



# Brief Bytes

Email update from Alliance Group - your co-operative & partner in farming excellence



## LOYALTY PAYMENTS

One of our co-operative principles is to reward loyal committed farmer-shareholders. As part of this commitment, we will be paying out \$4m in loyalty payments today. That means in the year to-date, we have distributed \$11.7 million. We're delighted to be able to make these payments to Alliance Group farmer-shareholders.

## RED MEAT SECTOR CONFERENCE

Alliance Group Chair Murray Taggart, directors Graeme Milne, Vanessa Stoddart and I attended the Red Meat Sector conference in Auckland earlier this week. We heard some interesting insights from a range of speakers including pharmaceutical scientist, inventor, and social entrepreneur Ray Avery and Craggy Range's Steve Smith, who talked about storytelling for New Zealand red meat. It was also good to catch up with others in the sector.

## INDONESIA TRADE MISSION



Murray Taggart recently returned from New Zealand Prime Minister the Rt. Hon. John Key's high level business delegation to Indonesia.

Indonesia was our third largest export market for beef, but product restrictions and import permits/quotas introduced in 2010/11 have hampered business. It is estimated to have cost New Zealand's meat sector between \$500m and \$1bn in lost trade to date.

"A key goal of the trade mission was to push for better access for New Zealand beef," says Murray.

"Encouragingly, there does now seem to be significant progress and a genuine desire by the Indonesian government to free up access."

Despite the delegation's packed schedule of business forums, presentations and tours of retail and processing sites, Murray managed a one-hour private meeting with Erwin Effendi, a representative from

our key Indonesian partner Indoguna.

"It was very good to meet with Erwin," says Murray. "Indoguna has an impressive reach from retail through to five-star hotels and very good cool storage and distribution infrastructure."

The trip included two visits to supermarkets - which Murray says were of similar standard to New World supermarkets, but were located in multi-level shopping malls.

One of the original aims of the trade restrictions was Indonesia's desire to become self-sufficient in beef production. That would appear to be impossible given the size of the population.

"Indonesia has a population of 260 million with a rapidly growing middle class and a very wealthy top end. The country is experiencing strong economic growth with regions like East Java, with a population of 40m, growing at more than six per cent per annum."

He says many of the business people the delegation met didn't know a great deal about New Zealand.

"Much of what we were doing was building contacts and raising our profile. The business lunch menus were excellent showcases of New Zealand produce.

"I was very proud to see Pure South beef named on the menus, alongside Fonterra cheese, Zespri kiwifruit and New Zealand wines. I also noticed our hotel flagging up the fact they were serving New Zealand meat - in fact, that was Pure South too, supplied by Indoguna."

## **MARKET UPDATE**

The high NZ dollar continues to impact on market returns. Currency issues continue with the Sterling post-Brexit and further frozen lamb business is being directed away from the UK to more profitable markets.

### **Lamb**

Limited supply in Europe is creating strong demand and ongoing price improvements for all middle items. The balance of cuts remains steady in line with lower seasonal demand. In North America, strong demand continues for chilled middles and the frozen market for these items remains firm. Market demand in China is steady, as is expected for this time of the year, and the Middle East market is continuing to firm on limited supply.

## **Venison**

The venison market is firm although the currency remains a concern. High hind retention is putting pressure on achieving orders at a key consumption period.

## **Beef**

Imported lean beef prices are firmer in the US as offers start to run low at this time of year. However, this gain has been offset by the stronger exchange rate. US cattle futures for domestic production are trending lower as kill predictions are up 4.7% for the year. China price levels remain unchanged with beef consumption at a mid-summer low point. It is anticipated that prices could improve later in the year. Other Asian markets are steady with good demand for tongues continuing in Japan.

## **NEW TB SLAUGHTER LEVY**

Less than 0.2% of New Zealand's cattle and deer herds are now infected by TB on an annual basis. Following the progress under the current TB plan, the objective of the new plan is now to move away from containing the disease, to active eradication.



The TB slaughter levy is collected to support funding of the TBfree programme on behalf of the beef and dairy industries.

Currently, a standard rate is applied to all cattle. Under the new TB plan, different rates will be applied for beef and dairy animals at slaughter to ensure that correct funding contributions for the programme are collected by sectors.

OSPRI, the management agency responsible for the delivery of the TB plan, has set a new actual TB slaughter levy for different animals, to be charged from 1 August:

- \$13.00 per head for dairy animals
- \$6.30 per head for beef animals, and
- \$11.50 per head for live cattle and deer exports.

Please speak to your livestock representative if you have any questions.

## **AS OUR ROWERS PREPARE IN RIO**

Rowing NZ team nutritionist Christel Dunshea-Mooji explains the important of Alliance Group's sponsorship, providing Pure South Lamb and Beef for Rowing NZ's training camps and competitions.

**Q:** Many people are in awe of the huge physical and mental commitment our rowers put into representing New Zealand - how do you sustain that level of training and strength?

**Christel:** Our athletes do a huge amount of training, often many times a day, and they need to back that up by eating well, sleeping well and by being psychologically prepared. We take a very holistic approach to that - but naturally, as the nutritionist, I think nutrition is the most important part. It's certainly crucial to being able to train and compete at the level they do.



**Q:** So just how important is the protein?

**Christel:** The way I explain building muscle is like building a wall. When you are training and competing really hard, it's like someone is building a wall of muscle and someone is taking it right down again. The turnover of many of our cells is very fast and a rower's muscle mass

is replaced about every two months. We want our athletes to be strong and powerful so we have to ensure they are constantly rebuilding the wall. To do that, to build muscle, you need protein.

**Q:** So Pure South beef and lamb helps provide the building blocks for the team?

**Christel:** Yes, beef and lamb are very good sources of protein and it's also very important to make sure our athletes get the right quantities of protein. When you weigh 95kg, combined with such high levels of activity, you need to consume more of the right type of food than the average 70 kilo person. That isn't always taken into account, particularly when you are travelling abroad, so what's fantastic about the Pure South sponsorship is that there is always enough really high quality protein for our athletes.

**Q:** And a taste from home when far from home?

**Christel:** Morale is a really important part of it too. I'll never forget the look on our rower's faces when they hadn't had any New Zealand produce for a while and we serve the up racks of Pure South lamb. They are so happy. It's not just protein either. High quality beef and lamb has other micronutrients such as iron, which are vital for our athletes. It really is the whole package and we feel very privileged to have it.



*Above right: Eric Murray and Hamish Bond*

*Below: Emma Twigg*



### Women's workshop – extra date added

Due to demand, Alliance Group is hosting another Women's Workshop. Aimed at working women and those with young children that may not be able to attend during the day, the workshop in Gore on Tuesday night will be an opportunity to learn more about your co-operative and meet and talk with chief executive David Surveyor. Tuesday 2nd August at Heartland Hotel, Croyden, Gore, from 6:45 - 9:30pm To register, email Lisa Ngeru at [lisa@alliance.co.nz](mailto:lisa@alliance.co.nz) or phone 03 214 2714.

Warm regards

David Surveyor

**Chief Executive**

*Your co-operative, working with you across the supply chain*



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FARM



PROCESSING  
YOUR STOCK



MARKETING YOUR  
PRODUCTS



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