

The story of a small exporting nation...

Agribusiness in schools presentation 2024



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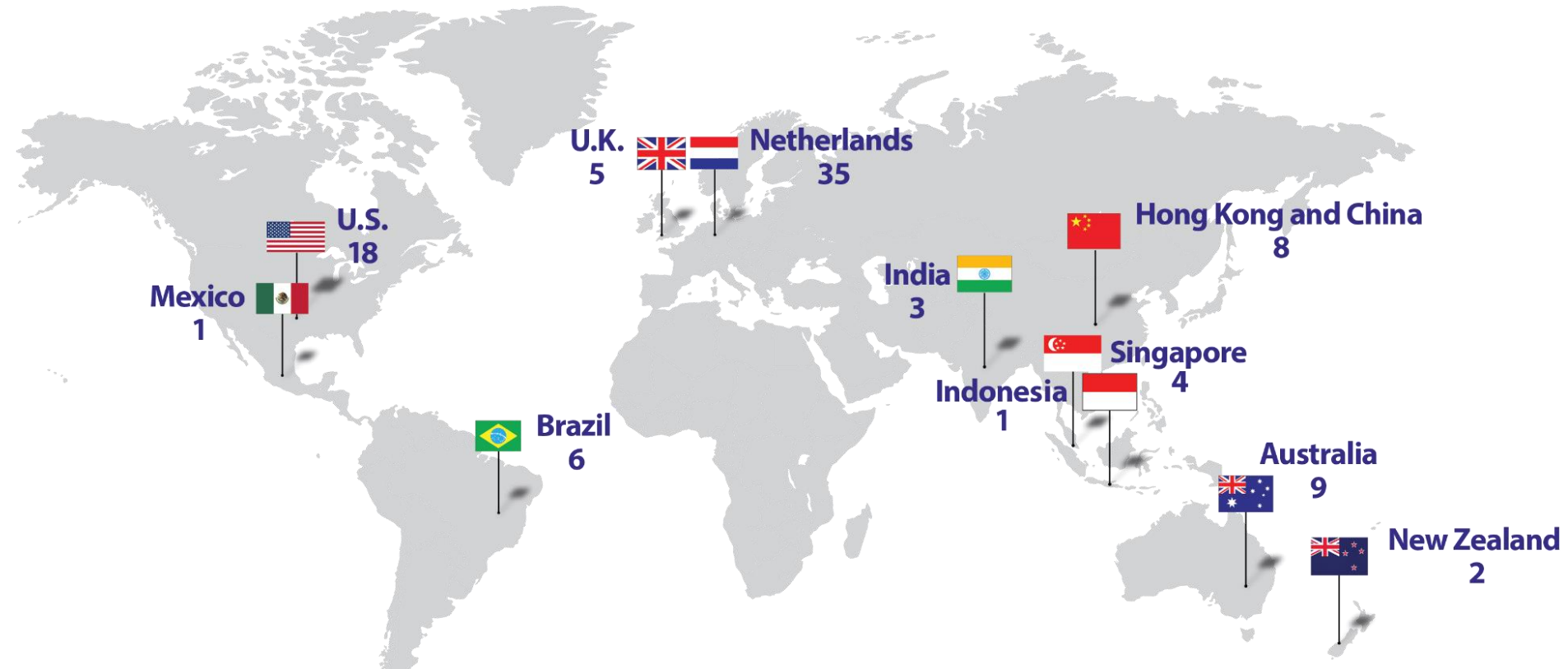
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A team of 90+ RaboResearch analysts across the world



NZ farming is based on homegrown feed

Ryegrass and clover-based pastures are the cornerstone of the New Zealand economy :

- 90*+% of the livestock diet on NZ farms
- \$35.6 billion in export earnings (red meat + dairy) - June 2024, SOPI
- 65% of total food and fibre exports.

We are truly a pasture-based system.
It is our competitive advantage.
We are known for it.

New Zealand is the perfect place to farm



Climate



Soil types



Homegrown feed

A typical New Zealand farm...

Steeper country

Planted out areas

Lower fertility

Easy country

Higher fertility

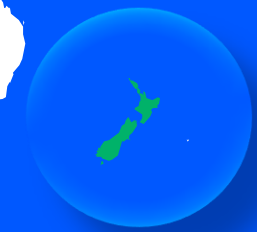
Grass fed, low cost and free range
production is our advantage

Native / bush

Every farm in New Zealand:

- Is unique
- Has different challenges
- Different opportunities
- Offers potential for diversity

New Zealand exports to the world



What is the Global Picture?



