



NZ
PORK

New Zealand Pork Industry Board
Annual Report 2023

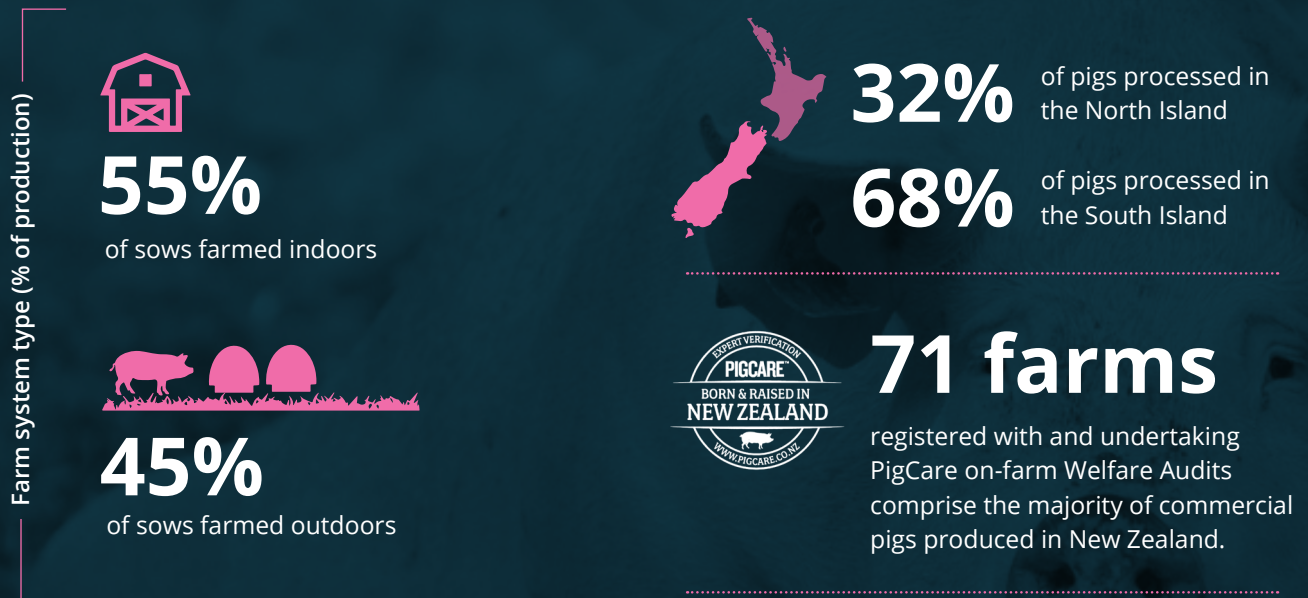


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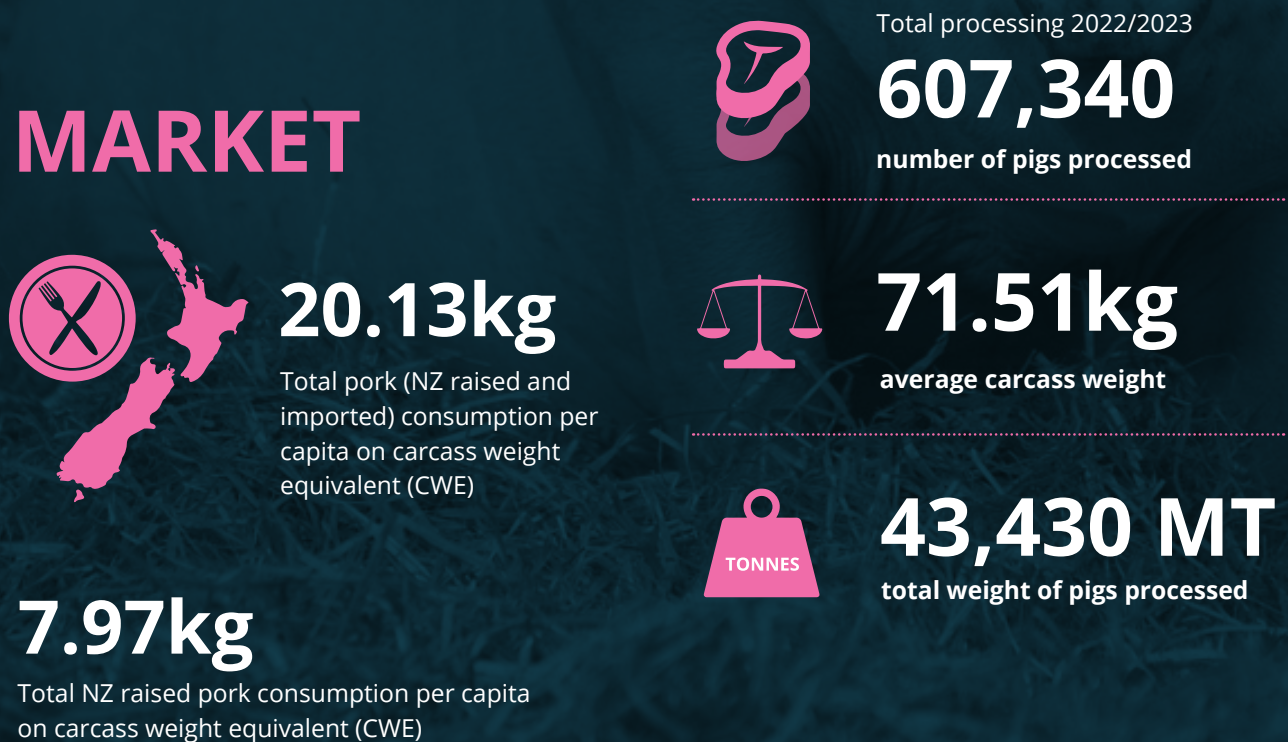
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OUR INDUSTRY



MARKET



Foreword

New Zealand's pork sector faced significant challenges over the past year including increased costs behind the farmgate, competition from imported pork, regulatory changes, and the uncertainty surrounding the Code of Welfare for pigs.

Despite the headwinds, the industry remains optimistic and committed to finding solutions that will enable it to thrive. NZPork is committed to promoting and supporting a thriving, sustainable, and valued pig farming industry for generations to come.

In June, we launched a new three-year plan to support our mission to ensure a sustainable and prosperous pig farming industry in New Zealand.

This blueprint focuses on addressing industry challenges, improving sustainability, and promoting domestically produced, high-quality pork products.

The strategic priorities include reviewing the value chain, strengthening research partnerships, building domestic commitment, enhancing meat quality, exploring export opportunities, and boosting sector confidence to ensure the industry's long-term success.

One avenue for improvement is to extract more value from domestically produced pork by analysing the value chain from farm to plate. This involves engaging with wholesalers and retailers to promote the highest quality pork products for the benefit of all participants in the value chain, and consumers.

NZPork also plans to strengthen research partnerships with central Government and the wider industry, particularly in animal welfare, biosecurity, and environmental sustainability.

Building domestic commitment to New Zealand pork is another priority. This includes encouraging government organisations and commercial enterprises to use locally sourced pork and educating

consumers on the benefits of buying local. NZPork will promote New Zealand pork as a high-welfare, low-environmental-impact protein option.

Enhancing meat quality, pursuing export opportunities, and building sector confidence are also key priorities. NZPork wants to create a mutually beneficial relationship among industry players to foster growth and stability.

Animal welfare

The uncertainty revolving around the Code of Welfare remains the foremost concern in our sector. NZPork has worked hard to highlight the industry's willingness for change, emphasising the necessity of a science-based, practical approach. We have also been clear that the current National Animal Welfare Advisory Committee (NAWAC) proposals will jeopardise the livelihoods of farmers and render New Zealand's homegrown pork inaccessible to many Kiwis.

The uncertainty has made it exceedingly difficult for farming families to make decisions about investment and succession, and has created recruitment challenges.

Over the Christmas /new year period 2022/23, there were three online targeted stakeholder meetings in collaboration with the Ministry for Primary Industries (MPI) and NAWAC.

During these sessions, farmers and other stakeholders were invited to provide feedback on the proposed changes to the code. Despite the challenging timing, a substantial number of farmers participated, contributing invaluable insights and perspectives. We now eagerly await tangible changes to NAWAC's draft code from the Government.

Our commitment to animal welfare remains unwavering. Our team of technical advisors has continually reviewed international science and best practices, collaborating with farmers to shape our industry's proposed welfare standards.





Our animal welfare scientist, Dr Kirsty Chidgey, travelled to Europe to assess various farrowing systems in operational farm environments, providing vital technical information to support New Zealand farmers in making informed decisions about their farming practices.

