

The Big Feed with Meat the Need

We're all well aware that the cost of living has risen dramatically, and heading into the Christmas season some New Zealanders are struggling even more.

Up to 10% of New Zealanders are affected by food insecurity; New Zealand foodbanks service around half a million people each month, and with the effects of inflation on food and utilities these services are reporting further lifts in demand. Many of those struggling to put food on the table consider red meat a luxury, so we are in a position to make a huge difference and help New Zealand families in need to enjoy nutritional, quality beef mince. To bring attention to the cause our charity partner Meat the Need is

holding rural telethon next Thursday 15 December, broadcasting live on Facebook for 14 hours from around the country.

The Big Feed will be hosted by founder Wayne Langford and TV personality Matt Chisholm, and will feature interviews with celebrities and sports stars, panel discussions, some exciting challenges and hopefully some big pledges too. Silver Fern Farms has been running a dollar for dollar campaign, matching the value of all livestock donations from September to December, and we'll have some exciting updates about this and more on the day.

Follow [Meat the Need on Facebook](#) and tune in on Thursday 15 December to join the action.

THE BIG FEED
One day - Rural NZ - Feeding NZ

FACEBOOK LIVE EVENT
15TH DEC 2022

NZ's Rural Telethon
meat the need feed out

How to support The Big Feed

- Farmers: Donate milk or pledge to donate livestock (sheep, beef and deer)
- Rural businesses: Become a 'business supporter' (Platinum, Gold or Silver)
- Employees: Sign up to payroll giving through PaySauce
- Organisations/clubs: Host a fundraising event - who can gain the most milk/livestock donations?
- Kids & Schools: Ask a farmer to donate livestock, host a multi day or fundraising event
- Everybody else: Donate a virtual animal online
- Text to donate \$3: Text FEED to 206

THE GOAL
1 Million Meals

#TheBigFeed
0800 632 884
www.meattheneed.org

100% of donations on the day go to feeding NZ families in need.



Processing Backlogs Build

Following a favourable start to the season the last couple of weeks have been anything but, with headwinds impacting our processing sites as Covid returns in some of the communities we operate in. With this heightened Covid risk we have had to re-introduce controls and procedures to protect the safety of our people and maintain Silver Fern Farms' high quality and safety standards.

Even though we have greater labour availability this season we have seen absenteeism increase dramatically with this being most acutely felt across our Sheepmeats plants. Silver Fern

Farms has needed to reduce planned Sheepmeats capacity by 20-30% across the last two weeks and Beef capacity by 12%. Unfortunately this has coincided with the start of weaning of lambs in some regions. Venison capacity has continued to match supply.

Pleasingly we are now seeing capacity begin to rebuild and we can take advantage of our more favourable labour settings. However the last two weeks has clearly reminded us how quickly things can change, and it is important you build resilience on farm to manage this type of disruption. Covid is still working its way around

New Zealand communities and we are closely monitoring this, with a focus on maximising available processing capacity while protecting our people and the safety and quality of our products.

It is difficult to give an exact view on wait times by stock class right now as livestock forecasts continue to build. For context, the livestock volumes waiting to be processed are the largest we have seen in five years. Our people in plant are doing an outstanding job on increasing capacity when labour becomes available again, but farmers should prepare for longer wait times, especially in Sheepmeats as the impact of the last two weeks will carry into the new year.

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We're calling on rural NZ to 'get in behind' THE BIG FEED on Dec 15th.

With your support, we can help to ensure no one in NZ goes hungry.

Wayne Langford
Farmer & Co-Founder of Meat the Need

THE GOAL

1 Million Meals





Beef

With restrictions lifting in China there's a distant light at the end of the tunnel.

Consumers returning to work and social activity will no doubt see a lift in consumption activity, which should generate some positivity for beef demand.

Our in-market offices in Japan and Korea are doing a very good job amid difficult market conditions. Rapid inflation has had an effect here too, but the teams have managed to extend chilled programmes in the Japanese market, with particular success in grinding beef.

In North America, a large amount of Brazilian product is expected to hit the US in early 2023 which is keeping demand soft and prices lower.

The US is currently reviewing tariff rate quotas for beef imports, which could have implications for New Zealand and Australia if the current quotas were changed. Both Australia and New Zealand have underutilised their allocations in recent years, whereas Brazil which is part of the "other countries" allocation have fully utilised, and pay 26.4% duty to ship outside of quota.