*There is a lot that is not
within our control....*



The Weather

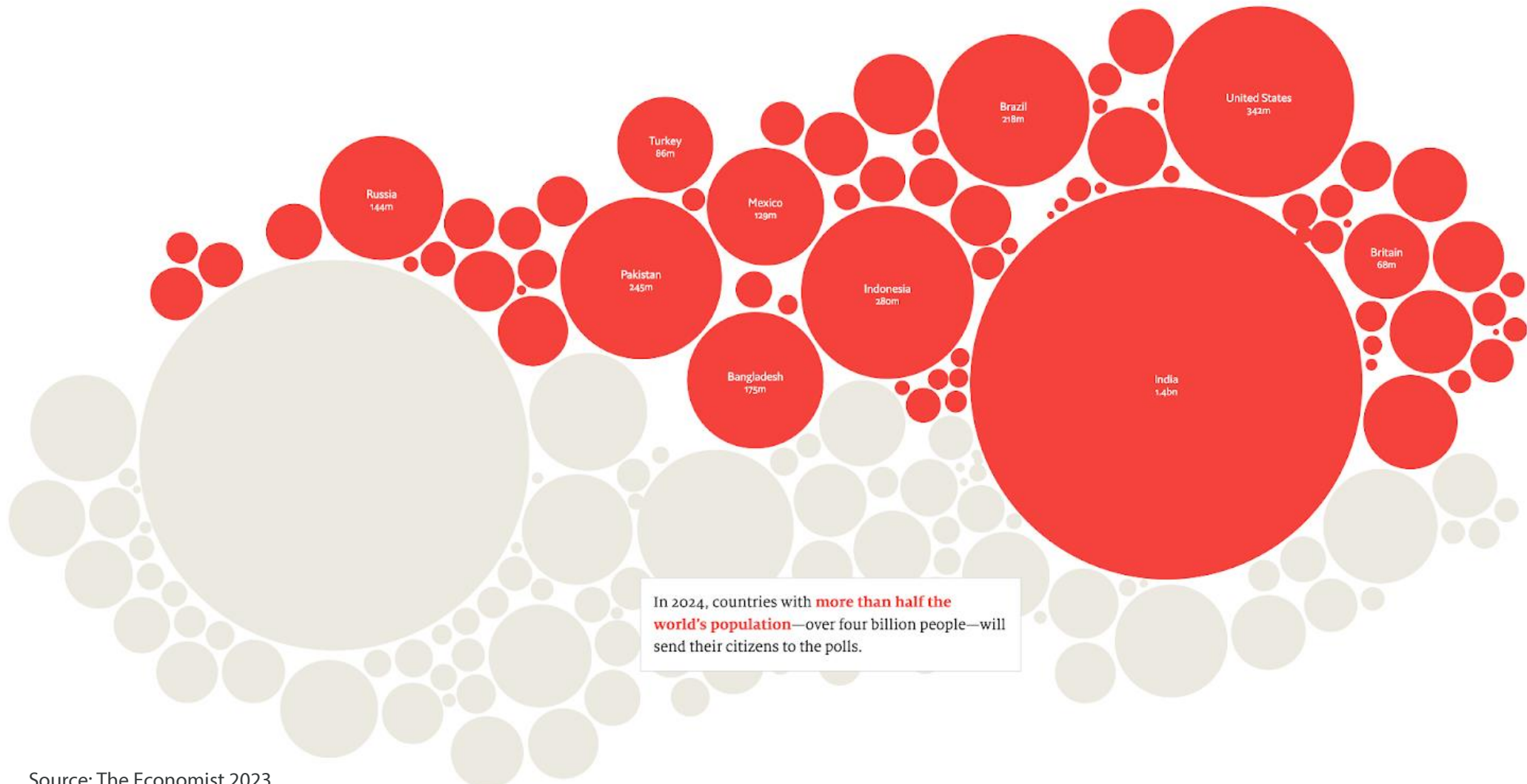


Monetary Policy

Geopolitics



Wild Card: The Super Election Year





CHINA

2023-2024... *Volatile times*



Beef...