Even if NZPork's position is adopted, pork producers will need support from the Government to transition and remain viable including relief from resource consent requirements for new or expanded buildings, support with research and trialling of new equipment, and most significantly, adequate time.

The environment

The agricultural sector, including pig farming, faced escalating pressures and regulatory changes over the past 12 months including the National Policy Statement on Highly Productive Land. The NPS-HPL directs regional councils to map any land in its region as 'highly productive' if it is in a general rural zone or rural production zone and has a certain land use capability.

Local government must then avoid the inappropriate use or development of highly productive land that is not used for land-based primary production.

NZPork is concerned the NPS could lead to the exclusion or limitation of pig farming across large parts of rural zones. We actively engaged in consultations and discussions surrounding these concerns and are encouraged by the new Government signalling possible changes in this area.

Emissions

We were pleased the previous Government acknowledged our concerns over the inclusion of pig farming under He Waka Eke Noa (HWEN) and exempted pig farming from steps to introduce emissions pricing.

In a significant development, we have partnered with MPI to co-fund a programme aimed at creating a lifecycle assessment model, estimating the carbon footprint of New Zealand-born and raised pork from inception to farm gate.

This initiative will yield robust data, underpinning our assertion that New Zealand's pork production is characterised by low carbon emissions and is a source of high-quality animal protein.

Country of Origin labelling

NZPork has vigorously lobbied for more consistent and prominent labelling of imported pork.

Following a complaint lodged by NZPork, Parliament's Regulations Review Select Committee acknowledged the inconsistencies with the Regulations and the Fair Trading Act and the Country of Origin of Food Act. They have recommended that the Government consider amending part of the regulations to prevent labelling practices that might confuse consumers regarding the origin of products.

We want the new Government to review the regulations in their entirety to ensure that they are fit for purpose and, in particular, adequately address the issue endorsed by the Select Committee. This means stopping sellers using prominent New Zealand branding and only disclosing that the product may be made of imported pork in the small print.

Biosecurity

In June, we reached a crucial milestone by signing a GIA operational agreement with MPI to manage responses in the event of a pig specific non-zoonotic biosecurity incursion impacting the pork sector. Under GIA, NZPork has an equal voice with the government in making critical decisions regarding response and readiness for pig specific non-zoonotic pests and diseases. The operational agreement establishes the Crown and industry cost share and details of how the partnership will work in practice. Separately we submitted an application to establish a biosecurity levy framework to provide a further option to fund or part fund a response if required. The biosecurity levy would remain at zero until required. We've also made substantial progress in discussions with MPI and other livestock sectors, on an operational agreement concerning Foot and Mouth Disease (FMD).

Imported pork

The influx of imported pork into New Zealand remains a matter of concern. NZPork continues to advocate for our domestic industry, raising awareness that imported pork often comes from countries with lower animal welfare standards. It was disappointing that Parliament's Primary Production Select Committee opted not to investigate ways to address this disparity.

We've also called for a review of biosecurity risks associated with imported pork, given that several countries exporting pork to New Zealand are grappling with serious pig diseases, including African Swine Fever (ASF).

Research

Our scientific research into the eating quality of New Zealand-born and raised pork provided invaluable insights into the factors that enhance or diminish the overall eating experience. This research aligns with our goal of better understanding the attributes that consumers prefer, thereby assisting farmers in consistently delivering top-quality products.

Thank you

On behalf of the entire NZPork team, we extend our thanks to all farmers for their unwavering support, dedication, and commitment to excellence.

The New Zealand pork industry already has a lot going for it. Passionate and skilled farmers, a high health status herd, a comprehensive animal welfare assurance programme, strong environmental standards and high-quality products.

The past year, we have witnessed some farmers and pork production leaving our sector, owing to challenges such as rising feed and labour costs, compounded by uncertainty about the Code of Welfare, and competition from imports.

The industry is committed to finding solutions that will enable it to not only survive but to thrive.

This underscores the critical importance of maintaining a critical mass within our industry and the role each of us plays in ensuring the continued growth and sustainability of New Zealand's pork sector. At NZPork, we remain committed to supporting farmers on this journey, both now and in the years to come.



Eric Roy
Chairman



Brent Kleiss
Chief Executive



Product Value

There has been a great deal of interest in our ongoing programme to encourage Kiwis to choose born-and-raised New Zealand pork.

We've been doing a lot of work in this area as we seek to achieve a level playing field for our pig farmers in the face of a wave of imported pork.

We're continuing to invest significantly in highlighting the benefits of 100% New Zealand pork to consumers, the supply chain including retailers and influencers.

Our retail support activities, included the provision of 100% New Zealand pork, ham and bacon labels for wholesalers and retailers, play an important role in this.

We have also promoted 100% New Zealand pork as an accessible, easy to use meal option that sits within consumers' choice set for meals.



Marketing strategy

Over the past 12 months, NZPork worked in conjunction with wholesalers and retailers to develop a three-year marketing strategy for the sector.

In developing the strategy, NZPork took insights from recent consumer research that showed consumers' purchasing decisions were driven primarily by quality and price. Retailers agree that price remains the biggest driver of consumer behaviour. However, it is worth noting that ethical decisions are increasing in importance.

To increase demand for born and raised New Zealand pork - and ultimately lift the pig schedule paid to farmers - the marketing strategy focuses on fresh and processed pork.

The plan has two key strands, substitution and education, with the main investment in the January-April period:

Substitution

A New Zealand fresh pork focus, designed to take a share of the shopping basket from chicken, and to a lesser degree, other animal-based protein choices. The goal is to convince consumers to replace one mid-week chicken or beef meal with pork. This messaging will go out through social and print media.

Educating consumers on imports of manufactured products

This focuses on ham, bacon and sausages. The primary message is that not all bacon, ham or sausages use New Zealand-born and raised New Zealand pork and that consumers should check before they buy. NZPork is developing a website directing consumers to retailers selling products that use 100% NZPork.

Consumer promotion

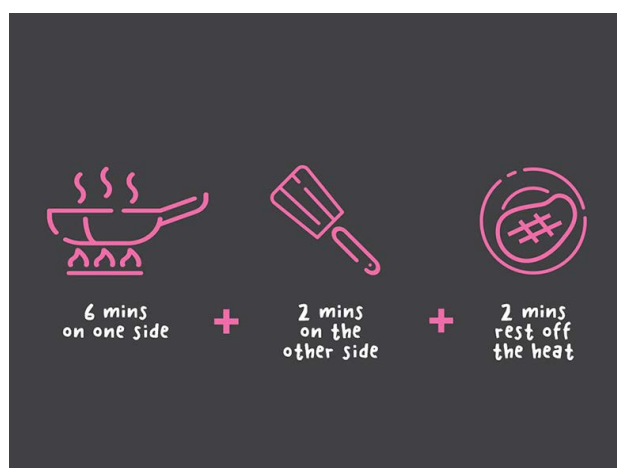
Over the past year, NZPork continued its very successful 'Always On' digital content and media plan, which was underpinned by the delivery of consistent, useful communication to consumers via digital channels. The aim of all our communications and marketing is to stimulate interest in New Zealand pork recipes and increase traffic to the pork.co.nz website, which in turn is maintained and refreshed regularly to encourage consumers to cook New Zealand pork recipes.



Digital boost campaigns

We also ran two boosted campaigns of three-months duration where we targeted social media and google search advertising. The first campaign focused on the 6+2+2 cooking method and ran from January to March. This campaign saw a 117% increase in website traffic to the 6+2+2 section of the website compared to the same period last year.

We also ran a boosted campaign from June-August 2023. This campaign focused on 'winter warmer' recipes and built momentum month on month. It was a successful campaign with website sessions reaching a peak of 79,529 in August, compared to 44,305 sessions in August 2022. This was a significant increase in visitors to our website.



TikTok marketing

This year, we trialled digital advertising via TikTok. As a new social media platform, with a younger audience skew, it has proved to be a successful and cost-effective marketing medium.

In the 2023 year, our content has been viewed over **1.8 million times** with our most successful content being basic, beginner-style pork recipes.



Inviting and engaging content

In the past 12 months, we've continued to focus on continuous creation of enticing recipes, engaging social media content and simple educational tips to encourage consumers to try pork and give them confidence in creating successful, cost-effective and delicious meals. Our fortnightly electronic newsletters sent to our subscribers were opened more than 90,000 times, at an average open rate of 32%, well above the benchmark open rate of 21.33%.



Bacon & Ham Awards

In July, Hawke's Bay butchery Wild Game in Hastings was announced as the Supreme Winner in both bacon and ham categories of the 100% New Zealand Bacon & Ham Awards.

