



New Zealand
PORK

The theme for today is

To encourage and inspire fresh thinking and new ideas

&

the positive impact they can have on your industry



But in an Environment where



SUCCESS GROWS FROM TRUST



What is the Object of NZPIB?

To help in the attainment, in the interests of pig farmers, of the best possible net ongoing returns for New Zealand pigs, pork products and co-products.

In pursuing its object, the Board must have regard to the desirability of the pork industry's making the best possible Net ongoing contribution to the New Zealand economy.



TWO Fundamental Questions

1 What do you want from your Board?

2 What does **SUCCESS** look like?



Functions of the Board

There are many functions of the Board which can be accessed by reading The Pork Industries Board Act 1997. However here are some interesting excerpts as we plan the future:

With a view both to increasing the volumes sold and to obtaining higher returns for each unit sold, to increase the demand for New Zealand pork products and co-products (in existing and new markets).

To maintain the confidence of consumers of pork products in the New Zealand pork and pig industries.

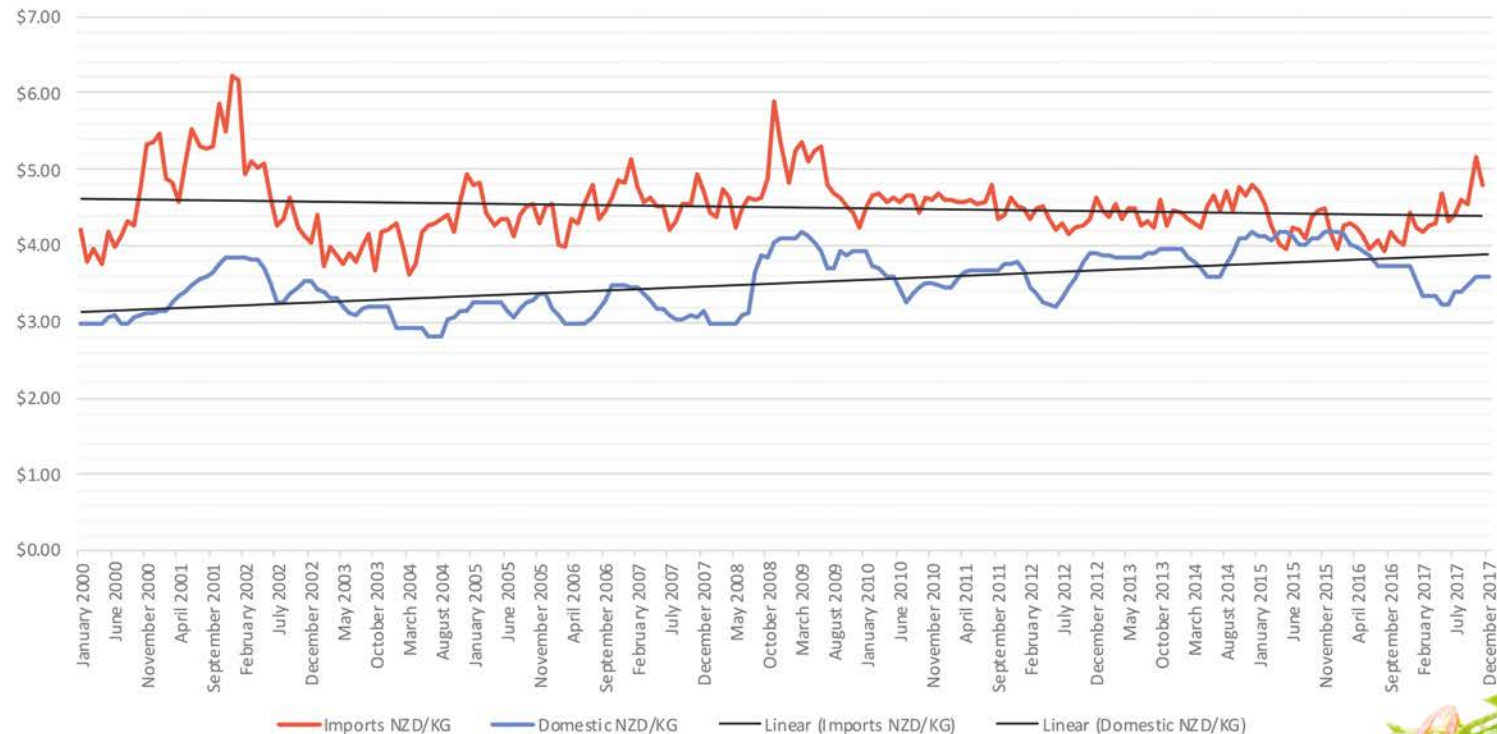
To help obtain improved access to overseas markets for New Zealand pork products and co-products.