Any specific allocation for Brazil that allowed a significant lift in quota would provide direct competition for New Zealand and Australia if competing solely on price, exemplifying the need for attribute-based product.

As we work through peak processing numbers the increased prime kill means strong volumes are available for the domestic market. This matches increasing demand ahead of the Christmas season, and big programmes with important partners like Bidfood and Foodstuffs continue to track well.

Chilled programmes are still performing well in the Middle East with consistent demand from foodservice and retail customers, and in South East Asia as well. The primary challenge continues to be moving frozen bulk volume beef.

Logistics challenges are ongoing, particularly around cold storage in market. With consumption slow, and excess beef supply, the US and Asia have huge amounts of product waiting in cold storage. A strong consumption period will be needed to get product moving and relieve the pressure.



Sheepmeats

European markets remain relatively flat, with very little market optimism at present.

Chilled business continues to function adequately however some customers have reduced volumes in the short term and will reassess their positions post the festive season. Frozen sales have slowed with customers taking a more conservative approach to purchasing – looking to only pick up what they need for just-in-time delivery, with very little speculating taking place. With prices continuing to slip back further this behaviour is expected to continue until pricing bottoms out.

Civil unrest across China from those frustrated with the world's toughest Covid policies has seen an easing of testing requirements and quarantine rules in some cities. Looser

measures have been welcomed after the current policies have been blamed for a reduction in domestic consumption, factory outputs and negatively impacting on global supply chains.

China's demand for protein remains however as the economy slows with rising unemployment, wage reductions and increases to the cost of living, price points have shifted downwards accordingly.

Mutton markets continue to function normally in terms of volumes however prices have seen further erosion. The availability of very cheap Australian product, and plenty of it, continues to undermine the position of New Zealand mutton in competing markets.



Venison

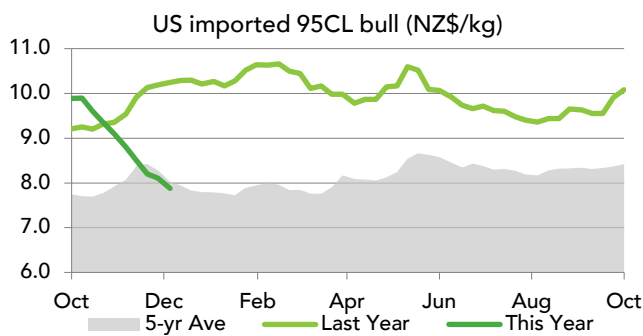
Very little has changed in the Venison space in what is traditionally a very subdued sales period.

This will be the last week of production towards our chilled airfreight program for the European Game Season, allowing product to arrive in market to be further processed in time for Christmas sales.

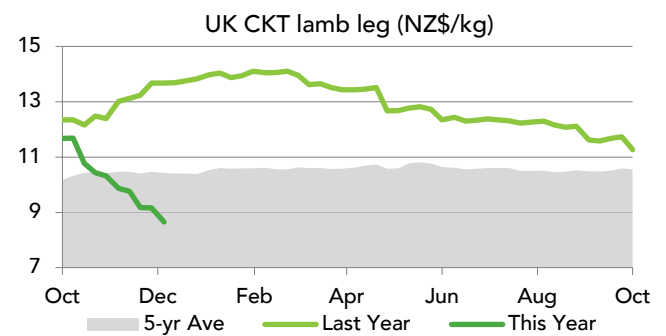
Game Season sell-through remains the point of focus for our customers until the New Year, when this sales period will be reviewed and subsequently frozen programs will be developed.

The North American retail channel continues to show strong demand for ground venison, with the 1lb ground 'brick' remaining the best selling item in this category in the US. Our in-market partnership with a further processor has allowed us to capitalise on this growing sector.

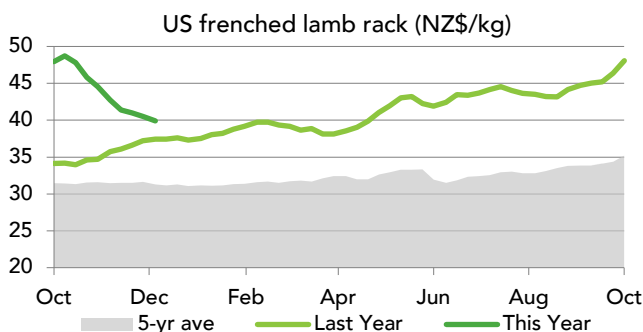
US imported 95CL bull



UK CKT lamb leg



US French Rack



Lamb Flaps

