

PLATE TO PASTURE AWARDS

# Auckland In-Market Tour

Each year we host the finalists of our Plate to Pasture Supplier Awards for a whirlwind 24-hour domestic market tour in Auckland. This year we were joined by Rob Pye of Mangere Falls (Northern North Island), Jo and Allen Johnstone of Wallace Johnstone (Western North Island and Overall Winner), Tim and Kate Bowron from Pāmu Goudies (Upper North Island), Will and Abbie Foley of Foley Farming Enterprises (Eastern North Island), and Pam and David Nind of East Dome Farms (Lower South Island).

With the Auckland Food Show cancelled for 2022 the group instead visited Opal Packaging – a Mangere facility where all of our cardboard cartons are produced. This is a simple but integral part of our supply chain and the tour group got to see the production process up close, including cardboard production, die cutting and printing, and box folding.

We also made the usual visit to Bidfood's enormous South Auckland distribution centre, and Countdown Auckland Central for presentations from our NZ Sales Manager Jonathan Toomer and NZ In-Store Manager John Saunders.

No market tour is complete without an exquisite dining experience and the team at Copia in Orakei went above and beyond for our farmer guests. Silver Fern Farms is sponsoring Copia's chef owner Ken O'Connell to the Bocuse d'Or Chef competition in France in January, and Ken was delighted to share his perspective on our premium red meat from a chef's perspective.

In a few weeks our last four Plate to Pasture Awards Overall Winners will join a contingent on our first international market tour since 2019.





## South Island Rep of the Year

Last week the South Island Livestock Team got together in Christchurch for their annual conference. We've established really important cohesion across our business, sharing our common purpose and ensuring we're not operating in isolation. These conferences connect our Livestock Team with other parts of the business including Operations, Logistics, Sales & Marketing, Sustainability & Risk and Te Ara Huri.

The past few seasons haven't been short of challenges, so we've talked a lot about juggling the challenges of the present and near future, while also investing in solutions for the medium and long-term future.

There was good reason to celebrate on Thursday night too with Richard Topp (Canterbury) taking out the South Island Livestock Rep of the Year Award. Congratulations Richie on your hard work and success this year. Steve Dyer (Southland) and Mick Geary (South Canterbury) also get a well-deserved nod for winning the Livestock Leaders Award.



## PLATE TO PASTURE SUPPLIER ROADSHOW 2022

Silver Fern Farms invites suppliers and rural partners to our Supplier Roadshow Dinners. In 2022 we'll be running a large dinner and presentation in each region. 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.**

### KARAPIRO

17th October  
Ferrybank –  
Sir Don Rowland  
Events Centre

### GORE

15th November  
Croydon Lodge,  
Gore

### NEW PLYMOUTH

23rd November  
Devon Hotel, New  
Plymouth

### WHANGAREI

24th November  
Northland Cricket  
Venue, Whangarei

## VET CERT NOTIFICATION

Please be reminded to notify your Livestock Rep of any Vet Cert animals at the time of booking. It is an MPI requirement that any Vet Cert animals be slaughtered as soon as possible on arrival, and we require notification to ensure we meet our obligations as a processor. For any questions or further information please talk to your Livestock Rep.



## Beef

Global inflation and increasing costs along with on-going geopolitical risks have continued to dampen consumer confidence across all markets.

The US Federal Reserve continues to lift interest rates to dampen consumer demand and reduce inflation, which is creating a significant lift in the value of the USD. Most global currencies including the NZD have weakened significantly against the USD – these movements are important as a significant volume of beef is contracted in USD. Contributing to the lower USD pricing is slowing demand, with consumers switching to lower value cuts, and importers are weighing up increasing downside risks in the market, which often means carrying less inventory.

The US market has continued to drift sideways on limited volume offerings from NZ of grinding meat. The drought is showing no signs of easing with weekly beef kills around 660,000 head. Until these weekly volumes reduce, the focus for US domestic processors is cheaper fresh domestic product.

The China market remains difficult. Importers

are carrying heavy inventory with the current supply exceeding demand, and imports from South America, in particular Brazil remain very strong with no signs of reducing. There are indications the Chinese government may ease the zero-Covid policy later in October, which would generate more confidence in market.

