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Dear Fergal

### **ANZ Red Meat Sector Insights 2015**

I'm pleased to enclose for your information a copy of our Red Meat Insights Report, part of our ANZ Privately-Owned Barometer research.

Over 300 red meat farmers contributed, this year's ANZ Privately-Owned Business Barometer – Red meat Insights. More than 80 farmers then participated in focus groups to examine findings in greater depth.

The report finds a sector on the cusp of an opportunity but identifies a number of issues to resolve for it to realise its potential.

Whilst our top performing red meat farmers are achieving returns on investments that outshine almost any other producers in New Zealand, many red meat farms are achieving more modest returns and comparatively flat growth. It highlights the sector's capacity to reinvest, but it needs to do more to attract talent and leverage emerging information resources.

#### **Key findings of the ANZ Red Meat Insights Report include:**

- 26% of red meat respondents were very optimistic about the NZ economy over the next three years (38% for dairy, 39% for commercial)
- 32% of red meat respondents were very optimistic about the prospects for their sector over the next three years (44% for dairy, 43% for commercial)
- 74% of red meat farms were family-owned businesses. 10% were Maori businesses or Maori-owned businesses
- 70% of respondents identified succession as an issue – higher than any other sector, including dairy (60%)
- 42% of red meat farms benchmark against similar farms annually (36% for dairy)
- Improving pasture and forage was the most popular investment to increase farm production (69%) followed by new fencing (59%), increasing fertiliser application (53%) and improved animal genetics (46%).

I invite you to share this report with your officials and colleagues. The report is available on our website [anz.co.nz/barometer](http://anz.co.nz/barometer).

We welcome your feedback into the survey findings.

Yours sincerely,

Ross Verry  
General Manager Agri