The butchery took out New Zealand's top bacon award with their middle eye/loin entry and New Zealand's best ham award for their boneless ham.

Wild Game owners Jordan and Varnnah Hamilton-Bicknell run a boutique butchery in Camberley, Hastings where they create quality products which are sold both in-store and online.

Jordan, who has a passion for hunting and the outdoors, started his butchery trade at the age of 15 in a butcher shop in Woodville. After working six years for the previous owner of Wild Game, Jordan took over the business and takes great pride in crafting his award-winning products.

It's a local success story with the pork being supplied by Dean Nikora of Crackling Good Farm, also in the Hawkes Bay.



Judging took place over three days, with a team of butchers and culinary experts inspecting and sampling our country's finest bacon and ham products, all produced from PigCare certified, 100% New Zealand born and raised New Zealand pork. Gold, silver and bronze medals were awarded in each of the seven bacon categories and the two ham categories. From there, all gold medal winners were re-judged against each other to then find New Zealand's supreme bacon and ham.

New Zealand scientists identify the secret to great tasting pork

NZPork collaborated with New Zealand scientists to unlock the secret to what makes great tasting pork.

NZPork commissioned AgResearch to examine how factors such as animal gender and muscle pH values impact the eating quality of New Zealand born and raised pork.

Consumer testing identified a preference for pork with pH levels of 5.52 to 5.65 - just slightly acidic - while those outside this range achieved less favourable scores.

Animal gender wasn't found to influence eating quality for pigs with normal pH levels. However, when it came to pork with low pH levels, meat from entire males had the highest fail rate.

The research also evaluated the most popular sensory characteristics of pork, with consumers reporting that aroma was the aspect of pork they most enjoy, followed by flavour, tenderness and then juiciness. Consumers also highlighted that juiciness plays a crucial role in shaping their overall pork-eating experience.

The innovative eating quality project, led by AgResearch's Senior Food Scientist Dr. Carolina Realini, involved 200 participants and provided key insights to construct a comprehensive profile of current consumer expectations regarding domestic fresh pork. Previous consumer studies by NZPork have shown that quality and price are the most important factors when deciding to buy pork.

These AgResearch findings provide valuable information and insights about how much pig gender and pH factors enhance or lessen the eating experience.

Building a better understanding of the attributes consumers enjoy the most will help farmers to continually provide top-quality New Zealand pork products that customers can rely on.

All parts of the supply chain have a part to play in improving and maintaining the quality of pork and we are committed to working with the sector to reduce the number of pork carcasses with low pH.



Caring for our animals

Review of the Code of Welfare for Pigs

Over the Christmas /new year period 2022/23, NAWAC and MPI conducted further targeted stakeholder consultation during three online meetings that were well attended by pig producers. MPI and NAWAC discussed their proposals and sought specific feedback from farmers relating to the practical and economic impacts of the proposals presented.

We are yet to see the finalised version of NAWAC's code, which was submitted to the Animal Welfare Minister for consideration in early May 2023.

As such, we have not had the opportunity to assess the final proposals, some of which may not have been directly consulted on. In the meantime, NZPork has continued to engage with MPI and the Government.

We are committed to improving welfare outcomes of farmed pigs and accept that there are some areas in the code that need to change in keeping with good practice and science.

These were outlined in our science-based positions covering the key proposals: farrowing systems, mating stalls, space allowance for growing pigs, weaning age, and enrichment opportunities. These proposals would still require significant investment by our farmers. We will continue to advocate for a fit for purpose code that is accompanied by an appropriate transition support package, an adequate lead-in time, and equivalent standards required for imported pork.



The key points of our science-based positions are:

1. Farrowing

To best protect and care for piglets during the most critical period for their survival, sows may remain in farrowing crates for up to seven days in total, but for no more than four days after giving birth. To provide for the sow's behavioural needs, all sows would be provided with nesting material before farrowing.

2. Mating stalls

Mating stalls may be used during artificial insemination only, which would no longer permit sows to be housed in a mating stall between weaning and mating.

3. More space for growing pigs

The minimum space allowance for growing pigs would be increased by 13 per cent. Pigs would spend only a very short time close to, or at the minimum space allowance.

4. Weaning age

The current outcome-based approach to piglet weaning age should be retained to best cater for the welfare needs of both sows and piglets, rather than adopting a prescribed minimum weaning age, as proposed by NAWAC.

5. Enrichment opportunities

All pigs would have access to a variety of enrichment materials that can be manipulated to provide opportunities to express a reasonable range of behaviours.



Study tour of Denmark and the Netherlands

In May-June 2023, Dr Kirsty Chidgey, NZPork's Animal Welfare Science Advisor, travelled to Europe to meet with farmers, researchers, advisors, and equipment suppliers. The focus of the visit was mainly on farrowing systems (both free farrowing and temporary confinement) to better understand how these housing systems are managed, what technology and equipment is available and the advice that farmers had for others when it comes to making investment decisions.

Kirsty visited 11 farms and four equipment suppliers, as well as scientists at SEGES Innovation and Aarhus University, a consultant at the Danish Pig Advisory Centre, and Policy Advisor at the Danish Agriculture and Food Council.

The insights from this visit have reinforced our science-based approach to addressing pen-based farrowing, as was proposed via our own positions and submission on the Code of Welfare.



Environment

SNAPSHOT

Our farmers are guardians of the environment, responsibly overseeing water, nutrients, and land to safeguard and improve the surroundings for the well-being of future generations.

Carbon footprints

As a follow up to our PigGas research, we were successful in obtaining funding from MPI to assess the full carbon footprint of pig farming. PigGas focused on industry aggregate data for biogenic methane emissions. This project will produce industry aggregate and comparative data on carbon emissions, and a model for individual farmers to estimate their total carbon footprint to the point pigs leave the farm gate. The research will identify potential 'hotspots'

where farmers can reduce emissions, and measure the efficacy of mitigation measures. While pig farming was excluded from He Waka Eke Noa, pig farmers are still required to report their emissions in the farm level backstop in the Climate Change Response (Zero Carbon) Amendment Act 2020. This type of data is being requested in other fields, including finance and likely supply contracts in the future.

NPS Highly Productive Land

In 2022, the Government gazetted a National Policy Statement for the Protection of Highly Productive Land (NPS-HPL). The aim of the document is to protect our most productive land (Land Use Classes 1-3) from urban or rural lifestyle development.

However, the document was developed in a way which also captured some primary production activities, including pig farming. After substantial lobbying from NZPork and other parties, the Ministries for the Environment and Primary Industries have released a discussion document on a possible amendment to the NPS-HPL. Submissions closed on 31st October 2023, so it remains to be seen whether any changes will be made.



Essential Freshwater

As part of its essential freshwater package, the previous Government introduced requirements on all arable, pastoral and horticultural farms to have certified and audited freshwater farm plans, if they are 20ha or more in size, or 5 ha or more in size for horticulture. The regulations came into effect in August 2023, and will be rolled out by region and catchments within regions, over the next three years. Waikato and Southland are the first two regions followed by Otago, West Coast and Horizons. These regulations apply in addition to any regional council rules requiring a farm plan.

Freshwater farm plans are required on land used for grazing livestock or raising crops for harvest, so may not apply to all indoor pig farms. NZPork will be providing information to assist farmers under these regulations.

Resource Management Reform

In August 2023, the National and Built Environment Act and the Spatial Planning Act were both enacted. These statutes are part of a 'triple Act' to replace the Resource Management Act 1991 (RMA). Some parts of the Natural and Built Environment Act 2023 apply now, but most

of it does not apply until new plans are prepared for each region. At the time of writing, the new government has said it will repeal these Acts and we remain committed to ensuring the interests of pig farmers are considered.

Polices and Plans

District and regional councils continue to review and update regional and district plans under the RMA. NZPork staff have kept a watching brief over the 14 regional and 67 district (and unitary) authorities in New Zealand and submit on plans that will impact on indoor and outdoor pig farming.

Submissions on national documents over this annual period:

- Climate Change Commission Advice to Government on Second Emissions Reduction Budget
- MfE and MPI – Deferring ETS Reporting obligations – discussion document
- MfE and MPI – NPS for Highly Productive Land - discussion document.

Regional & District Plans over this annual period:

- Greater Christchurch Draft Spatial Plan – submission & hearing
- Proposed Taupo District Plan – hearing
- Proposed Waimakariri district plan - hearing
- Proposed Selwyn District Plan – hearing
- Proposed New Plymouth District Plan – hearing
- Proposed Palmerston North District Plan – hearing
- Proposed Waitomo District Plan – submission
- Proposed Far North District Plan – submission.





