

International Market Tour

In the last few weeks our teams in the United States, South Korea and Japan have been hosting our past four years of Plate to Pasture Supplier of the Year and Livestock Rep of Year winners.

It has been great to travel again and have our farmers and livestock team meet our customers in-market, and see first-hand the hard work of our international teams. This group got to see how their products make it through the final stages of the supply chain, from arrival into port, through further processing and onto retail shelves. Our customers really valued the engagement with the farmers and hearing first-hand how we farm sustainably back here in New Zealand.

The demand and interest in how we farm here in NZ continues to increase and is clearly a differentiator versus competing offerings. The team also got to engage with some industry leaders and local farmers in each country. The reward of this in-market trip is always a highlight of being a Plate to Pasture Supplier of Year and the team will be bringing back some key insights and applying them to their farming operations.



Farmgate Pricing Outlook

- THROUGH TO FEB 2023

Silver Fern Farms recognises that suppliers are making on-farm decisions, including store stock purchases.

To help with your on-farm planning a pricing outlook is provided below through to February 2023. Please note that market conditions are volatile whilst processing labour, shipping and currency all remain challenging – see the Market Reports for further insights.

Pricing is indicative as we navigate some uncertainty in the coming months.

Prime Beef	\$6.50 to \$6.10
Bull Beef	\$6.20 to \$5.80
Cow	\$4.70 to \$4.40
Lamb	\$8.80 to \$7.20 - \$6.80
Mutton	\$5.60 to \$4.50
Venison	\$8.90 to \$9.10



NZ Agri Show

Silver Fern Farms has been at the NZ Agri Show in Christchurch this week - our first time here since 2019 so it's great to catch up with suppliers and shareholders from the region.

The refreshed Supplier Experience tent continues to impress, picking up the trophy for Best Large Show Site. Attendees enjoyed the boning demonstration, company update and a special cook-off with Cooks On Fire judge Nici Wickes and our Premier Select chef Greg Piner.

It's been good for our team to catch up with a number of MPs who visited our tent, including National leader Christopher Luxon and Minister of Agriculture Damian O'Connor. Out front the retail team also managed to sell record volumes of Silver Fern Farms retail cuts, always popular with showgoers. A schedule of sampling and cooking demonstrations caught plenty of attention and it's always heartening to hear from consumers who love our product.

Silver Fern Farms appreciates the opportunity to celebrate and connect with our suppliers and shareholders, with some of our famous hospitality including premium beef, lamb and venison throughout the day. The next outing will be at South Island Field Days in March and our team is looking forward to seeing many more of our farmer partners there.



Kai Commitment

Last week Silver Fern Farms was proud to be part of the launch of Kai Commitment.

Kai Commitment is an agreement between leading food sector businesses designed to reduce food waste and related emissions across Aotearoa's food supply chain. Silver Fern Farms is a founding signatory.

Food waste alone contributes to around 4% of New Zealand's greenhouse gas emissions, and represents

lost economic opportunity of up to \$2 billion. Meanwhile one in five kiwi kids live in households that experience food insecurity, meaning they're uncertain whether they'll have enough food to meet their needs.

Kai Commitment will support organisations like Silver Fern Farms to set food-waste reduction targets, measure food waste, create space for innovation to reduce or reuse waste, and lead consumers and staff throughout the supply chain to waste less food as well.





Beef

Across all beef markets we are seeing some significant downwards price corrections.

The main issue is an oversupply of beef driven by very strong exports out of South America into China and the USA, coupled with heavy US beef production due to the ongoing drought.

US beef exports remain at elevated levels into Korea, Japan, Taiwan, and China, which is creating an oversupply in these markets.

China, which has been a stable influence over global beef pricing for the past couple of years, is currently experiencing a slow-down in demand, against strong import volumes over the past three months.

They have been managing under difficult situations with the government's zero-Covid policy, resulting in prolonged lockdowns, which

has been a significant factor affecting consumer demand.

There will be further price adjustments as we realign exports across a broader range of markets.

European markets look difficult. The negative sentiment and weak pricing here is being driven by a lift in import volumes from South America, against a softer demand environment.

Chilled prime steak cuts demand has remained relatively stable, which continues to be supported by constrained exports of chilled beef from Australia.

The Australian beef kill remains weak due to good grass growth and weather conditions that are favourable for adding weight to cattle, but is forecast to lift strongly in the New Year.



Sheepmeats

Unfortunately it is more of the same on the lamb front.

In the EU we continue to experience reservation around pricing, and demand has stagnated while some customers continue to choose to wait for the dust to settle before resuming purchasing. Chilled demand has tapered following the Christmas production window, and with continued uncertainty around in-market demand, and therefore sell-through, this is having a negative impact on volumes. Frozen sales have been much more difficult to secure as this is where we are seeing the most hesitancy.

Rampant global inflation is pushing the cost of living ever higher, and energy costs are increasing further as winter in the Northern Hemisphere approaches. This continues to create unease and dictate consumers financial decisions. With the flex in most budgets

coming by way of food spend, trading down is commonplace, and with lamb being a higher priced protein it is a simple decision as to where money can be saved.