NZ Beef exports to the world



For 2024, the US leads volumes
40% vs. 31% to China

2023 Beef exports:

China: 40%

US: 35%

Canada: 4%

Japan: 5%

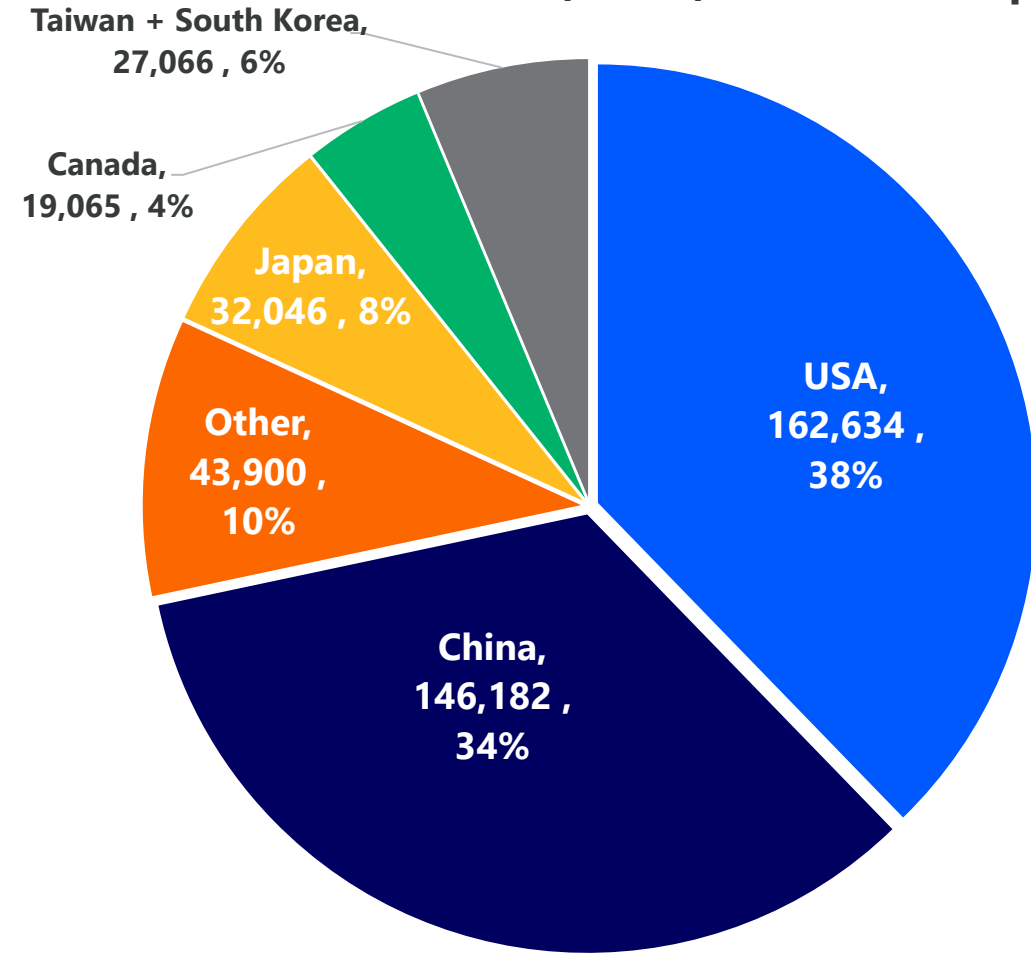
South Korea: 3%

Taiwan: 3%

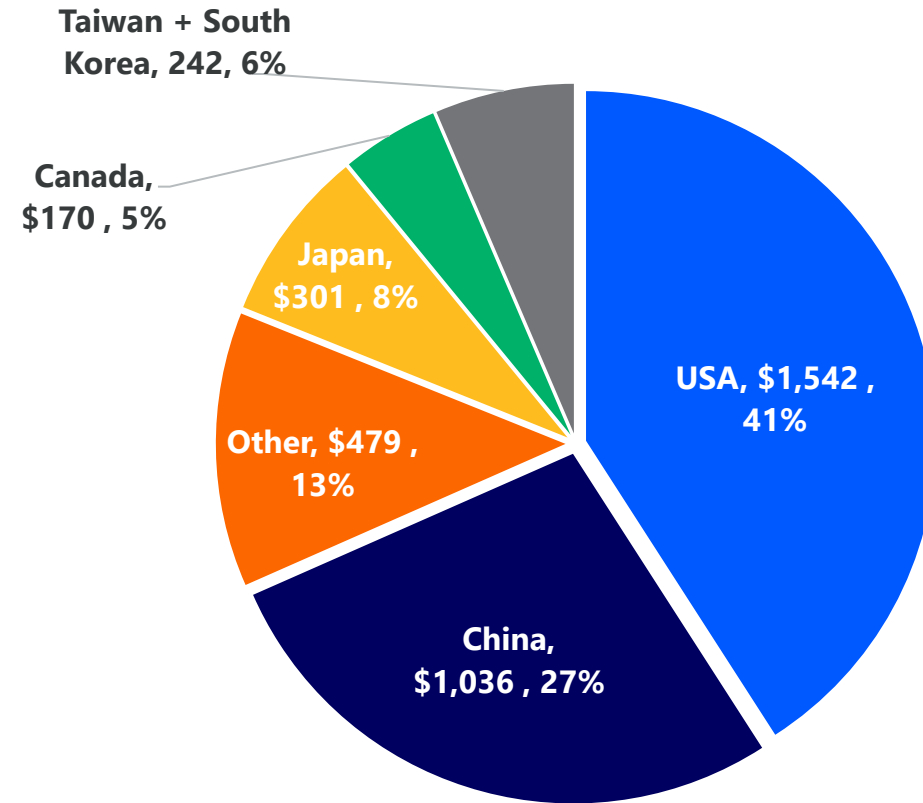
Other: 10%

Oct 2023 – July 2024: Beef exports from NZ, the US in charge

Volume (tonne) of NZ beef exports



Value of NZ beef exports, NZD million



US market is currently very strong

- Fewer domestic beef cows in US means import demand has increased.
- US domestic lean trimmings pricing is nearly 50% above 5-year average price
- Driving higher prices for NZ beef

Beef is a versatile protein

What to watch...