Our Farmers

In July, NZPork hosted the annual conference and Annual General Meeting in Christchurch.

There was excellent attendance from farmers and stakeholders from across the country. Roger Campbell gave an insight into international trends and developments in pig research. Dr Jacqueline Rowarth, a farmer elected director at DairyNZ and a recipient of the Companion of the New Zealand Order of Merit for services to Agricultural Science, also spoke at the conference.

In addition to the range of informative speakers, a highlight was sampling some of the winning entries from the New Zealand Bacon and Ham awards and meeting the butchers responsible.

Chris Trengrove won the NZPork Industry Lifetime Achievement Award for his long and significant contributions to the sector. A highly respected industry leader, Chris began pig farming in the late 1980's and is well-known for innovation and stockmanship. He served as an NZPork board member for 15 years, including nine as chairman.

The Stockperson of the Year award was shared by Tayla Steele (Patoa) and Regan Driever (Stanley Brothers).



Chris Trengrove and Brent Kleiss.

Chris Trengrove

Chris Trengrove, an innovative Canterbury pig farmer and committed industry leader, was recognised for his contribution to New Zealand's pork sector with an Industry Lifetime Achievement award.

Chris, who farms west of Christchurch on the Canterbury Plains, began his career in banking before switching to farming in the late 1980s.

He served on the NZPork Board for 15 years, nine of those as Chairman, and was instrumental in the development and introduction of the sector's PigCare™ welfare assurance programme and a major review of import health standards.

Known for his innovative approach to pig farming, Mr Trengrove designed a novel purpose-built farrowing system to reduce piglet losses associated with outdoor breeding. He also pioneered artificial insemination for outdoor pig herds in New Zealand.

Chris has invested time and energy serving our sector and New Zealand agriculture over many years and has established international links with pork industries, researchers and organisations. He also has a deep commitment to research and pork industry training.





Securing our Future

Country of Origin Labelling

New Zealanders have a right to know where their pork is coming from and want to support local farmers, so it is imperative we make it easy for them to know which products are New Zealand born and raised and which aren't.

The enactment of the Consumer Information Standard (Origin of Food) Regulations in February 2022 made it a legal requirement for the country of origin to be clearly labelled on any pork and cured pork products offered for retail sale.

NZPork welcomed the intent of these regulations, but noted straight away that the way they are drafted offers loopholes for continued claims of products such as bacon and ham being 'made in New Zealand' even though they are made from imported pork.

Additionally, the requirements to clearly state country of origin have never been applied to other further processed pork products such as marinated pork or sausages.

NZPork raised these concerns with the Regulations Review Select Committee, pointing out that the implementation of the regulations falls well short

of what parliament intended when they legislated to introduce country of origin labelling.

After comprehensive written and oral submissions by NZPork, the Select Committee found in our favour with regard to one of the regulations (Regulation 10) and have recommended that the Government reviews the regulation to ensure that New Zealand consumers are able to clearly see where pigs were born and raised, even in products that were 'manufactured in New Zealand'.

NZPork was able to provide the committee with very compelling examples of prominent New Zealand branding, and only the small print revealing that the pork may be imported from one of a number of countries.

NZPork is well prepared to participate in any review of the regulations when it is initiated by the Government.

Foot and Mouth Disease

Foot and Mouth Disease (FMD) is a highly contagious animal virus that infects cloven-hooved animals, including pigs, and is not only a threat to farmers' businesses but also to New Zealand's economy and its reputation as a food producing and exporting nation.

The May 2022 outbreak of FMD in Indonesia was a further prompt for the livestock industries and Biosecurity NZ to actively continue working together on a joint readiness programme to ensure we can stamp out the disease as soon as possible, in the event of an incursion.

NZPork contributed to an updated FMD Disease Management Strategy, released in August 2023, and several operational manuals adding greater detail to elements of the strategy like disease surveillance and disinfection of property following depopulation.

The feeding of meat and meat waste is a potential risk pathway for FMD and work has begun on gathering information about how the commercial and non-commercial pig farming sector make use of surplus human food which may contain imported animal material, and confirm that the legislative and policy framework currently in place adequately addresses the risk.

As part of this work, NZPork is working with other stakeholders to investigate a strengthened animal tracing scheme. This would allow rapid traceability of animal movements and support a better FMD incursion response.

Pig Specific non-Zoonotic disease Operational Agreement

In June, the signing of the Commercial Pork Production Sector Readiness and Response Operational Agreement for pig-specific non-zoonotic pests and diseases (pig-specific OA), was a significant step forward for NZPork's biosecurity commitment as a Government Industry Agreement (GIA) partner.

The signing of the OA by NZPork, on behalf of commercial pig farmers, and MPI, on behalf of the Crown, followed formal consultation with farmers during 2022 which demonstrated majority support.

Immediately following the signing ceremony, NZPork met with MPI to initiate work on the agreed priority readiness projects which are:

- Updating the Threat-specific Readiness Manual for African Swine Fever virus

- Operationalising the 3D's (destruction, disinfection, disposal) elements of response planning, to ensure these elements are updated and 'fit for purpose' for pigs if required
- Undertaking a simulation exercise to test response procedures including the updated '3D' elements in the event of a pig-specific exotic disease incursion.

At the conclusion of the 2022/23 reporting period, development of proposals for these three priority projects is underway in partnership with MPI. These proposals will be submitted to the next funding round of GIA project funding which is June 2024, on the agreed Crown / industry cost share.



Biosecurity Levy Application

Alongside consultation on the pig-specific OA, NZPork also asked farmers to support the establishment of a biosecurity levy order under the Biosecurity Act 1993.

The establishment of a biosecurity levy provides a further option to fund a biosecurity response, in addition to drawing on reserve funds and funding through the NZPork Board levy. With this additional funding mechanism, NZPork believes it is in a sound position to meet its financial commitments to response as contracted within the pig-specific OA. The levy will be zero-rated unless required. The levy order would not cover readiness cost share, which will continue to be met through the NZPork Board levy.

In August, an application to establish a levy order, termed the Biosecurity Response (Pig)



NZPork Chair Eric Roy and Mary van Andel - Chief Veterinary Officer at the Ministry for Primary Industries.

Levy Order, was submitted and we will likely have Ministerial decisions in March or April 2024. Implementation of the pig-specific OA is not dependent on the establishment of the biosecurity levy order.

Good practice pig farming - Responsible use of antibiotics

Antimicrobial Resistance (AMR), the result of bacteria having the ability to resist antibiotics, is on the rise globally. In 2020, WHO listed AMR among the top ten global healthcare challenges of the decade.

NZPork is committed to minimising AMR, by supporting the responsible use of antibiotics in the pig industry. We have developed and periodically reviewed Responsible Use Guidelines, to support farmers to limit antibiotic

use to those situations where there are no feasible alternatives to provide for pig health and welfare.

During the year, NZPork has actively contributed to the Antimicrobial Resistance Co-ordination Group (AMR CG), an MPI-lead group which serves as a forum of primary industry groups in liaison with regulators to focus collectively on activities that minimise AMR.

Imported pork

NZPork presented a petition to parliament signed by more than 3000 New Zealanders to ensure that imported pork is required to meet the same stringent animal welfare standards as those applied to farmers in New Zealand. This a vital step if New Zealand is serious about making our contribution to a global food system that protects and cares for animals.

As part of consideration by the Primary Production Select Committee, NZPork supported the petition with a written submission and oral presentation which asked the committee to demonstrate a commitment to animal welfare and the New Zealand pig farming industry.

We were disappointed that ultimately the Committee concluded that parliament could not act as it is constrained by international trade laws and agreements, but NZPork rejects this premise. There are multiple examples of where free-trading nations are able to stand on principle in their trading relationships. The petition did not seek preferential treatment for New Zealand born and raised pork, only that imported product be treated the same as locally produced.

We will continue to demand that the New Zealand Government backs Kiwi pig farmers and does what's right for animal welfare.



Behind the farm gate

Supply

Over the year, the pig kill was considerably lower than the previous year at 607,340 (compared to 632,781), made up of 593,310 prime pigs and 14,030 chopper class pigs.

Total local production was 43,430 tonnes (compared with last year's 45,256 tonnes), a decrease of (four per cent) made up of 41,600 tonnes prime and choppers totalling 1,830 tonnes.

Notably, the average carcass weight decreased by about 0.01kg to 71.51kg. Local pork production continued to be challenged by imported pork. While total imported pork volumes reduced this year, to 63,749 tonne, carcass weight equivalent (CWE), compared to 73,113t CWE during 2023, imports still sit at over 60% of pork available in New Zealand.

