meat Consumption Conference 2022 (AMCC), a well-known industry event targeting meat production and food service companies.

Our China Country Manager, Alex Wang, hosted a panel discussion on "Meat Consumption from a Global Perspective" which included included heads of procurement and supply chains from Tyson Foods, Chia Tai Group, McDonald's China, Blue Frog and Paradise Garden food service. Alex also held a keynote speech on appealing to Chinese consumers.

GM Growth Nicola Johnston also attended the conference remotely to share the background on our grass-fed model of production and our Reserve products.



Silver Fern Farms invites suppliers and rural partners to our Supplier Roadshow Dinners. Please join us to celebrate the conclusion of a challenging season and reconnect ahead of the next one. Each dinner will feature a presentation from our management team, as well as a chance to enjoy a great Silver Fern Farms red meat meal.

Please click below to register for the regional roadshow dinners.

WHANGAREI	KARAPIO	NEW PLYMOUTH	TAKAPAU	CHIRSTCHURCH	GORE
24th November	17 <sup>th</sup> October	23rd November	20 <sup>th</sup> September	28 <sup>th</sup> September	15 <sup>th</sup> November
Northland Cricket Venue	Sir Don Rowlands Event Centre	Devon Hotel, New Plymouth	St Vincent's, Takapau	Omarino Wine Estate	Croydon Lodge, Gore



## Silver Fern Farms finalist in 2022 Business Awards

This week Silver Fern Farms was announced as a Finalist in the 2022 New Zealand International Business Awards, in the Excellence in Sustainability Category. The winners will be announced on 27 October.

The awards aims to “recognise organisations that embed sustainability into the fabric of their business, achieving international growth while having a positive impact on people and the planet.”



## Toitū Diamond Status Retained



Silver Fern Farms has successfully passed an annual Toitū audit of our Environmental Management Systems.

This confirms our Diamond status in the Toitū enviromark certification programme. With Diamond being the highest level of recognition for our environmental management efforts, this is great testament to the hard work of our teams.

Four of our sites; Hawera, Waitotara, Hokitika and Pareora were audited in July and the feedback was impressive, with the auditors noting that Silver Fern Farms has further matured to embed our Environmental Management Systems in our operational activities.



Tirau farmer Adrian Ball has been announced as a new Board-appointed Farmer Director to Silver Fern Farms Co-operative Ltd starting on 1 September.

Alongside his wife Pauline, Adrian runs Dennley Farms, a 196ha fully integrated dairy and dairy beef finishing farm supplying finished cattle to Silver Fern Farms. He is also the Chairman of Rahinga Dairies in Dacre, Southland.

Adrian and his wife were the recipients of the 2019 Gordon Stephenson Trophy which is part of the Ballance Farm Environment Awards, They were the 2019 National Ambassadors for sustainable farming and growing. He has also recently completed a strategy specialisation certificate at the Harvard Business School and an Advanced Directors course at the Institute of Directors NZ.

Adrian has a term of three years on the Silver Fern Farms Co-operative Board.



# Dollar for dollar.

FROM SEPTEMBER TO DECEMBER 2022  
SILVER FERN FARMS WILL MATCH THE VALUE OF  
ALL LIVESTOCK DONATIONS TO MEAT THE NEED,  
DOLLAR FOR DOLLAR.

ANY DONATION, LARGE OR SMALL, CAN MAKE  
A DIFFERENCE TO KIWIS IN NEED.

1 COW CAN SUPPLY RED MEAT TO A LOCAL  
FOODBANK FOR 1 YEAR.

SILVER FERN FARMS IS PROUD TO PARTNER WITH  
MEAT THE NEED TO SUPPORT NEW ZEALANDERS IN  
NEED WITH HIGH-QUALITY, NUTRITIONAL PROTEIN



**meat the need**

♥ WITH SILVER FERN FARMS

FOR MORE INFORMATION OR TO MAKE A DONATION  
TALK TO YOUR SILVER FERN FARMS LIVESTOCK REPRESENTATIVE  
OR VISIT [WWW.MEATTHENEED.ORG](http://WWW.MEATTHENEED.ORG)



## Beef

### US market flat due to drought but demand stable out of China.

The US market for imported lean beef remains flat as severe drought conditions still prevail over large parts of the US.

Total US cattle on feed inventories were up 1% to 11.2 million head for August – this was the second highest on record, with drought being a large factor contributing to the increase. A strong rebound in imported demand and pricing is forecast for early 2023, when US domestic production is expected to contract.

China continues to show a strong appetite for beef, with particularly strong imports from South America. Pricing and demand remain stable for NZ beef.

Severe drought in China is also affecting many aspects of the market such as crop production and hydro power generation. This is disrupting processing factories and transportation – both factors that affect employment, which in-turn can negatively affect consumption.

