



Media Release

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Red meat risks being bit player in economic revival

One of the historical foundation stones of the New Zealand economy, the beef and lamb industry, is at risk of being an insignificant player in the country's economic recovery, says the country's biggest rural lender ANZ Bank.

"The soft commodity outlook is improving. The food and beverage sector is thriving. Businesses which develop NZ primary production into desirable products are the new stars of the economy. Among all this, beef and lamb – the red meat sector - is stuck in its ways and won't benefit unless bold action is taken," said Graham Turley, ANZ's Managing Director Commercial & Agri.

He said the third annual Red Meat Sector Conference, which starts on Sunday, came at a critical moment in the industry's history.

"Beef and lamb exports have been an important foundation stone in New Zealand's economic development. But the fractured nature of the industry, with its poor planning, means it's now at risk of missing out in the country's economic recovery.

"The dairy industry has done really well in recent years as a result of investments across the whole supply chain and the red meat sector needs similar attention.

"Top of the agenda for all participants at the conference should be how to inject new thinking and new leadership into the industry."

The conference is jointly hosted by the Meat Industry Association of New Zealand Inc and Beef + Lamb New Zealand Ltd. ANZ is the principal sponsor.

Mr Turley said that among the key challenges for the industry were reversing the trend of decreasing supply of lambs, lowering production costs, and increasing profit. This will require reinvestment across the whole industry, integration of the supply chain so farmers are rewarded for supply of the right product at the right time.

"It's crucial that farmers make a commitment to the supply chain so that the marketers and processors can invest in efficient processing and new markets with confidence to enable higher returns," Mr Turley said.

"Fortunately, there is increasing recognition of the need for a new industry model integrating the supply chain."

Mr Turley said the conference will be a great opportunity for the entire sector to meet, network and address the fundamental issues facing the industry. "I have enormous confidence that red meat will be a key part of New Zealand's economic future, but a lot of brave decisions and hard work must happen first."

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