A contributing factor to the decline has been the continuing uncertainty around the draft code of welfare.

Pigmeat pricing summary

The farm gate price of locally produced prime class pigs began the meat year (1st October 2022-end of September 2023) at an average of \$4.80/kg carcass weight. The price increased to \$4.95 by Christmas 2022 and remained steady until March and April when it dropped by 10c/kg down to \$4.85kg. The price recovered in May and by the end of September 2023 had increased to \$5.13kg.

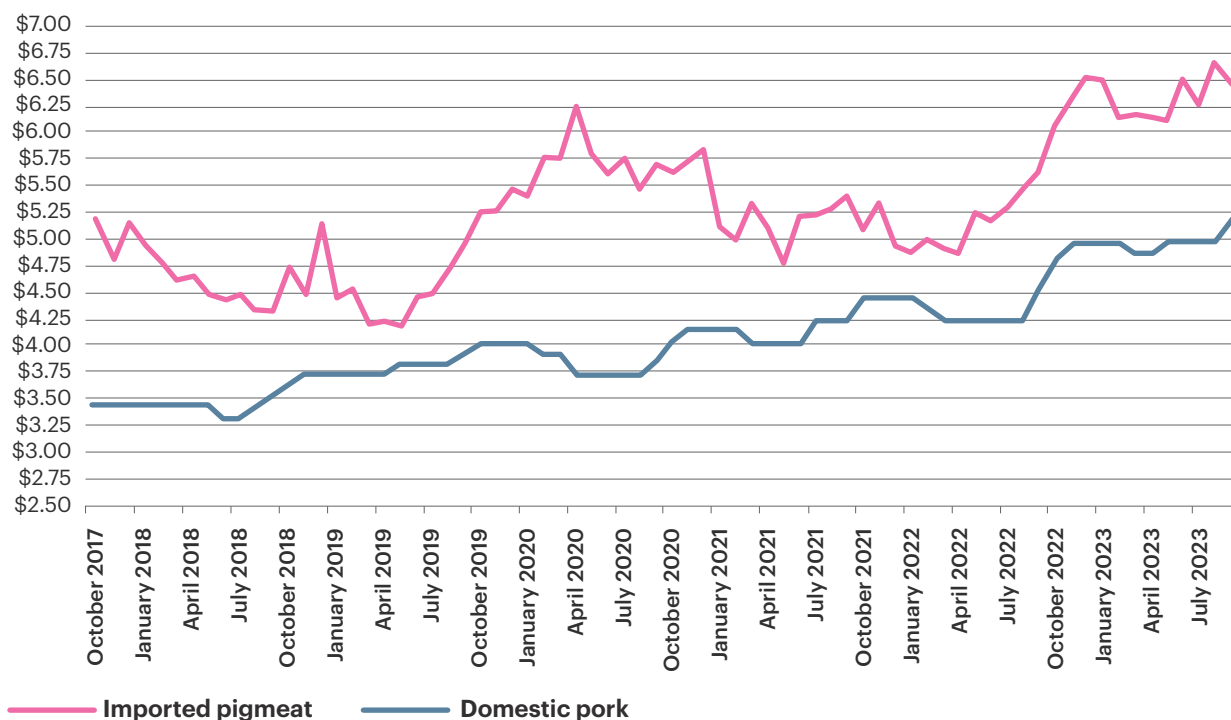
This averaged out at \$4.94/kg compared to \$4.33 for the 21-22 meat year. The prices are determined from the North Island, Southern North Island and Canterbury prices each month, averaged with a weighting of 68 per cent from Canterbury and a 32 per cent split of North Island prices.

The price of imported pigmeat this year ranged in price from \$4.33/kg to \$4.78/kg averaging \$4.57 on a carcass weight equivalent basis. This compares to \$3.11/kg to \$4.07/kg last year.

**It is important to note the prices of imported and local farm gate pork are not direct comparisons. One is fresh in carcass form and the imported product is largely in frozen form. The cuts are also different, have different specifications and have different end uses.*



**Comparison of imported to domestic pigmeat prices \$/kg
from October 2017 to September 2023**



Grain prices

Over the past 12 months, our farmers faced increased costs ranging from fuel to feed and interest rates. Feed costs are the most significant component of on-farm costs so any increase in grain prices negatively affects pig farmers' profitability. In February 2023, North Island 'new season' barley pricing was around \$600/tonne, wheat \$600-610/tonne and Maize \$600-610/tonne.

In February 2023, Cyclone Gabrielle devastated parts of New Zealand's upper North Island with a National State of Emergency declared. Many grain crops are grown in these affected regions. This weather event contributed to a North Island grain shortage later in the season with wheat and barley being sourced from either overseas/Australian market or the South Island.

From April 2023, some North Island regions had to source barley and wheat from the South Island. In September 2023, South Island sourced barley dropped to around \$540/tonne, wheat to \$585/tonne, and North Island maize prices ranging from \$560-640/tonne.

In February 2023, Canterbury's new season barley pricing ranged from \$520-550/tonne, and wheat at \$550/tonne. For barley this was an increase of \$90/tonne, (\$430-460/tonne Feb 2022), and an increase of \$75-100/tonne for wheat (\$450-475/tonne Feb 2022)



By September 2023, grain prices dropped. Barley pricing ranged between \$430-460/tonne, and wheat \$430-480/tonne.

2023 saw reduced payouts to the dairy industry. The drop in dairy spending, along with good grass production, resulted in reduced demand for grain, lowering pricing. Many North Island grain consumers are also reported to have sourced their wheat from Australia as this was viewed as a more affordable option than sourcing from the South Island with local transportation costs.

As of September 2023, an indicative price for Auckland/Waikato new season maize growers was around \$530/tonne, wheat \$560/tonne and barley \$530/tonne.

Governance



Eric Roy

**Chairman, Government-appointed director
Government Appointed 2018, reappointed in 2022**

Eric brings extensive political experience and networks along with farming expertise to the role of Chair. Eric served as a National Party MP between 1993 and 2014, as Assistant Speaker of the House from 1998 to 2002 and Deputy Speaker of the House in 2011. After retiring from politics at the 2014 election, Eric was appointed a Companion of the Queen's Service Order, for services as a Member of Parliament, in the 2015 New Year Honours. Eric is also a Justice of the Peace.

Eric owns and manages Glenore Farms, a Southland-based farming business running dairy, beef and deer. He is also a regional councillor for Environment Southland.



Paul Bucknell

**Deputy Chair, Farmer representative Region 1
Re-elected 2022**

Paul has been involved in the meat processing sector for more than 32 years. Over his career, he has specialised in wholesale and livestock procurement with a focus on managing pork supply. In 2017, Paul became Procurement Manager of Wilson Hellaby Pork, the new specialised pork processing plant in Hamilton where he also leads projects, including looking at eating quality. Paul has built deep and strong relationships with pork farmers all over New Zealand. He also represents NZPork on the board of Retail Meat NZ.



Dr David Lawton

**Director, Farmer representative Region 2
Re-elected 2023**

David is a veterinarian who after some years in mixed practice and lectureships in Animal Health Information and Dairy Health and Production at Massey served as the Senior Lecturer in Pig Health and Production within the Epicentre under Professor Roger Morris. There he developed a thriving pig practice with 50 clients. Since 2005 David has worked privately as a consultant to NZ pig farmers and the industry. David has been at the forefront of developing welfare, biosecurity and disease management standards for pigs in NZ for over 20 years and has been involved in four welfare code reviews, the development of PigCare™, many suspicious disease and food safety investigations, disease eradication programs, pest control, environmental issues, industry training, consent applications and business governance. David has degrees in science and statistics, veterinary science, business management, epidemiology and did his PhD in gastric physiology, and has been the recipient of many awards and scholarships. He has also done further study in governance and sustainable nutrient management. David is a member of and has examined for the ANZCVS in pigs, has a diverse publication record, is an ITO assessor and continues to do teaching cameos at Massey University.




Helen Andrews

Director, Farmer representative Region 3
Re-elected 2021

Helen and her husband own and manage a large outdoor pig farm in Canterbury after previously running a dairy farm in Southland. Helen is passionate about the pork industry and has been a tireless advocate and ambitious leader, including acting as an industry representative on welfare and environmental issues for more than a decade. In 2019, she was awarded an AGMARDT Individual Scholarship and is undertaking Institute of Director (IOD) courses. She has also been awarded an IOD Emerging Director Award for the Canterbury region, giving her a director internship on the board of Electricity Ashburton. Helen's other passion is as a volunteer children's sports coach and an administrator.


