

Our Regenerative Pathway: NZFAP+



This is the first in a series of articles over the next few supplier updates as we cover updates from the 2022 Farmer Conference held in Christchurch earlier in the month.

At the Farmer Conference, workshops were held where we explained our efforts over the last year in developing an accessible and scaleable pathway to regenerative certification for Silver Fern Farm suppliers.

All of this work will revolve around NZ Farm Assurance Plus (NZFAP+) and it's important to acknowledge those suppliers who have been early adopters of the NZFAP+ standard. Further increasing uptake of NZFAP+ will be a significant focus for us over the next few years.

Our consumer insights are telling us that the concept of 'regenerative' is becoming the new standard for conscious consumers in our key markets. Through working with our farmers, we also know that our pastoral-based farming system has many of the attributes of 'regenerative' that consumers associate with this term. While it's important to acknowledge there is some debate around the specific 'regenerative' term, in essence our consumers simply want to know their food consumption is leading to improved impacts on the environment. We think our farms and farmers are in a strong position to be able to meet this nature-positive food expectation.

We've previously identified eight regenerative principles unique to New Zealand's pastoral-based farming system, and over last 12 months we've been working to help embed these principles into NZFAP+.

This then allows us to work with our farmers through NZFAP+ to achieve a globally-recognised 'regenerative' or nature-positive equivalency standard and then, with support from an external partner, we will be able to take an authentic claim into market.

In helping to develop a globally-recognised equivalency for the standard, Silver Fern Farms has partnered with the Savory Institute and their Environmental Outcome Verified (EOV) certification. This partnership initially involves a 20 farm pilot, focused on fine-tuning alignment between NZFAP+ and the globally-recognized EOV standard.

Our focus has not been on building a new system of compliance for farmers but adding value to existing systems which help capture the efforts our hard-working farmers are already putting in.

Consumers increasingly expect their food to be sustainably produced and processed, and this programme of work is another way Silver Fern Farms is backing farmers to lead the world in nature-positive food production.

The work we are doing is not about telling farmers how to farm. It's about working in partnership with

farmers to measure continuous improvement of specific output indicators on farm, and then taking an authentic claim into market that consumers can trust.

This initiative will help empower our suppliers by providing them with a global platform and recognition for their ongoing efforts to be careful stewards of their land, and will more directly link them to consumer demand and reward for more sustainably-produced red meat.

The eight key principles captured by the standard are:

1. Reducing the carbon footprint of our farms.
2. Improving the health of the soil on farm.
3. Improving the biodiversity of plant and insect life on our farms.
4. Improving the quality of the water on our farms.
5. Conserving and restoring natural bodies of water, wetland, riparian areas, and associated habitats.
6. Improving the overall health and productivity of our farm eco-systems.
7. Achieving the highest standards of animal welfare.
8. Ensuring our farmers and rural communities are nurtured, developed, and sustained.

- **Keep an eye out for further updates from our 2022 Farmer Conference in future reports.**



New MyOSPRI System for eASDs

The existing eASD system and its app are being retired. From 5pm Sunday 24 July, you'll need to use the new MyOSPRI system to send electronic farm-to-farm and farm-to-meat processor Animal Status Declarations (ASDs) for cattle, deer and sheep.

You don't need to do anything right now. When the new system goes live on 24 July, OSPRI will send current eASD users a link to get you started.

Registering for the new system: From 5pm on 24 July you'll receive an email with a link to your new MyOSPRI account, asking you to set a new password. All of your historic ASDs, pick up and farm locations will be set up, ready to send animals

to other farms or to slaughter using electronic ASDs.

If you want to understand more about the move, you can read about it on [OSPRI's website](#).

Note: No electronic ASDs will be able to be sent from 7pm on Friday 22 July until MyOSPRI is live, at 5pm on Sunday 24 July.

Silver Fern Farms has directly contacted all suppliers with livestock booked across this period with an alternative digital form. You can either complete this on a computer or mobile device and print, or print the blank form and complete by hand for your transporter.

For any questions contact your Livestock Representative.