Japanese and Korean markets continue to be

pressured by heavy imports from the US. A sustained lift in consumption would be required to clear some of the inventory in-store. Typically inventory positions can turn quite quickly as demand lifts, particularly when we see a slow-down in US exports.

Australia will show a strong lift in exports for August, driven by a lift in processing volumes early in the month, and this is why we have seen some disruption to in-market prices.

However, Australian cattle volumes for processing have slowed over the past fortnight, due to further recent rainfall in Eastern Australia. Good pasture conditions are allowing farmers the option to put additional weight on finished cattle which will push more cattle into the last quarter of the year.

Shipping disruption looks set to continue for some time until port congestion issues are resolved in key markets. Global consumer consumption is reportedly slowing, which will remove some pressure out of the supply chain and start to free up ports and in turn shipping space.



## Sheepmeats

### China tracking well but cheaper Australian product putting pressure on demand elsewhere

Markets for the most part have remained relatively stable over the previous fortnight though the sentiment around pricing continues to be pessimistic.

Middle Eastern markets are seeing multiple offers of cheap product from Australia, with reports of prices reducing on a regular basis as Australia looks to service their export markets over domestic sales.

This is adding additional pressure to the price and demand of NZ product. Our customers in the Middle East advise NZ product is their preference, however when faced with an ever-increasing cost of living, price-sensitive consumers will trade down in an effort to reduce their food spend.

The North American market is also feeling the effect of an abundance of cheaper Australian product. This impacts on demand and

customers are reportedly carrying high inventories which is taking up valuable storage space.

Prices which were already under pressure are being squeezed further, slowing sell-through and creating nervousness around where they will settle. Customers tend to sit and wait for pricing to plateau before committing.

China continues to track well with firm demand and slight uplifts to pricing across the board, despite commentary around inventories there remaining high. Customers remain positive as they look to continue to build towards the Chinese New Year consumption period.

As with lamb, and on the back of limited availability, mutton sales continue to see firm demand and have experienced a small lift in pricing into China. This remains the market of choice and continues to set the pace on the mutton front.





# Venison

The EU Game Season is in sight, but costs and the Ukraine conflict are presenting some nervousness in market.

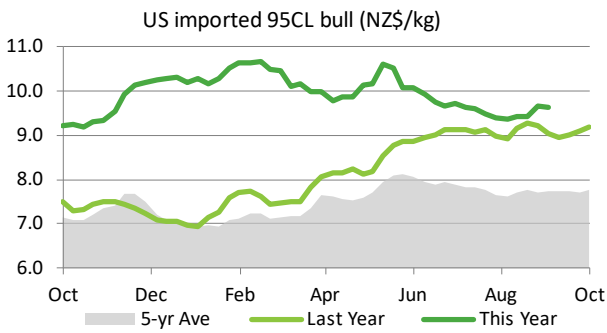
It's all about production of chilled venison towards the EU Game season, and this will remain the case for the next 5 weeks as we work to fulfil our commitments to the sea freight component of this important period.

Negotiations continue towards air freight volumes to service this high consumption period, however customers remain cautious around committing, primarily due to the associated cost of this method.

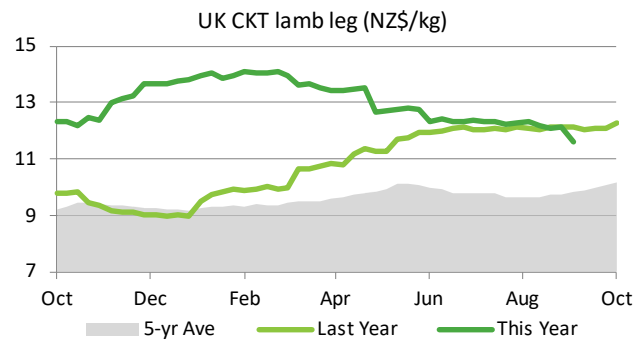
However they also have trepidation as to how the game season will go this year through winter, which will stretch budgets further and negatively impact on food spend.

With this consumption period taking place in the colder months, and inflation and the Ukraine/Russia conflict having a massive impact on energy costs, Europeans are now talking about an 'Eat or Heat' scenario. Heating costs are expected to treble which will stretch budgets further and negatively impact on food spend.

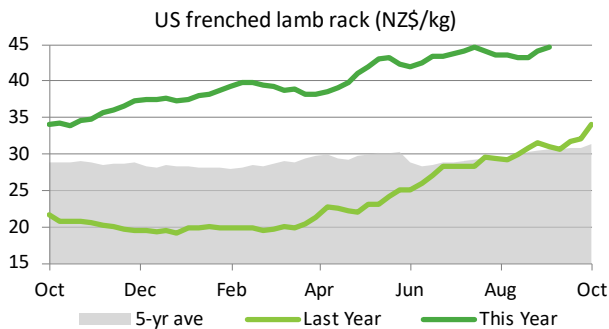
## US imported 95CL bull



## UK CKT lamb leg



## US French Rack



## Lamb Flaps