Jason Palmer

Director, Farmer representative Region 3
Re-elected 2021

Jason brings a lifetime of involvement in the pig industry to his role as a director. Raised on a mixed-stock farm with pigs, Jason completed a Bachelor of Commerce Agriculture at Lincoln before embarking on a career with PIC NZ, a leading pig genetics firm. Working in business development and sales, Jason has built strong relationships with farmers around New Zealand. Jason also has shares in a major pig farming operation in Dunsandel as well as a dairy farm. Along with sitting on the board of several small farming operations, Jason is active in his community. He enjoys mountain biking and touch rugby.


Jessie Chan

Independent director

Independent director Government-appointed 2022 (1 year term)
Re-appointed 2023 (3 year term)

Jessie Chan has an honours degree in animal science and wide-ranging experience in central government, local government, non-profit and commercial organisations. Jessie is a member of the NZ Order of Merit for services to dairy and agriculture. She was Dairy Woman of the Year in 2017 and received the Women in Governance Award for Inspiring Governance Leader in 2021. She serves on the board of AgResearch and AgriZero.

Statutory Disclosures – 2023

Employee Remuneration

The total annual aggregate remuneration and benefits paid to staff during the year was \$756,406. (Section 27(1)(d).

There was no resolution under section 18(5) of the Pork Industry Board Act 1997 approved at the annual general meeting.

As required under Section 211(1)(g) of Companies Act, set out below is the number of employees of NZ Pork Industry Board who received remuneration and other benefits of \$100,000 or more during the year in their capacity as employees.

Remuneration Range (\$,000)	Number of Employees		
	2023		2022
	Continuing	Discontinued	
100-109	-	-	1
110-119	-	-	1
120-129	1	-	1
130-139	-	-	-
140-149	-	-	-
150-159	-	-	1
160-169	-	-	-
170-179	-	-	-
180-189	1	-	-
190-199	-	-	-
200-209	-	-	-
210-219	-	-	-
220-229	-	-	-
230-239	-	-	-





Financial Statements

For the year ended 30 September 2023

NEW ZEALAND PORK INDUSTRY BOARD

REPORT OF THE BOARD

Directors of the New Zealand Pork Industry Board take pleasure in presenting their Annual Report for the year ended 30 September 2023.

ACTIVITIES

The New Zealand Pork Industry Board is a producer-funded organisation.

The Board has continued in its endeavours to ensure the sustainability of pork producers. It has focused on market promotion activities focusing on the New Zealand consumer, raising the profile of the industry and its products, providing policy advice with an emphasis on animal health and welfare and environment, providing technical and science advice to producers and cost-effective business management.

FINANCIAL HIGHLIGHTS FOR THE YEAR

RESULTS

The Board made an operating loss of \$29,815 and net deficit of \$356,190.

NET WORTH

Equity of the Board as at 30 September 2023 amounted to \$4,864,110 which is a decrease of 6.82% over the value of equity \$5,220,300 as at 30 September 2022.

Total assets of the Board decreased by 6.81% to \$5,145,282 (2022: \$5,521,462).

DIRECTORS

There were no changes in Directors during the period under review.

REGISTERED OFFICE

New Zealand Pork Industry Board's registered office is at Unit 2A, 9 Sir Gil Simpson Drive, Burnside, Christchurch (PO Box 20-176, Bishopdale, Christchurch, 8543).



NEW ZEALAND PORK INDUSTRY BOARD

REPORT OF THE BOARD Continued

REMUNERATION OF DIRECTORS

Directors' remuneration received or due and receivable during the year is as follows:

	\$ 2023	\$ 2022
Eric Roy (Chairman)	50,313	50,000
David Lawton	30,187	30,000
Paul Bucknell	40,250	40,000
Helen Andrews	30,187	30,000
Jason Palmer	30,187	30,000
Jessie Chan	30,187	5,000
Total	211,313	185,000

DIRECTORS' USE OF BOARD INFORMATION

No notices were received from Directors to use information which they obtained in their capacity as Directors and which would not otherwise have been available to them.

DIRECTORS' INTERESTS

There were no transactions between the Board and the Directors except as stated above.

There are no loans by the Board to Directors.

The following are declared Directors interests as at 30 September 2023:

Director	Pork Industry Interests	Other Interests
Eric Roy (expiry 31/07/2025)		Southland Regional Council (Councillor) Glynore Farms Ltd (Director) Environmental Planning Commissioner Murihiku Regeneration (Director)
David Lawton (expiry 31/07/2026)	Porkanon (NZ) Ltd (Director) EcoPharm Ltd (Director)	Hogsback Ltd (Director)
Paul Bucknell (expiry 31/07/2025)	Wilson Hellaby Ltd (Manager)	
Jason Palmer (expiry 31/07/2024)	Southern Pork Ltd (Director) Supplies pigs to: FreshPork NZ Ltd	Emerald Pastures Ltd (Director) Equine Breeding Services Ltd (Director) Pigeon Valley Forestry Ltd (Director) Te Kinga Estate Ltd (Director and Shareholder)

NEW ZEALAND PORK INDUSTRY BOARD

REPORT OF THE BOARD Continued

Helen Andrews (expiry 31/07/2024)	Aparima Wharf Ltd (Director) MD + HL Andrews Partnership (Partner) Supplies pigs to: FreshPork NZ Ltd	
Jessie Chan (expiry 31/07/2026)	AgResearch Ltd (Director)	Centre for Climate Action Joint Venture (Director) Cranley Farms (Chair) Jenodam Investments Ltd (Director and Shareholder) Riverstone Farming Ltd (Director and Shareholder) Goldstream Farming Ltd (Director and Shareholder)
Brent Kleiss (Chief Executive)	Retail Meat New Zealand (Director)	

Notwithstanding the provisions of Clause 22 and 23 (permitted insurance) of the Pork Industry Board Act 1997, the Board has deemed it prudent to arrange Statutory Bodies Liability Insurance which together with the provisions of the Act ensure that Directors and Subsidiary Company Directors will incur no monetary loss as a result of actions undertaken by them as Directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines which may be imposed in respect of breaches of the law.

AUDITORS

In accordance with Section 18(2)(a) of the Pork Industry Board Act 1997, BDO Christchurch Audit Limited continues in office as Auditors.

AUDIT FEES

Accounts received or due and receivable by the auditors (BDO Christchurch Audit Limited) for auditing the Board's Financial Statements:

	\$ 2023	\$ 2022
Audit Fees – BDO (Current year accrual)	18,000	16,000



NEW ZEALAND PORK INDUSTRY BOARD

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 September 2023

	Note	\$ 2023	\$ 2022
Revenue:			
Levy	2	2,125,214	2,214,744
Other Income		70,908	54,961
Total Revenue		2,196,122	2,269,705
Expenses	3	2,225,937	2,427,443
Operating Profit/(Loss)		(29,815)	(157,738)
Finance Income	4	150,055	60,078
Finance Expense	4	(476,430)	(329,309)
Profit/(Loss) Before Tax		(356,190)	(426,969)
Income Tax Expense	5	-	-
Profit for the year		(356,190)	(426,969)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(356,190)	(426,969)

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND PORK INDUSTRY BOARD

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2023

	Note	\$ 2023	\$ 2022
Accumulated Funds			
Balance at 1 October		5,220,300	5,647,269
Profit/(Loss) for the year		(356,190)	(426,969)
Total Comprehensive Income for the year		(356,190)	(426,969)
Balance at 30 September	7	4,864,110	5,220,300

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

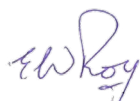


NEW ZEALAND PORK INDUSTRY BOARD

STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	\$ 2023	\$ 2022
NON-CURRENT ASSETS			
Investments	8	4,547,894	4,879,231
Property, Plant & Equipment	9	15,449	21,880
Trademarks	10	7,269	7,269
Deferred Tax	5	-	-
Total Non-Current Assets		4,570,612	4,908,380
CURRENT ASSETS			
Cash and Cash Equivalents	11	380,264	384,101
Trade & Other Receivables		187,507	218,891
Taxation Receivable		6,898	8,692
Investments	8	-	1,398
Total Current Assets		574,670	613,082
TOTAL ASSETS		5,145,282	5,521,462
EQUITY			
Accumulated Funds	7	4,864,110	5,220,300
TOTAL EQUITY		4,864,110	5,220,300
CURRENT LIABILITIES			
Trade & Other Payables		154,862	162,411
Goods and Services Tax		14,450	23,499
Employee Entitlements		45,129	47,932
Deferred Tax		6,898	8,693
Other Liability	12	59,833	58,627
Total Current Liabilities		281,171	301,162
TOTAL LIABILITIES		281,171	301,162
TOTAL LIABILITIES & EQUITY		5,145,282	5,521,462



