



## Media Release

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### Survey points to red meat revival

The red meat sector shows signs of putting decades of low profits and lack of reinvestment behind it and regaining a starring role in the New Zealand economy, according to ANZ's Privately Owned Business Barometer Survey.

Over the past two decades red meat farmers have not enjoyed the same stellar gains as dairy farmers due to decreasing real prices, increasing costs, lack of reinvestment and an industry structure that did not encourage collaboration or economies of scale.

The ANZ survey of 779 farmers, including 374 red meat farmers and discussion groups found that most participants were planning investment in their farms to increase productivity and take advantage of rising global demand for protein.

"The survey found the sector was confident that conditions were right to regain some of the lost momentum and play a bigger role in the New Zealand economy," said Graham Turley, Managing Director Commercial & Agri for ANZ Bank NZ.

"Farmers we spoke to had active strategies in place to take advantage of rising global demand for protein, and advances in agronomy and genetics to increase production.

"While structural issues within the industry remain unresolved, many farmers have an expectation that solutions are emerging that will lead to better integrated supply chains."

#### Key findings of the ANZ Red Meat Sector Key Insights Report

65% of red meat farmers plan to increase production in next 3–5 years. Of these:

- 84% plan to invest in pasture
- 69% plan to invest in animal genetics
- 53% see benefit in getting expert help in improving farm productivity
- 63% say succession is about passing the farm to family or whanau
- 34% say the purchaser's ability to finance is the key barrier to succession

Mr Turley said that, looking ahead, it was likely red meat would see faster productivity gains than dairy.

"Already, many operations are achieving outstanding results way in excess of the averages. The top 20 per cent of farmers are achieving productivity of around four times more than the average, irrespective of land class and location. They rightly have the confidence to reinvest profits to lift productivity and generate long-term wealth."

The survey was part of ANZ's support for Beef + Lamb New Zealand's Red Meat Profit Partnership initiative.

*ANZ Red Meat Sector Key Insights Report*, is available at:

<https://www.anz.co.nz/commercial-institutional/economic-markets-research/business-barometer/>

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