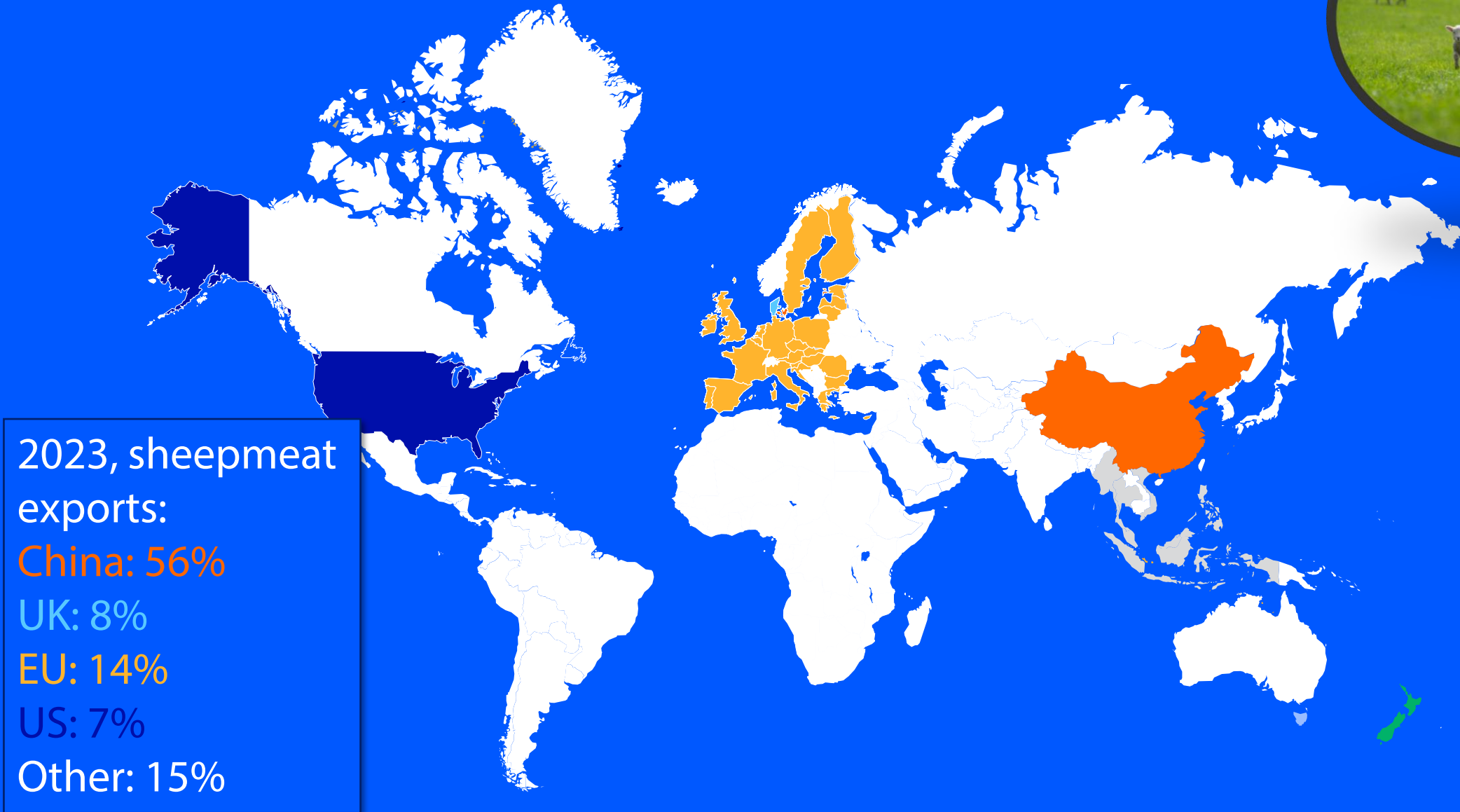
- China sluggish for now
- High production out of Australia

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Sheep....

NZ sheepmeat exports to the world



2023, sheepmeat exports:

China: 56%

UK: 8%

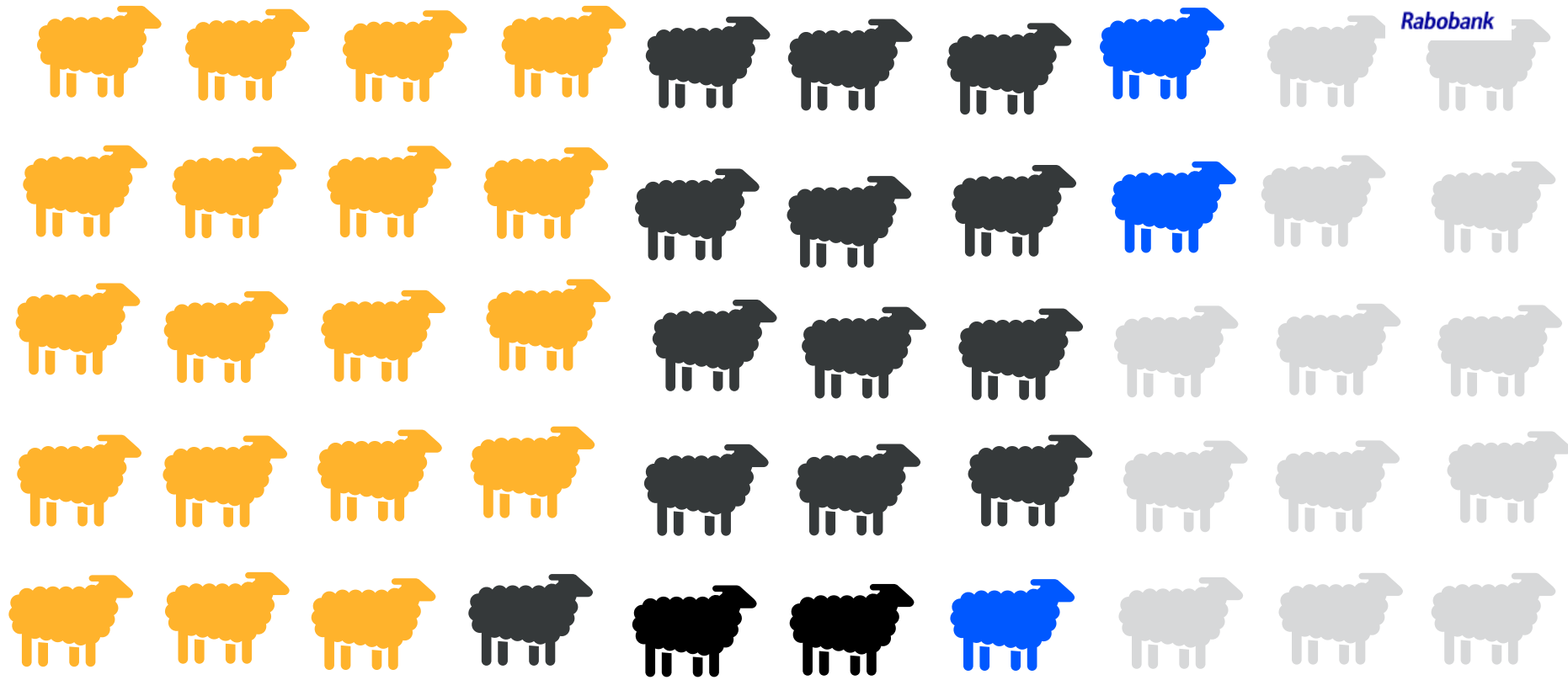
EU: 14%

US: 7%

Other: 15%

Australia & NZ lead global sheepmeat exports

19



37%
Australia

32%
New Zealand

6%
UK

25%
Other

Source: TRADEMAP

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Australia and NZ are quite different...