Eric Roy (Chairman)
Date: 25 January 2024



Paul Bucknell (Deputy Chairman)
Date: 25 January 2024

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND PORK INDUSTRY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended 30 September 2023

	Note	\$ 2023	\$ 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Pork Industry Levy		2,142,336	2,262,568
Receipts from Customers and Others		71,208	55,561
Interest Received		4,962	1,071
GST		14,012	-
Income Tax		-	192,746
		2,232,518	2,511,946
Cash was applied to:			
Payments to Suppliers and Employees		2,236,355	2,445,351
GST		-	6,667
Income Tax		-	64,249
		2,236,355	2,516,267
Net Cash (outflow)/inflow from Operating Activities		(3,837)	(4,321)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of Investments		-	100,000
		-	100,000
Cash was applied to:			
Purchase of Property, Plant & Equipment		-	8,360
Purchase of Investments		-	-
		-	8,360
Net Cash inflow/(outflow) from Investing Activities		-	91,640
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Payment of Other Liabilities		-	1,579
		-	1,579
Net Cash inflow/(outflow) from Financing Activities		-	(1,579)
NET INCREASE/(DECREASE) IN CASH HELD		(3,837)	85,740
Cash at Beginning of Year		384,101	298,361
Cash at End of Year	11	380,264	384,101

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. REPORTING ENTITY

STATUTORY BASE

The financial statements presented here are for the reporting entity New Zealand Pork Industry Board, a body corporate established under the Pork Industry Board Act 1997.

The entity is domiciled in New Zealand.

The Directors class the entity as a profit-orientated entity for financial reporting purposes only.

The financial statements for the New Zealand Pork Industry Board have been prepared in accordance with the Financial Reporting Act 2013 and the Pork Industry Board Act 1997.

BASIS OF PREPARATION

Statement of Compliance

The Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

The Board is a Tier 2 For-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB). The Board is eligible to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for assets and liabilities as disclosed below that have been measured at fair value:

- Financial instruments – fair value through profit or loss

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Functional Currency

The Financial Statements are presented in New Zealand dollars, which is the Board's functional currency and amounts are rounded to the nearest dollar.

Significant judgements

The Board makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Judgement – Going Concern

The COVID-19 pandemic in 2020, 2021 and 2022 resulted in significant business disruption and uncertainty. These financial statements have been prepared on a going concern basis. The Board has assessed the likely impact of COVID-19 on the entity and have concluded that for the 12 months from the date of signing the financial statements, COVID-19 will not impact on their ability to continue operating. The conclusion has been reached as the Board has significant cash reserves to maintain current expenditure for at least 12 months from the date of signing these financial statements.

Lease term and Incremental Borrowing Rate (refer to Note 9)

The Board has made assumptions regarding lease term in which the Board is a lessee, including whether the Board is likely to exercise lessee options. The incremental borrowing rate used to measure lease liabilities has been assumed at a rate consistent with current market rates that would be available to the Board for fully secured lending.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Board, the results of those operations, or the state of affairs of the Board.

SPECIFIC ACCOUNTING POLICIES

Property, Plant and Equipment

All items of property, plant and equipment are initially recognised at cost, including costs directly attributable to bringing the asset to its working condition. After recognition as property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Any expenditure that increases the economic benefits derived from an asset is capitalised. Expenditure on repairs and maintenance that does not increase the economic benefits is expensed in the period it occurs.

When an item of property, plant and equipment is disposed of the difference between net disposal proceeds and the carrying amount is recognised as a gain, or loss, in the profit or loss.

Depreciation

Depreciation on property, plant & equipment is calculated at rates estimated to write-off the cost of the assets to their estimated residual value over their useful life.

The estimated economic lives are as follows:

Furniture	6	-	16	years
Computer Equipment	2	-	5	years

Financial Assets

The Board classifies its financial assets into one of the categories below, depending on the purpose for which the asset was acquired, the Board's accounting policy for each category is as follows:



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Fair value through profit or loss

These assets are carried in the statement of financial position at fair value with changes in fair value recognised in the finance income or expense line. The managed funds portfolio is classified in this category.

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Board elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Board's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Financial liabilities

Other financial liabilities

Other financial liabilities include Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Intangible Assets

NZPork trademarks have an indefinite useful life and are not amortised but reviewed annually for impairment. The grounds supporting the assessment of an indefinite useful life are based on NZPork renewing the trademark every 10 years.

Impairment

The carrying amount of the Board's assets is reviewed at each balance sheet date to determine whether there is objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

Revenue

Performance obligations and timing of revenue recognition

Revenue is derived from a levy on all pigs slaughtered in licensed premises with revenue recognised at a point in time when pigs are slaughtered. There is limited judgement needed in identifying the point in time. The Boards has the power to imposes the levy per the Pork Industry Board Act of 1997.

Determining the transaction price

The Boards revenue is derived from fixed levy set annually levy and is to be calculated on pigs of any kind slaughtered in the financial year.



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Employee Benefits

Accrual is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Accruals made in respect of employee benefits expected to be wholly settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement, on an undiscounted basis. Accruals made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash flows to be made by the entities in respect of services provided by employees up to the reporting date.

Contributions to defined contribution pension schemes (i.e. Kiwisaver) are recognised as an expense when employees have rendered service entitling them to the contributions.

Allocating amounts to performance obligations

There is a fixed unit price for each pig slaughtered at a specific time. Therefore, there is no judgement involved in allocating amounts to the performance obligations. Levies are stated exclusive of Goods and Services Tax.

Finance income

Finance income comprises interest income on deposits and bank balances as well as fair value gains from investments held under the financial assets fair value through profit and loss. Interest income is accrued on a time basis, using the effective interest method.

Other income

Other income arises mainly from the advertising and since this is not considered to be part of the main revenue generating activities, this is presented separately from revenue.

Foreign Currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Goods and Services Tax

The statement of comprehensive income and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the statement of financial performance are stated net of GST, with the exception of accounts receivable and accounts payable.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Board invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Board and records the cash payments made for supply of goods and services.

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Investing activities are those activities relating to the acquisition and disposal of non-current assets. Investments are stated at the lower of cost and net realisable value. The Board has a specific investment policy which is reviewed at least annually and administered at each Board meeting. The investment portfolio comprises of main trading banks and the policy follows normal prudential guidelines.

Investments

Investments consists of deposits and mutual funds. Deposits are measured and carried under the financial assets amortised cost model and mutual funds are carried under the financial asset fair value through profit and loss model.

DETERMINATION OF FAIR VALUES

A number of the Board's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Trade and Other Receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Investments

Investments are initially recognised at cost being the fair value of consideration given, with an adjustment for any impairment.

2. REVENUE

The Board recognises revenue from levies on all pigs slaughtered in licensed premises in New Zealand

	Note	\$ 2023	\$ 2022
Levy		2,125,214	2,214,744



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

3. OPERATING EXPENSES

Operating Expenses comprise of the following:

	Note	\$ 2023	\$ 2022
Other Expenses		126,778	119,852
Business Administration		365,027	346,720
Salaries and Related Costs		791,481	775,110
Directors' Remuneration	14	211,313	185,000
Depreciation and amortisation	9 & 10	6,431	9,358
Audit and other Assurance Fees		19,500	16,000
Regulatory & Research		89,852	159,315
Innovation & Technology		137,369	368,682
Communications Expenses		375,414	387,253
Strategic Area of Focus		102,773	60,154
Total Operating Expenses		2,225,937	2,427,443

4. FINANCE INCOME AND EXPENSE

Recognised in profit and loss:

	\$ 2023	\$ 2022
Interest income	4,962	1,071
PIE tax refunds	105,164	23,747
Management fee rebates	39,929	35,260
Change in fair value of investments	-	-
Total Finance Income	150,055	60,078

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

	\$ 2023	\$ 2022
Change in fair value of investments	476,429	329,309
Total Finance Expense	476,429	329,309

5. INCOME TAX EXPENSE

	\$ 2023	\$ 2022
Reconciliation of effective tax rate		
Net surplus (deficit) before tax	(356,190)	(426,969)
Income tax using the Board's domestic rate 28%	(99,733)	(119,551)
<i>Tax effect of:</i>		
Expenses that are not deductible for tax purposes	133,461	83,827
Income that is not taxable for tax purposes	(40,626)	(16,523)
Current year tax losses that are not recognised in deferred tax	6,898	52,246
Income tax expense	-	-
Income tax expense in the income statement		
Current tax expense	6,898	(52,247)
Deferred tax (credit) / expense	(6,898)	52,246
Total income tax (benefit) / expense	-	-