OSPRI

eASD is mooooooving to MyOSPRI this July

In July, OSPRI is replacing the eASD system with a new system, called MyOSPRI.

Signing up will be easy. OSPRI will send you a link, and all you'll need to do is use your current eASD email address and set a new password. All your historic eASDs will be moved over to MyOSPRI.

For more information go to [OSPRI.co.nz](https://ospri.co.nz)



Farm Assurance Reminder

Recent farm audits have identified some recurring areas that participants in the New Zealand Farm Assurance Programme need to be aware of, and review against their own farming practises to ensure premiums can be maintained with our customers for product from Farm Assured stock.

Please self-assess how your farm business would perform in the following areas, and if necessary take appropriate action:

Training Records:

All animal handlers shall have either the relevant knowledge or training, or appropriate supervision to ensure animals' health and welfare needs are recognised and met and the handler's safety is ensured.

Records of training detailing areas of competence must be maintained.

Repairs and Maintenance:

All facilities including fences, yards, loadout races, sheds and housing, shall be constructed, maintained and operated in a manner that minimises the likelihood of distress or injury to animals and humans.

These areas require regular monitoring to ensure there is no wire sticking out, no sharp edges, and nothing that could cause injury to the livestock or humans.

FROM BEEF+LAMB NZ:

Beef Farmer Survey: Genetics

New Zealand beef farmers are being asked for their views on what cattle traits are important to them as part of the Informing New Zealand Beef genetics programme. The [Trait Prioritisation Survey](#) will help inform the direction the programme takes in developing the genetic evaluation system for the industry.

The overall aim of the seven-year programme is to improve profitability and enhance sustainability across the beef industry through the development and adoption of improved genetics.

In addition to developing a beef genetic evaluation system to support a sustainable beef farming industry, the programme will also create easy to use tools to enable data to be efficiently collected, managed, analysed and used by farmers to make profitable decisions for their operation.

The survey can be found at: <https://survey.alchemer.com/s3/6872592/BLG-Trait-Survey-2022>.

The INZB programme is supported by Beef + Lamb New Zealand, the Ministry of Business, Innovation and Employment and the New Zealand Meat Board. More information can be found at: www.blznzgenetics.com/informing-nz-beef.



Beef

US retailers are seeing the effects of food inflation, with some customers switching away from beef into cheaper proteins such as pork and chicken.

This is pressuring US domestic beef prices lower for middle and high value steak cuts. Imported chilled pricing for forward positions will likely see some price correction.

Widespread drought has continued in the US which has kept beef cow slaughter high, providing good volumes of domestic beef for grinding, and as a result imported grinding prices remain soft.

China has remained relatively stable, however there continues to be some easing in some prices such as out of season bone items. China continues to import large volumes of beef – it is estimated beef exporters shipped 221,000mt of beef to China during June (103,000mt from Brazil). Covid-19 outbreaks and imposed restrictions remain a risk to consumption, but

ultimately Chinese demand continues to play a significant role in price stability for beef globally.

Beef import volumes are forecast to be 3.1m carcass weight equivalent tonnes in 2022 – a 3% lift over 2021 (World Beef Report).

North Asian markets including Korea, Japan, China, Hong Kong, and Taiwan continue to be pressured by large export volumes from the US which has created some downwards price correction, particularly in the Korean and Japanese markets. As these markets move into Autumn we can expect prices to stabilise and firm as demand lifts.

Australian beef production has shown some moderate lift in export volume, which is showing up across various markets, and again this is creating some downwards price adjustment within different markets. Overall, we are seeing beef prices adjusting lower, however these movements will be limited given New Zealand is moving into the off-season, with limited volume supply through August to October.

Prime chilled demand remains firm.



Sheepmeats

We continue to face the same headwinds – inflation is rising with the US currently at 9.1% and NZ at 7.3%, the highest domestically since 1990.

The conflict between Russia and Ukraine continues to drive energy costs higher – Russia supplies 40% of Europe's natural gas, with sanctions in place to restrict/reduce this volume. Ongoing inflation and geopolitical pressure will continue to negatively impact consumer food spend.