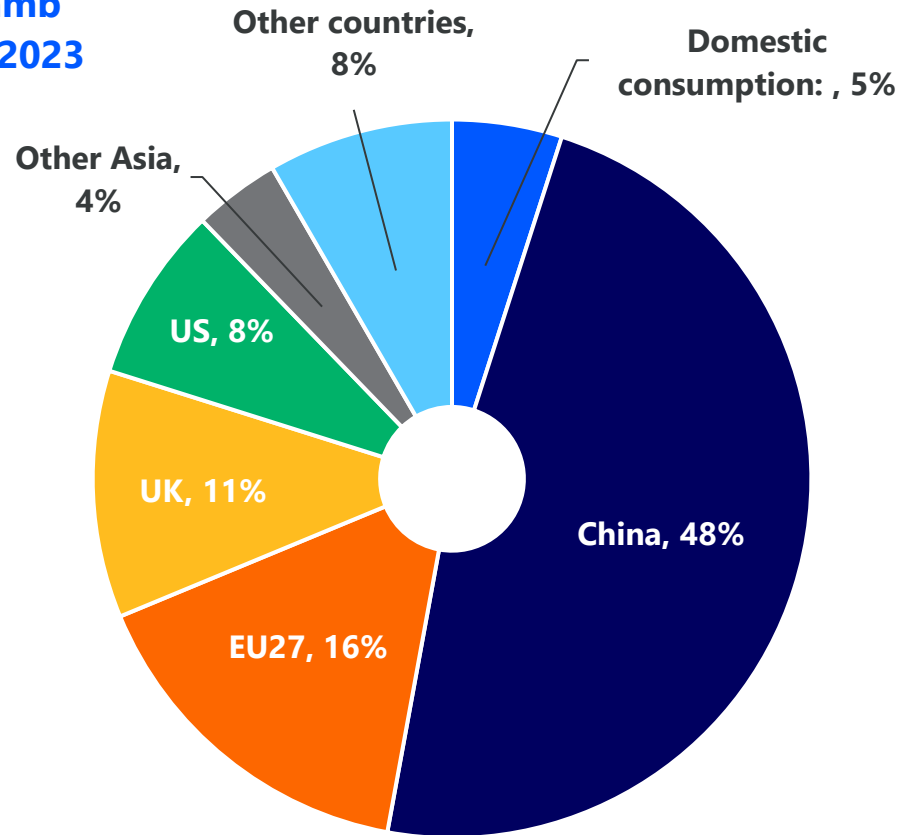
	New Zealand	Australia
Flock size 23/2024	24 million	78 million
Lambing percentage (average of recent years)	129%	98%
Breeding ewe numbers 23/24	15.7 million	48 million (68% of flock size)
Average carcass weight of finished (prime) lamb	18.95 kg	24.00kg

Source: StatsNZ, ABS, MLA, B+LNZ, Rabobank 2024

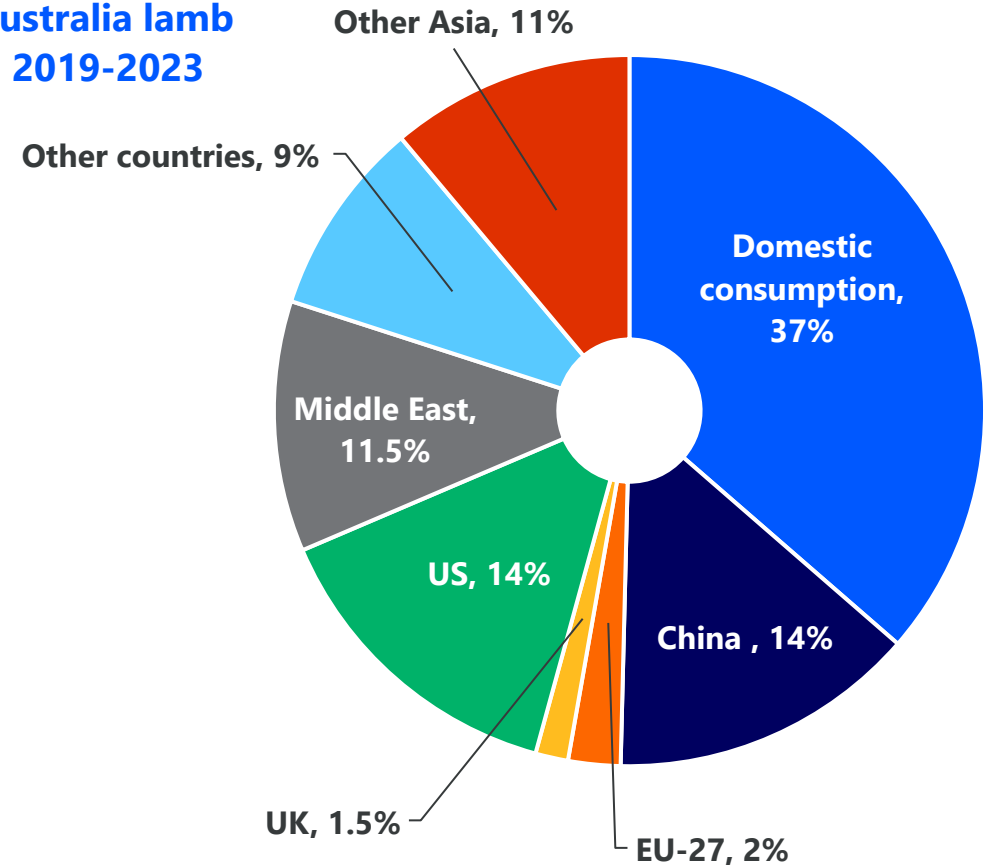
Australia has a more diverse end-game for lamb

