



BRIEF BYTES

New Zealand's only true 100% farmer owned red meat co-operative



Immersion in China



I'm writing this from China where, together with General Manager Sales Murray Brown and General Manager Marketing Peter Russell, I'm taking part in a five day New Zealand Trade and Enterprise (NZTE) China Immersion programme – alongside our in-market partner Grand Farm.

We're trailblazing a new approach with NZTE as this is the first time a Chinese in-market partner has participated in the Immersion Programme.

We're grateful to NZTE for tailoring a bespoke programme for us and Grand Farm to meet the needs of our long-standing Chinese business relationship.

This programme is focused on supporting our accelerated growth in our Chinese market, maximising the opportunities of working together with Grand Farm to extract value from the supply chain and building and nurturing an even stronger relationship.

We have undertaken a significant amount of preparatory work in advance of the Immersion programme, including working with one of NZTE's Beachheads advisors – a private sector expert who has worked deeply in consumer marketing and brand building in Asia. That advisor is in China with us to help facilitate the process.

One interesting aspect of the programme is the opportunity to gain an-depth understanding about Chinese consumers, including immersion in a Chinese household, in restaurants and with chefs to learn exactly how our target customers live, what kind of products they are looking for and why.

We began the programme on Monday and it is already proving an intense and valuable learning experience.

Prime Minister Bill English launches TE MANA LAMB in Hong Kong

An important part of Alliance Group's business strategy is to capture more market value so all our farmer shareholders benefit. One of the ways we are doing this is by creating a suite of brands. TE MANA LAMB, a new kind of lamb we believe will spark a renaissance in the global appetite for premium meat, was launched by New Zealand Prime Minister Bill English at a reception in Hong Kong last Friday night.



Alliance Group is a partner in The Omega Lamb Project Primary Growth Partnership, which has produced the lamb with rich levels of Omega-3 polyunsaturated fats. Later that evening, guests at a gala dinner at the Grand Hyatt Hotel attended by Prime Minister English and the Hong Kong business community were among the first international diners to try TE MANA LAMB.

TE MANA LAMB is now on the menu of a limited number of exclusive Hong Kong and New Zealand restaurants before plans are finalised to launch the lamb in other markets.

Engine and Chiller Room improvements at Lorneville target major savings



We're committed to improving the operational performance of our plants in line with our strategy to create a stronger co-operative. Work is due to start next month on a major upgrade of the Engine Room in the refrigeration area of the Lorneville plant. The \$3.5 million Engine Room project will be completed over an 18-month period and improve the safety of the engine room operation, upgrade equipment, ensure compliance with regulations, improve our ability to control our refrigeration system and provide a platform for future investment and automation. It is estimated the project will result in significant savings.

Work is also underway on upgrading the chillers at Lorneville to improve efficiencies as part of the plant's Manufacturing Excellence Programme. The improvements are expected to create almost \$4 million in value for farmer shareholders. The plant will need to close by 8 June for the work to be undertaken prior to the bobby calf season. If you wish to have your lambs processed at Lorneville, we will need to have them drafted before that date. At that point, it is expected Pukeuri will re-open and any remaining lambs in the south will be transported there for processing.

NAIT tags

Please remember to ensure your cattle and deer have National Animal Identification and Tracing (NAIT) tags. You are required to tag your animals with NAIT approved EID ear tags within six months of their birth, or before they move off farm - whichever is soonest. Processing beef animals without a NAIT tag means the animal is unable to be exported to certain markets and therefore results in a loss of value for the farmer.

Women's Workshops

There is still time to book a place at the remaining Women's Workshops. The workshops include an update on the latest developments for the co-operative and attendees hear from Heather Stacy, General Manager Livestock and Shareholder Services and Peter Russell, General Manager Marketing. This year's event also includes a fascinating talk on knife care, with an opportunity to purchase a high-quality knife.



Nelson – The Honest Lawyer Country Pub, 1 Point Road,
Monaco, Nelson, May 29, 10am-3pm

Amberley – Waipara Hills winery, 780 Glasnevin Road, Waipara, May 30, 10am-3pm

Geraldine – StoneBridge function venue, 842 Winchester-Geraldine Road, Geraldine, May 31, 10am-3pm

For more information, please visit www.alliance.co.nz
To register, please email: communications@alliance.co.nz

Shareholding information on Farm Alliance website

From 12th June, shareholding information will be available to existing users on the Farm Alliance website. If you wish to restrict or remove access to anyone who can currently view your shareholder information, please let our Livestock Team know by 12th June. The Livestock Team can be contacted on 0800 100 144 or livestock@alliance.co.nz

AsureQuality audits starting soon

This year's annual round of AsureQuality audits – Alliance Group's farm assurance programme will commence from mid-June for those who are due to undertake them.

Animal welfare app

The Ministry for Primary Industries (MPI) has launched an app to help farmers, transporters, stock agents and vets determine whether an animal is fit for transport. The information in the app is based on the requirements for the presentation and selection of animals for transport in the codes of welfare for dairy cattle, deer, sheep and beef cattle. The app also contains the requirements for the recently implemented regulations for young calves. It can be downloaded from iTunes (for Apple devices) or Google Play (for Android devices). Search 'fit for transport.'

Market update

Lamb

The prices for chilled and frozen remain favourable in the UK. There is, however, continuing negative sentiment around importation of food products and we are monitoring this. In Europe, the market remains firm across all product and market centers. In North America, demand for both chilled and frozen is positive with a higher

demand for ABF lambs required. Reducing supply in a tight market continues to ensure the Middle East market remains firm. Prices and demand in China have currently plateaued. This is expected during this low consumption period as they build towards the key winter months.

Mutton

Strong interest for mutton is continuing from several markets as supply reduces with Malaysia, Mexico and Middle East all showing improved demand.

Venison

The market remains favourable. Lower processing numbers seem to be pushing supply forward and base numbers required for key European chilled programmes will be under pressure.

Beef

US prices have continued an upward march recently but seem to have levelled off. There are concerns within the US about the rapid rise in their own 50 CL trim price and some commentators suggest this needs to correct. Imported beef offers remain scarce and this is probably pushing levels a little higher than other fundamentals would suggest the market is comfortable with. Chilled NZ prime prices remain strong although we are now seeing an over-supply of very large weight range steak cuts due to the strong feed conditions and demand for these products may soften.

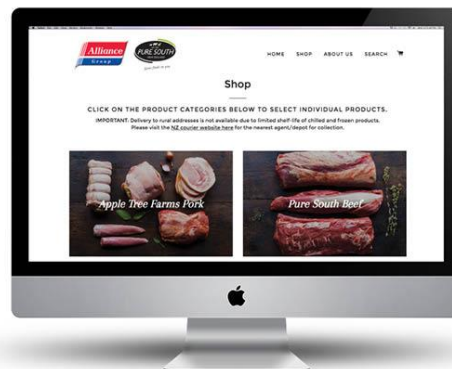
Asian markets remain generally steady to firm.

Co-products

Positive demand for pelts is leading to lower stocks than the same time last year, and indications show a strong demand for 2018. Hides remain steady. Demand for casings has firmed slightly with global wholesalers reporting improved demand. Tallow prices have weakened but have been offset by increases in meat meal prices.

Warm regards

David Surveyor
CHIEF EXECUTIVE



MAKE YOUR MEAT ORDERING EASY
Order online now at www.alliancemeats.co.nz

For more information about Alliance Group, visit www.alliance.co.nz

Copyright © 2017 Alliance Group Limited. All rights reserved.
You can [update your preferences](#) or [unsubscribe from this list](#)