Other Northern Asian markets continue to adjust prices lower, and all markets are carrying heavy inventory. With US and Australian exports to Northern Asian markets remaining strong, these markets are carrying heavy inventory which has seen prices track lower in the region.

Australian beef processors have lifted processing capacity ahead of the new season, and are absorbing significant losses as they compete for limited livestock. Good pasture growth is allowing farmers to increase cattle weights and hold off sending cattle for slaughter.

The reduction in Australian exports in the short term has stabilised chilled prices in most markets, with exception of the EU where prices are being bid significantly lower for January arrival. The EU and UK are facing higher energy costs and lower prices from South America, adding to the downwards price pressure.



## Sheepmeats

The EU energy crisis is heating up as pricing for lamb continues to cool in all major global markets.

China's zero-Covid policy continues to have an impact through the locking down of various provinces and cities, with factories either having to reduce production or close completely. We are seeing a slowing of demand and pushback on pricing from customers caught in the current lockdowns. Concerningly this is happening at a time where these customers would traditionally be building inventory in readiness for the Chinese New Year consumption period. Elsewhere in China it has been business as usual, and we expect this to continue through October.

Christmas chilled production for the EU has commenced, with total volumes expected to be similar to last year, though the distribution of these volumes between markets will differ – mainly due to vessel schedule disruptions and economic market conditions.

The North American market continues to experience softening to both demand and price, however a strong USD is providing assistance to customers. Of note this week, the GBP has dropped to an all-time low against the USD, with the potential to fall further still. Cheaper Australian product continues to flood into North America as Australia's exports volumes are at record levels.

With the majority of mutton heading for China destined for areas currently under lockdown, mutton demand has predictably eased, and pricing has reduced accordingly. This creates short term opportunity for mutton elsewhere, and shows the importance of a diversified portfolio. As with lamb, increased mutton volumes out of Australia is putting further pressure on pricing. This price pressure is expected to remain as New Zealand livestock levels increase, and demand from China will be integral to determining where prices go.



# Venison

Game season production remains on track as we enter peak production weeks over the coming fortnight.

Demand for chilled sea freight product will then begin to taper as we transition to air freight production/deliveries.

Frozen demand into the EU remains limited at present, as is production, as customers focus remains on their chilled business.

The current sentiment towards frozen venison is similar to that of the lamb and mutton, whereby market conditions are reflecting a down-turn in demand.

Therefore, the expectation is that pricing will come under increased pressure.

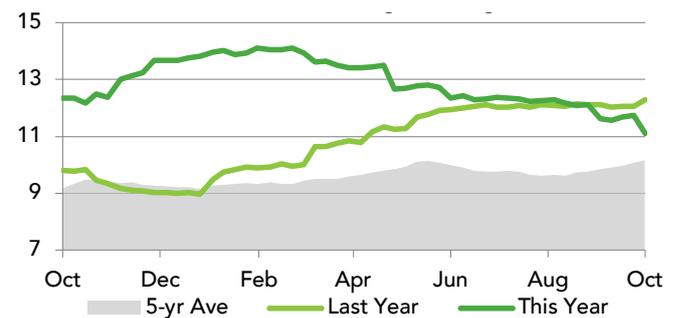
The North American venison markets remain static in regards to both price and demand. Demand here has generally been for product in a frozen format.

Activity in China remains constant by way of demand, however pricing into this market has also started to be squeezed.

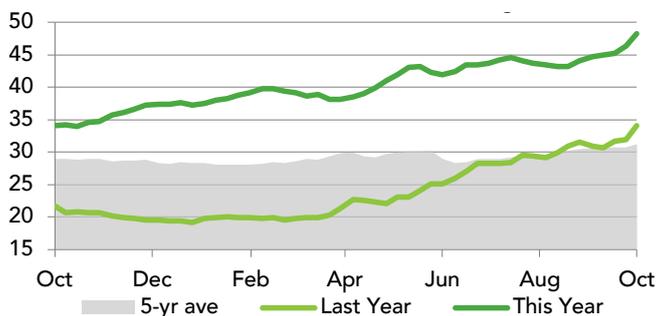
## US imported 95CL bull



## UK CKT lamb leg



## US French Rack



## Lamb Flaps