Australia has a love for lamb at home

**NZ lamb
2019-2023**



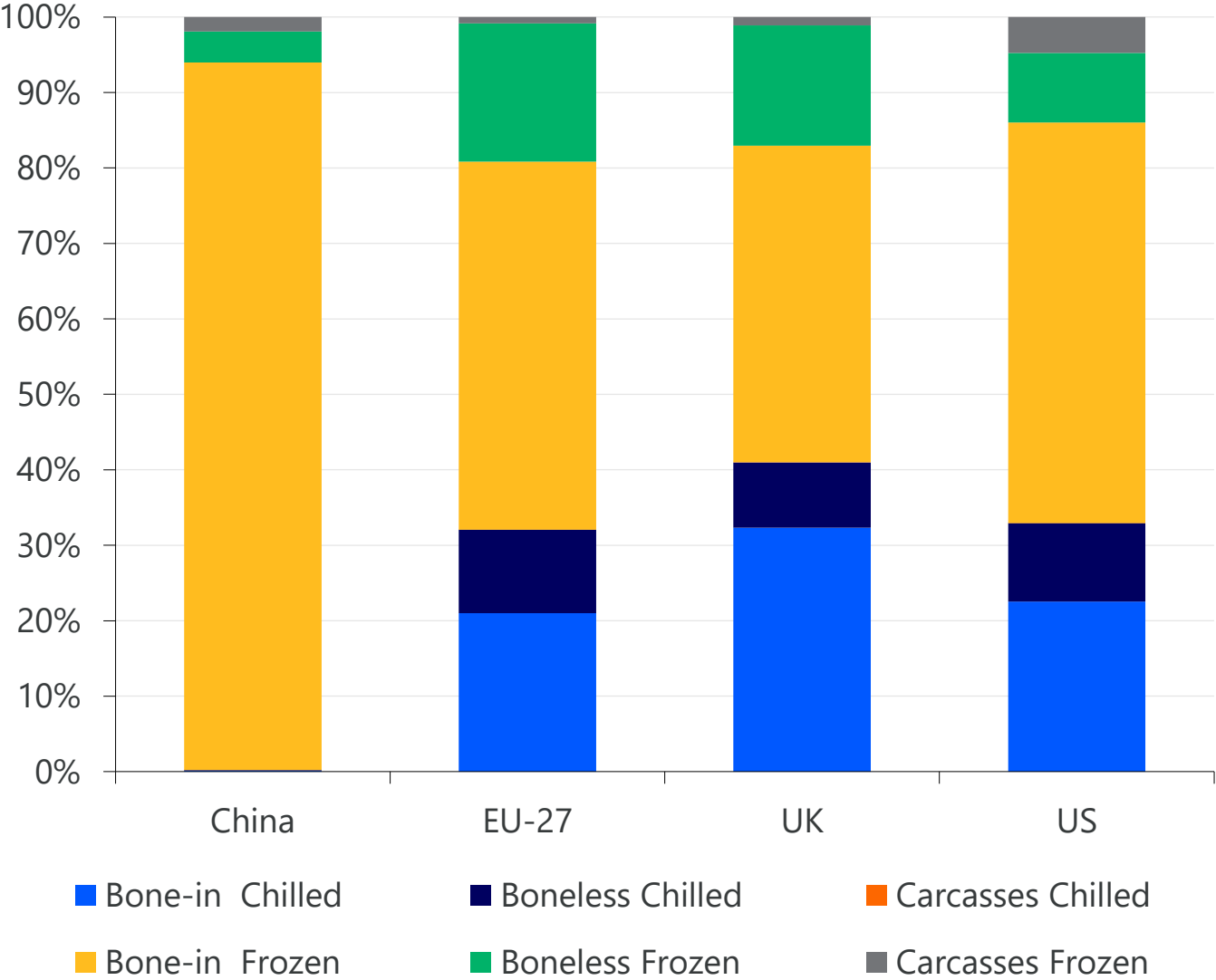
**Australia lamb
2019-2023**



2 Source: StatsNZ, RaboResearch 2024

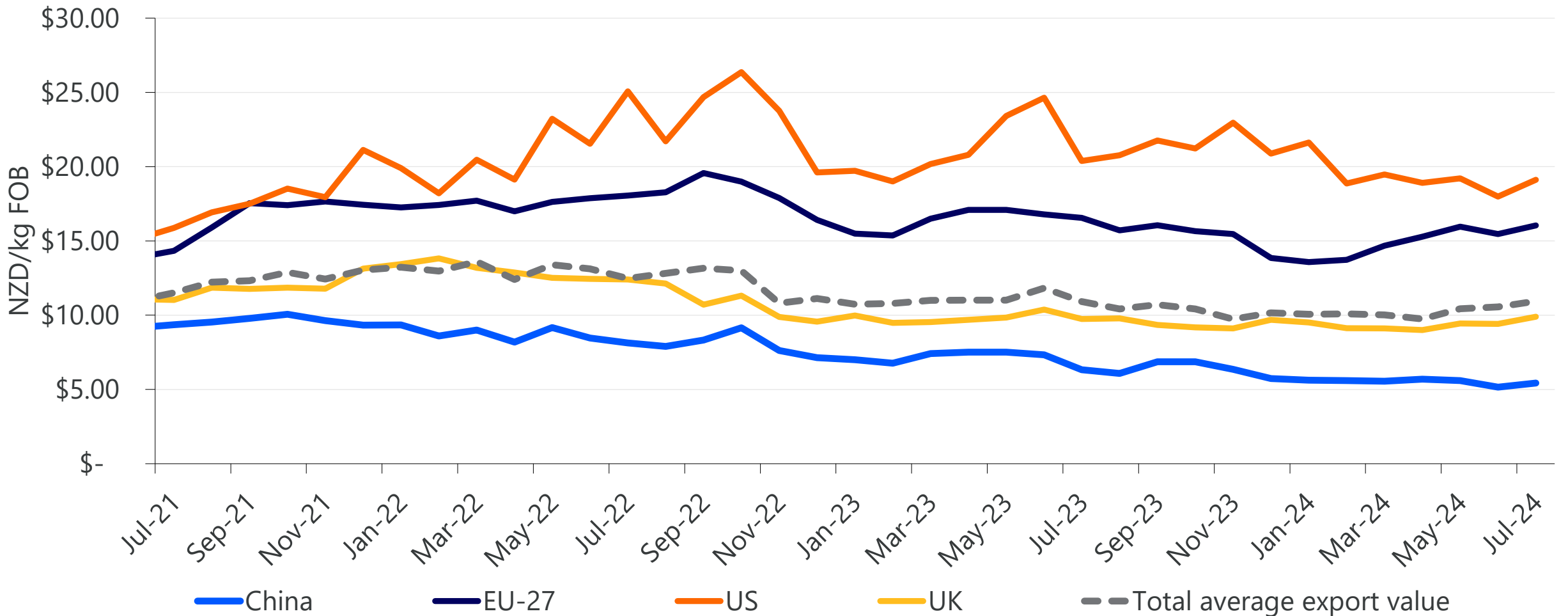
Source: DAFF, RaboResearch 2024

China take 99% frozen lamb



Average export values vary for lamb

China remains important for lower value cuts and mutton