The situation with mutton also remains unchanged with strong competition from Australian suppliers leading to an abundance of product availability. Whilst we have concluded business for the short term, at this stage the outlook for 2023 is looking similarly challenging with inventory and storage in market, along with an increase to livestock supply potential hurdles.

Sell through over the Chinese New Year sales period will be crucial to a successful start to Mutton sales in 2023. On the positive front, mutton consumption traditionally increases through the cooler months in most markets, and if this cheaper pricing is being passed on to consumers we may see some upside to consumption and demand.





Venison

The lull continues in regards to frozen demand as customers maintain their focus on their chilled business for the EU Game Season consumption period.

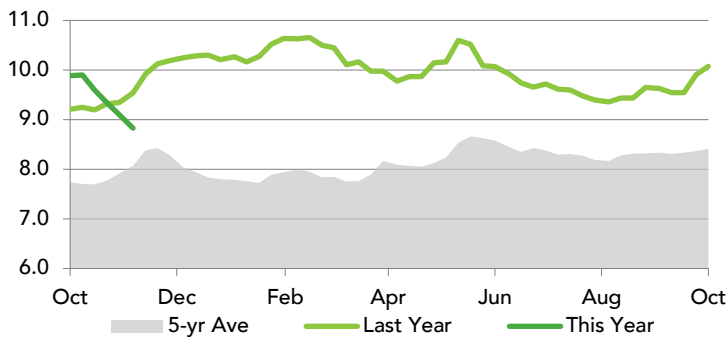
As a consequence, last minute chilled air freight orders continue to roll in from Europe periodically, a potential signal of a positive outlook by retailers and wholesalers for this all-important sales period.

Demand from North America remains consistent across both chilled and frozen formats with manufacturing product continuing to gather momentum.

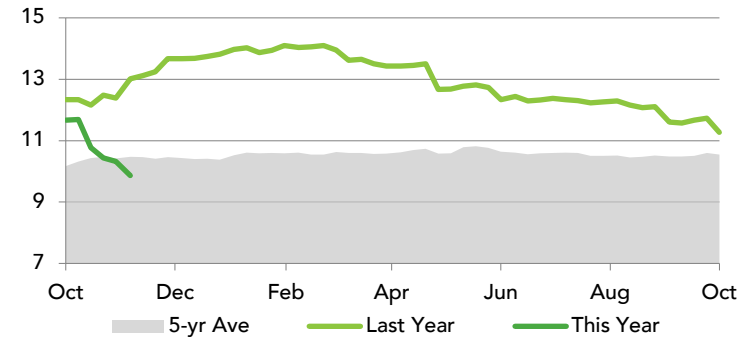
Venison retail programs continue to grow exponentially, with our category-leading ground venison 'bricks' proving particularly popular with consumers.

Sales into China continue to track well. Prices and demand have stabilised with the outlook for the remainder of the year looking settled. China will continue to feature in our 2023 plans with growth expected to continue across a range of existing cuts, along with the introduction of new market specification, driven by consumer demand, assisting with this growth.

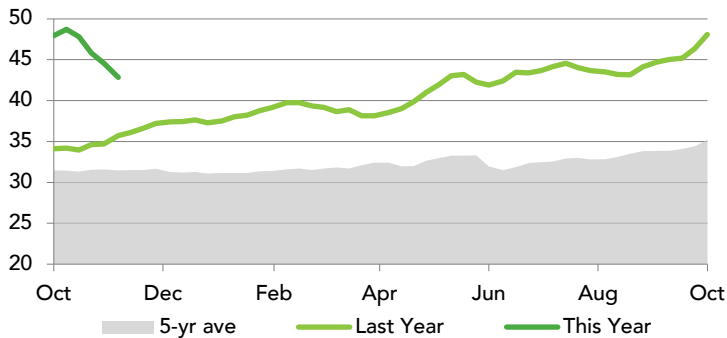
US imported 95CL bull



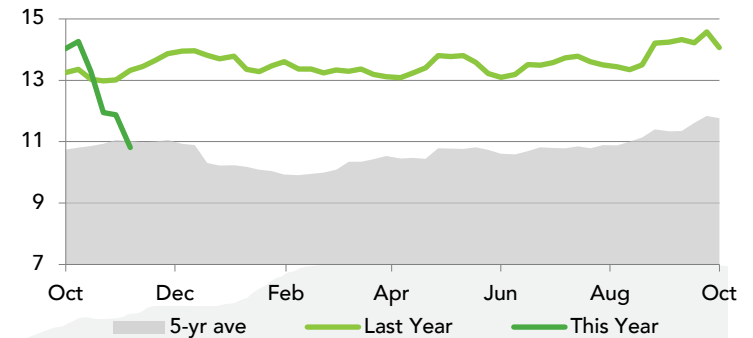
UK CKT lamb leg



US French Rack



Lamb Flaps



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