The Board may perform any of the functions specified in paragraphs (a) to (f) (includes a, b and c above) of subsection (1) (or any element of any of those functions) alone, or a) In a partnership or joint venture with; or b) by arranging for its performance by – any other person or persons (including a company or companies in which the Board holds shares).



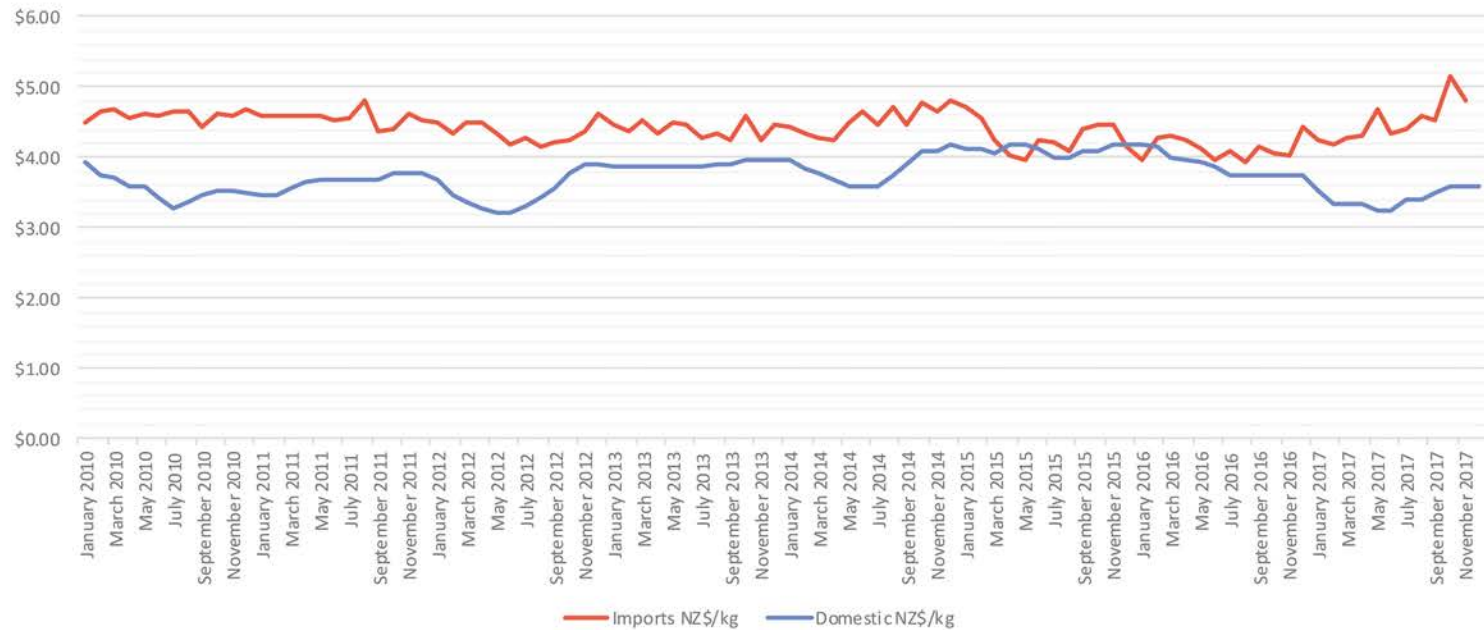
The Imports Debate

1 Comparison of price/kg imported to domestic pig meat



The Imports Debate

2 Comparison of price/kg imported to domestic pig meat from 2010

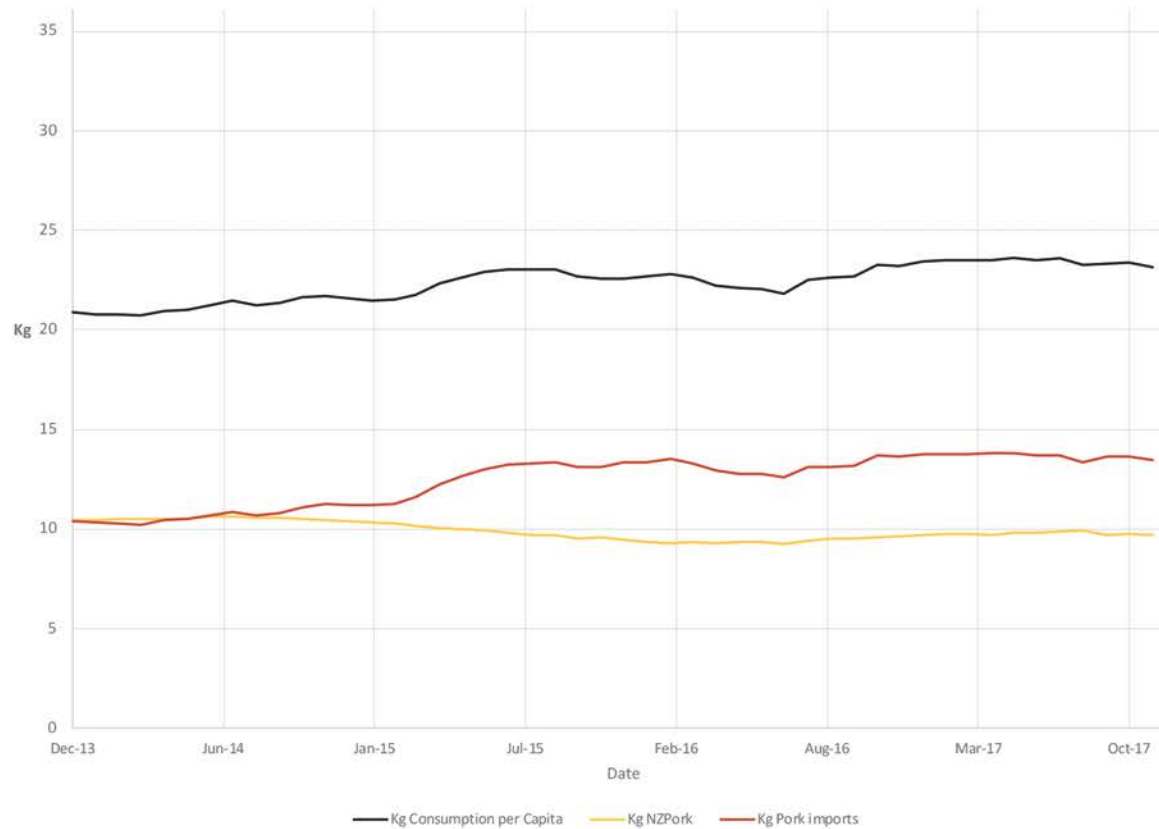


— Imports NZ\$/kg — Domestic NZ\$/kg



The Imports Debate

3 KG's of Pork Consumption per Capita



PigCare™ and the Supply Chain

Gerard Blank will outline the effectiveness of the PigCare™ campaign in his presentation.

He will also outline some of the current thinking for the future of communications and marketing.