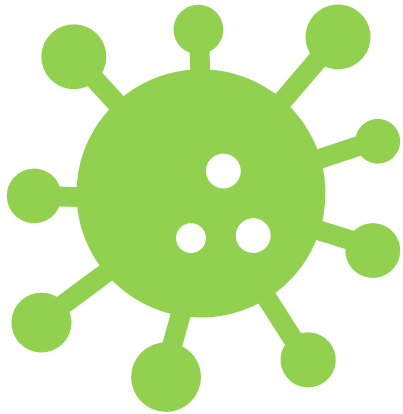


*What else to think about heading
towards 2030...*



Risks and wild cards for New Zealand

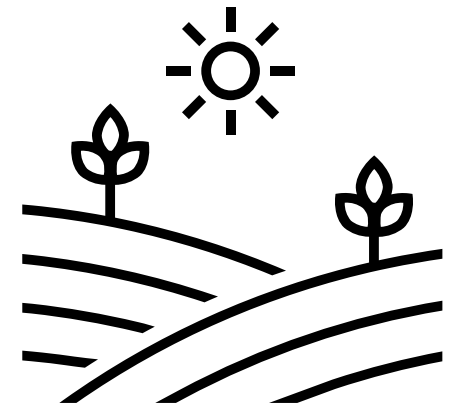
Things to watch...



*Animal health and disease risks.
Also diseases in crops*



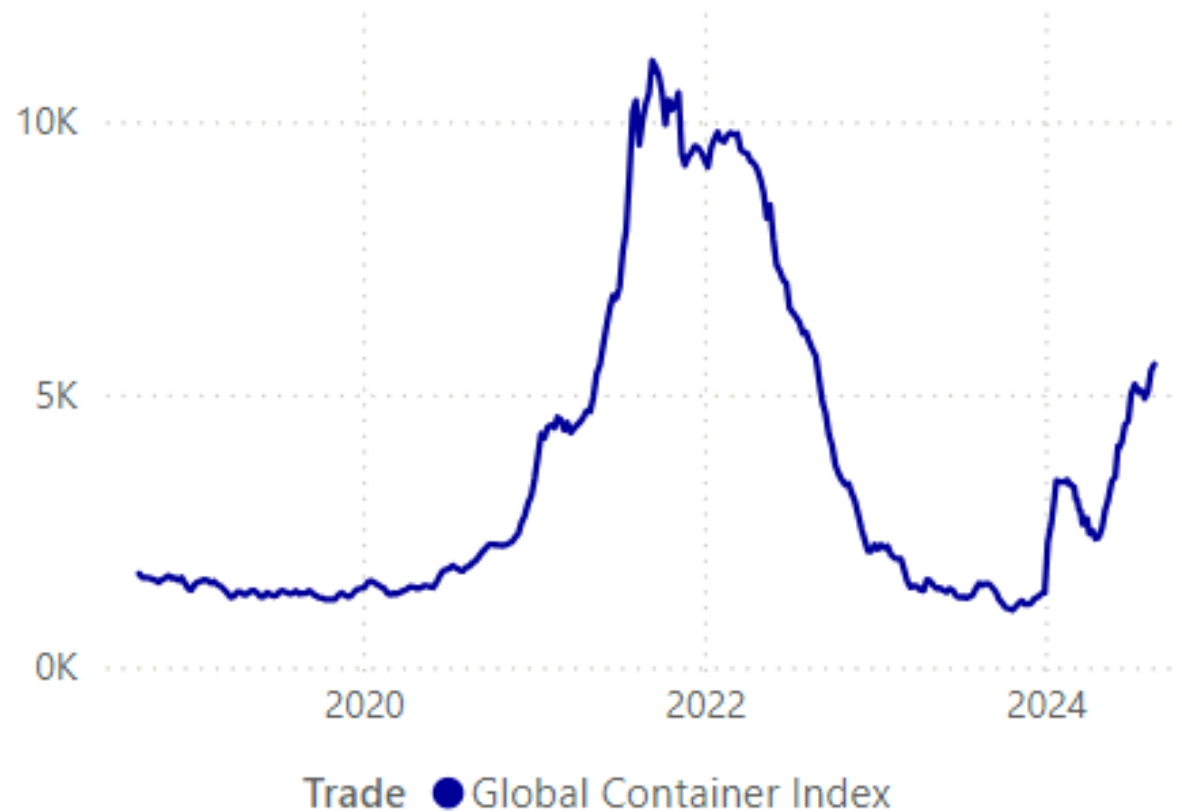
Trade and trade agreements into the future