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

6. IMPUTATION CREDIT ACCOUNT

	\$ 2023	\$ 2022
Balance 1 October	846,515	975,012
Income Tax Paid	-	64,249
Income Tax Refund	-	(192,746)
Imputation Credits at 30 September	846,515	846,515

7. ACCUMULATED FUNDS

	\$ 2023	\$ 2022
Opening Balance	5,220,300	5,647,269
Total Comprehensive Income for year	(356,190)	(426,969)
Balance 30 September	4,864,110	5,220,300

8. INVESTMENTS

	Interest Rates %	\$ 2023	\$ 2022
a) Short Term (< 12 months to maturity)			
BNZ Treasury Call	0.10	-	1,398
Current portion		-	1,398
b) Long Term (> 12 months to maturity)			
NZ Funds Managed Portfolio		4,547,894	4,879,231
Non-current portion		4,547,894	4,879,231
Total Investments		4,547,894	4,880,629

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

NZ Funds Managed Portfolio

	\$ 2023	\$ 2022
Opening Balance 1 October	4,879,231	5,249,532
Additions	-	-
Disposals	-	(100,000)
Income Re-invested	145,093	59,009
Fair Value Gain/(Loss)	(476,429)	(329,309)
Closing Balance 30 September	4,547,894	4,879,231

Fair value through profit and loss financial assets consists of mutual funds. The fair value is based on published market prices. The fair value hierarchy is considered to be level 1 as inputs are observable quoted prices in active markets for identical assets that the entity can access at the measurement date.

9. PROPERTY, PLANT & EQUIPMENT

	Furniture	Computer Equipment	Total
2022	\$	\$	\$
Net Book Value September 2022	13,281	8,599	21,880

	Furniture	Computer Equipment	Total
2023	\$	\$	\$
<i>Cost</i>			
Opening Balance	32,475	44,543	77,018
Additions	-	-	-
Disposals	-	-	-
Closing Balance	32,475	44,543	77,018
<i>Accumulated Depreciation</i>			
Opening balance	19,194	35,944	55,138
Charge in year	2,125	4,306	6,431
Disposals	-	-	-
Closing balance	21,319	40,250	61,569
Net book value September 2023	11,156	4,293	15,449



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

10. INTANGIBLE ASSETS

	\$ 2023	\$ 2022
Balance 1 October	7,269	7,269
Movement	-	-
Balance 30 September	7,269	7,269

The remaining intangible assets consist of the NZPork trademark.

11. CASH AND CASH EQUIVALENT

Cash and cash equivalents comprises of the following:

	\$ 2023	\$ 2022
Cash at bank available on demand	382,309	386,767
Credit Cards	(2,045)	(2,666)
Balance 30 September	380,264	384,101

Included within cash and cash equivalents is \$59,833 (2022: \$58,627) held by the Board on behalf of the NZ Pig Breeders Association, Ward Funds Region 1 and Ward Funds Region 2 which can only be used to benefit of these respective organisations (Note 14).

The New Zealand Pork Industry Board holds a BNZ Business Visa facility with the Bank of New Zealand. The total facility at balance date was \$50,000 (2022: \$50,000).

12. Other Liabilities

Other liabilities comprise of funds that are held on behalf of third parties.

	\$ 2023	\$ 2022
NZ Pig Breeders Association	27,131	26,511
Ward Funds Region 1	20,423	20,056
Ward Funds Region 2	12,280	12,059
Balance 30 September	59,833	58,627

All amounts are current and payable on demand by the respective party.

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

13. FINANCIAL INSTRUMENTS

Classification of Financial Instruments.

	\$ 2023	\$ 2022
Financial assets at Amortised Cost		
Cash and cash equivalents	380,264	384,101
Trade receivables	187,507	218,891
Investments	-	1,398
	567,772	604,390
Financial liabilities at Amortised Cost		
Trade and other Payables	154,862	162,411
Other Liabilities	59,833	58,627
	214,695	221,038
Financial assets at Fair value through Profit and loss		
Investments	4,547,894	4,879,231
	4,547,894	4,879,231

14. RELATED PARTY TRANSACTIONS

The Directors have the authority and responsibility for planning, directing and controlling the activities of NZ Pork. Their salary remuneration is included under the Report of the Board.

NZ Pork Industry Board administers the NZ Pig Breeders 75th Jubilee Funds which belongs to the NZ Pig Breeders Association. Funds held as at 30 September 2023 are \$27,131 (2022: \$26,511).

NZ Pork Industry Board administers Ward Funds which belong to Region 1 and Region 2. Funds held as at 30 September 2023 are: Region 1 \$20,423 and Region 2 \$12,280 (2022: Region 1 \$20,056 and Region 2 \$12,059).

Paul Bucknell is a Director of NZ Pork Industry Board and is a Manager at Wilson Hellaby Ltd. There were no related party payments during either the current or previous financial years.

David Lawton is a Director of NZ Pork Industry Board and is a Director of Porkanon (NZ) Ltd. Total payments made to the entity during the year were \$6,992 (2022: \$13,566). There are no amounts outstanding at year end (2022: \$nil). David Lawton is also a Director of EcoPharm Ltd. There were no related party payments during either the current or previous financial years.

Helen Andrews is a Director of Aparima Wharf Ltd. There were no related party payments during either the current or previous financial years.



NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

Brent Kleiss is the Chief Executive Officer of NZ Pork Industry Board and is a Director of Retail Meat New Zealand Inc. Total payments made to the entity during the year were \$73,218 (2022: \$71,590). There are no amounts outstanding at year end (2022: \$nil).

Jason Palmer is a Director of Southern Pork Ltd. Total payments to the entity during the year were \$230 (2022: \$nil). There are no amounts outstanding at year end (2022: \$nil).

Jessie Chan is a Director of AgResearch Ltd. Total payments to the entity during the year were \$83,576 (2022: \$64,975). Amounts outstanding at year end are \$6,900 (2022: \$46,000).

KEY MANAGEMENT COMPENSATION

New Zealand Pork Industry Board has a related party relationship with its key management personnel. Key management personnel includes the Directors, the Chief Executive and Senior Management:

	\$ 2023	\$ 2022
Key management personnel compensation includes the following expenses:		
Salaries and other short-term employment benefits	403,470	521,396
Directors Fees	211,312	185,000
Total	614,782	706,396

15. COMMITMENTS

Commitments consist of future expenditure still to be incurred with commitments to the Australasian Pork Research Institute being of a research nature with the remaining commitments being of a operating nature.

At 30 September 2023 the Board's commitments are as follows:

	2024	2025-2028	Later than 5 Years	Total
Hadleigh Holdings	38,422	76,845	-	115,267
Sharp Corporation	3,534	10,602	-	14,136
Massey IVABS	134,313	-	-	134,313
Essential IT	26,921	107,683	-	134,603
SFFF(MPI) & Thinkstep jointly funded	30,000	-	-	30,000
Latitude Strategy & Communication	96,000	-	-	96,000
KIS Marketing	299,000	-	-	299,000
Flight Digital Website Report	14,490	-	-	14,490
Isentia	12,600	-	-	12,600
Onside – Traceability pilot	5,000	-	-	5,000
	660,280	195,130	-	855,410

NEW ZEALAND PORK INDUSTRY BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 CONTINUED

At 30 September 2022 the Board's commitments are as follows:

	2023	2024-2027	Later than 5 Years	Total
Hadleigh Holdings	38,422	115,266	-	153,688
Sharp Corporation	3,534	14,136	-	17,670
Massey IVABS	130,889	134,313	-	265,202
Essential IT	26,921	107,683	-	134,603
Epi-Insight	50,000	-	-	50,000
Latitude Strategy & Communication	96,000	-	-	96,000
KIS Marketing	21,850	-	-	21,850
Flight Digital Website Report	14,490	-	-	14,490
Isentia	12,000	-	-	12,000
	394,106	371,398	-	765,504

16. SUBSEQUENT EVENTS

There have no subsequent events to balance date that would affect the financial statements. (2022: \$nil)

17. CONTINGENCIES

There were no contingent assets or liabilities existing at 30 September 2023. (2022: \$nil)

18. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 September 2023. (2022: \$nil)





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ZEALAND PORK INDUSTRY BOARD

Opinion

We have audited the financial statements of New Zealand Pork Industry Board ("the Board"), which comprise the statement of financial position as at 30 September 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Board.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of the Board for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of the Board for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Board or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Board's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board and the Board's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
25 January 2024





www.pork.co.nz