It must be referenced against our NZPIB Objective:

“To help in the attainment, in the interests of pig farmers, of the best possible NET ongoing returns for New Zealand pigs, pork products and co- products.”

Here's the latest consumption data for pork – up almost 1 kg in the past year and 3 kgs in the last 5. However, that growth is all imported product. Consumption of the domestic product fell over a kg between July 2014 and July 2016 and has recovered about ½ a kilo since.

The net effect is overall growth in the pork market but a drop in the market we control.



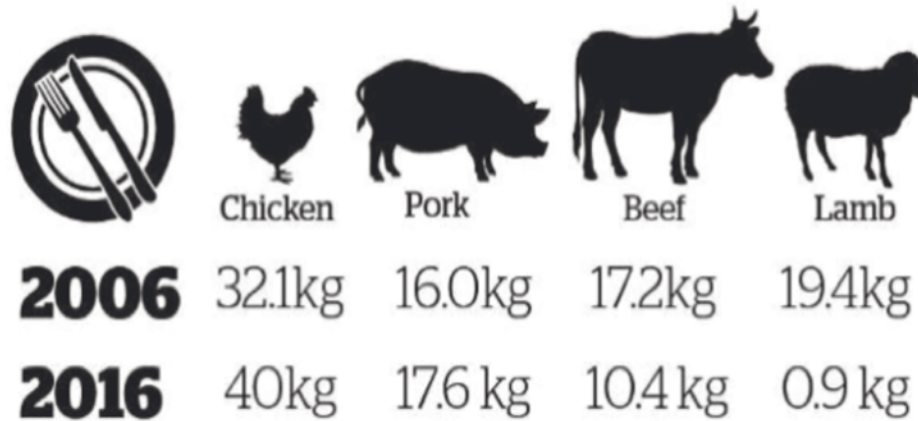
PigCare™ and the Supply Chain

Beef cattle in New Zealand contribute to greenhouse emissions mainly through the production of methane and by expelling phosphorous and nitrogen into soil through their urine, which can end up in waterways.