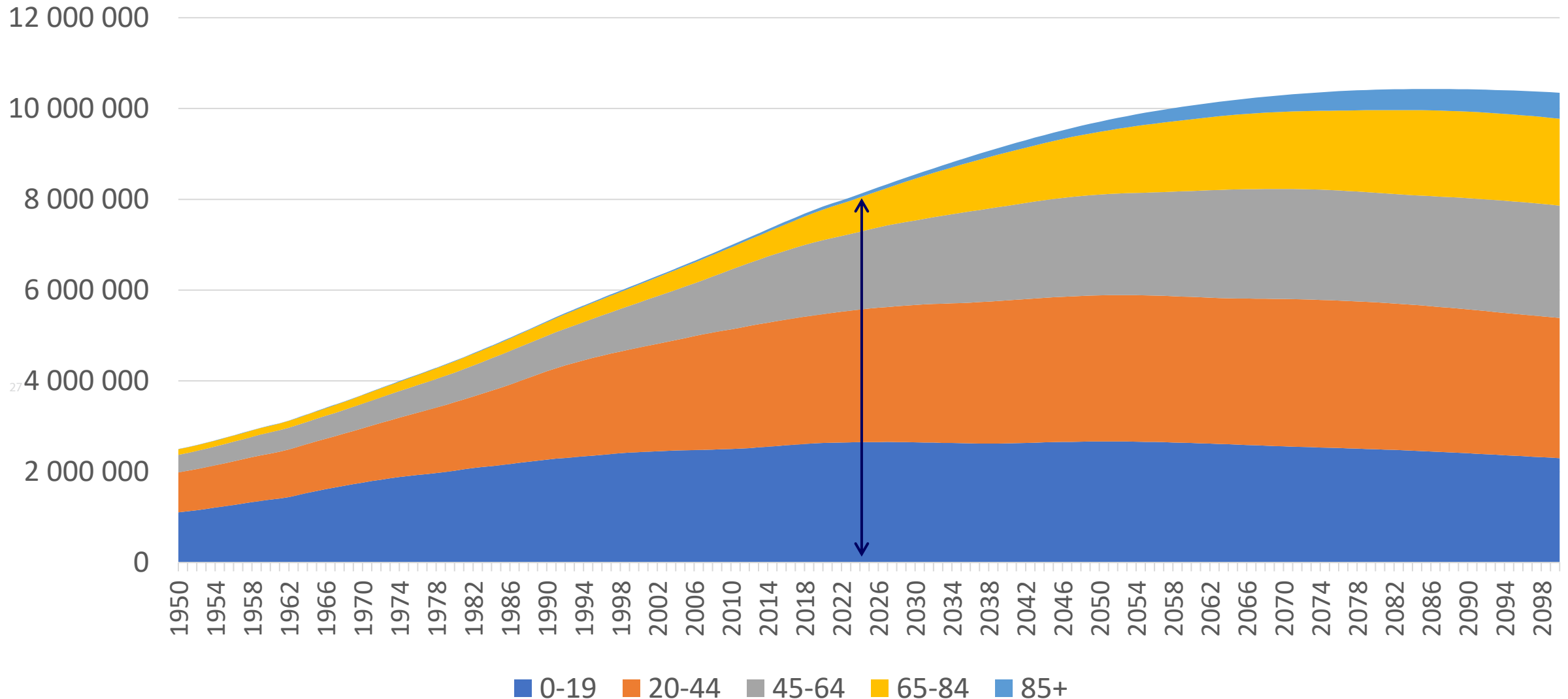
Sustainability and regulation, globally and with our key markets

Shipping and container rates are important for New Zealand

Global Container Index



World Population estimate, medium fertility



Source: United Nations, RabobResearch 2024

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The future...

Animal protein

Outlook for sheep meat is positive in the longer term, remembering sheepmeat is a niche product.

Beef will remain a versatile and popular protein. Grass fed is likely to increase in popularity in some markets.

Diversity of farm systems may be more important in years to come – reducing volatility



Protein consumption remains important

- Aging demographics need protein
- Nutritional value: omega-3 and fatty acid profile of red meat, grass fed highest
- Growing interest in sustainable real food
- Animal welfare and disease risk. NZ has a potential advantage and safety net.

We must protect this.



Summary

- As a small exporting nation, New Zealand is exposed to global events
- Trade and regulatory policies globally, are likely to affect NZ into the future.
- Diversification of income streams in all primary producers systems may help smooth volatility
- Red meat is a premium protein and there is still a growing middle class globally, who are hungry for healthy 'real' and satiating food.
- Focus on the things we can control and stay abreast to those we are not.

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Thank you for your attention



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