Lamb markets remain unchanged. Demand into China continues to hold firm and the incremental erosion of pricing into this market has stopped for now. The North American market continues to see both demand and

pricing weaken with the exception of the Lamb Frenched Rack – this item continues to buck the trend and remains a firm favourite.

The UK appears to be in a holding pattern and only buying 'hand to mouth'. A recent comment from one large retailer was that "lamb is expensive and people are skint" – perhaps a succinct summary of the current market there.

Mutton demand in general remains flat. China continues to buy and pricing continues to remain stable. With pricing coming off lofty highs the opportunities to diversify onto 'other' markets continues to be explored and capitalised on when and where they align with our strategy.





Venison

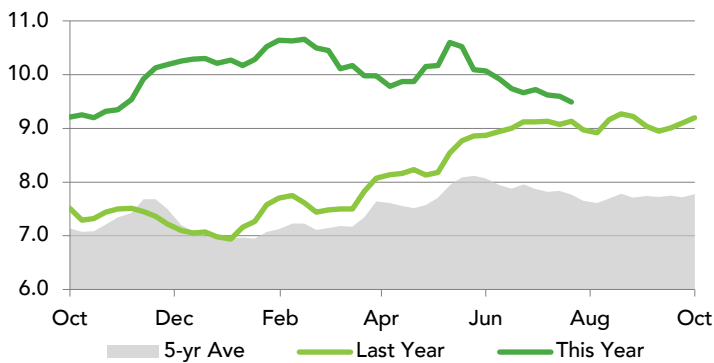
The all-important chilled Venison Game Season is taking shape and the outlook is for an improvement on volumes and pricing over 2021 – the caveat around meeting volumes remains, which is reliant on having access to a fully functioning global supply chain.

Negotiations continue with customers looking to finalise their requirements, though most major players have locked in their demand

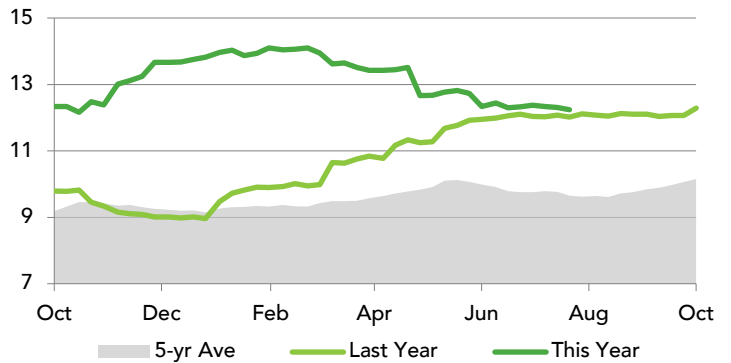
and pricing already. Seafreight chilled demand builds slowly through August and peaks during September and early October. Airfreight remains an option through the balance of October and into November, subject to flight availability and costs.

Frozen business remains steady with all major markets continuing to show interest and snapping up allocated volumes. Pricing continues to hold relatively firm with limited movement either way.

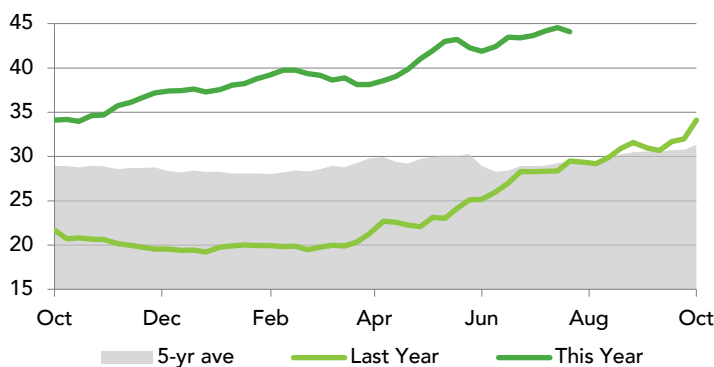
US imported 95CL bull



UK CKT lamb leg



US French Rack



Lamb Flaps