If environmental consciousness turns more people against meat, what could that mean for an agricultural nation?

Sustainable Business Network chief executive Rachel Brown thinks a radical shift needs to take place. That could mean meat becomes a high end, expensive product rather than an every day food source.

How much do Kiwis eat a year?



New Zealander's consumption of lamb and mutton has dropped a significant amount since 2006.



PigCare™ and the Supply Chain

The move away from pride as a farming nation and a growing awareness of environmental concerns, has created a dilemma for New Zealanders who have a tradition of meat and three vegetables for dinner. There are signs our love affair with meat is waning.

Data from the most recent OECD and Food and Agriculture Organisation of the United Nations Agricultural Outlook shows in the 10 years to 2016, New Zealand's chicken and pork consumption per capita has grown, but the average New Zealander's annual red meat consumption dropped 25 kilograms.

<https://www.stuff.co.nz/life-style/food-wine/100735629/the-average-kiwi-eats-20kg-less-meat-amid-concerns-over-sustainability-of-agriculture>

This is **NOT** the case for Pork as we saw in the graph on consumption per capita statistics.

The attacks on our industry are real, be they overt or subliminal.

In reality though tastes are changing and will gather pace –
so we must change as well.

Consider the effect on society of :

- Vegans
- Vegetarians
- Fruitarians
- Flexitarians
- Paleos
- Carnivores



We must work together To identify and implement change

To do that I have decided to form a CEO's Working Group to:

- ➔ Consider all options available under the ACT
- ➔ Develop a robust draft Future Plan
- ➔ Submit to the Board for their input and approval
- ➔ Board submits to the 2018 AGM for approval

Members of the group :

1

Members from
each region

2

NZP Staff

When? – Now!



The Financials

We are already preparing for next year's budget and the AGM.

The budget will be prepared on a strictly PROJECT basis.

We are currently developing a matrix against which all projects will be evaluated.



Budget

New Zealand
PORK

	YTD ACTUAL	YTD BUDGET	VARIANCE	BUDGET 2017/2018	FORECAST	BUDGET v FORECAST
Income Total Gross Income	622,470.93	612,083.00	10,387.93	2,363,000.00	2,487,474.00	124,474.00
Overheads Subtotal Overheads	387,325.60	331,912.00	55,413.60	1,316,650.00	1,363,216.00	46,566.00
Net Income	235,145.33	280,171.00	(45,025.67)	1,046,350.00	1,124,258.00	77,908.00
Regulatory & Research Total Regulatory & Research	110,762.77	87,837.00	22,925.77	351,350.00	358,850.00	7,500.00
Innovation & Technology Total Innovation & Technology	82,795.33	124,763.00	(41,967.67)	499,000.00	546,408.00	47,408.00
Communications – The Agency Total Communications – The Agency	161,794.84	107,853.00	53,941.84	431,500.00	459,500.00	28,000.00
Total Expenses	742,678.54	652,365.00	90,313.54	2,598,500.00	2,727,974.00	129,474.00
Subtotal Net Surplus / Deficit	(120,207.61)	(40,282.00)	(79,925.61)	(235,500.00)	(240,500.00)	(5,000.00)
Profit after Tax	(120,207.61)	(40,282.00)	(79,925.61)	(235,500.00)	(240,500.00)	(5,000.00)



Communications

We are committed to improving both internal and external communications.

Is definitely a 2-way street without dead ends:

Call Me!

We will be rolling out greater use of technology and other methods to make targeted improvements:

- Chair's Updates
- CEO Advisories
- etext service – trialled in Feb
- Potential use of additional Board advisory groups
- More online collaborative solutions e.g. Microsoft teams
- Farmers toolkit in farmers login area on www.nzpork.co.nz launch Feb
- NZ Pork blog
- Private Facebook group.





Let's go *MATA* together





Let's go
Make a Difference
together



