

Economic context

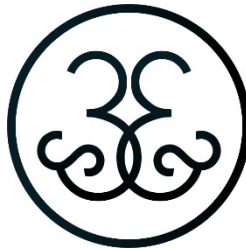
Food & Fibre CoVE: Research & Insights Forum 2025

Wellington

18 March 2025

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Key points



History has returned



Bullish long term for food & fibre



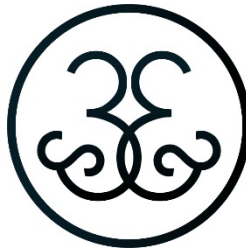
Understanding our context



Using effective levers

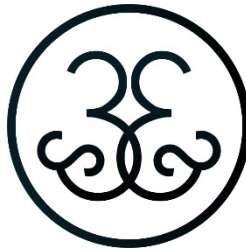


What role will people play?



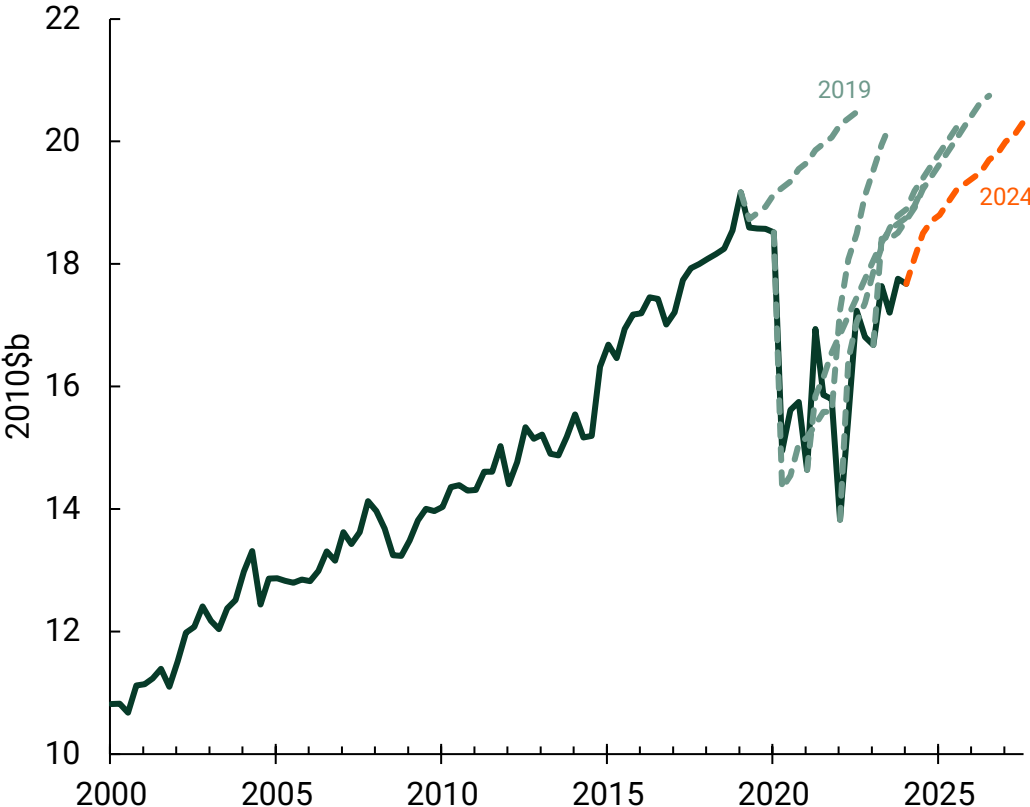
Global context

The future is unknown; but we can be prepared



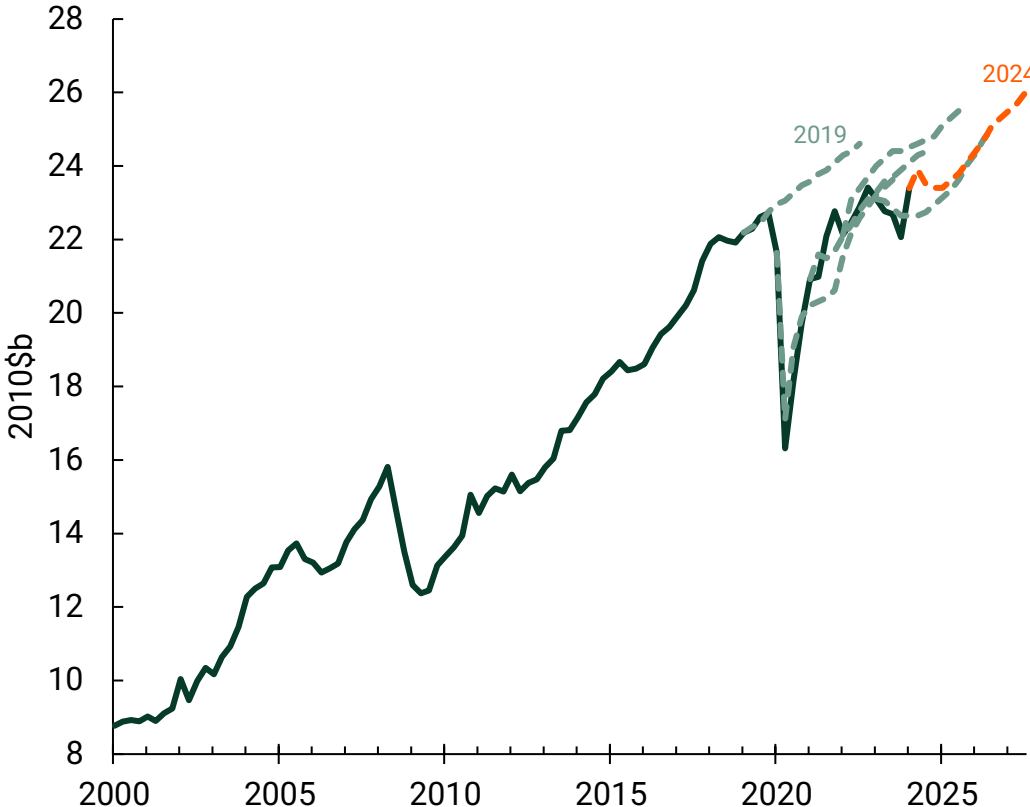
The future is unknown

Export Volumes: Actual vs Forecast Vintages

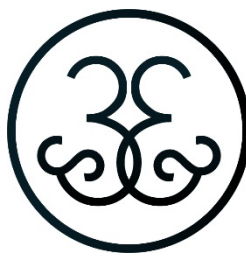


Source: RBNZ, S Eaqub

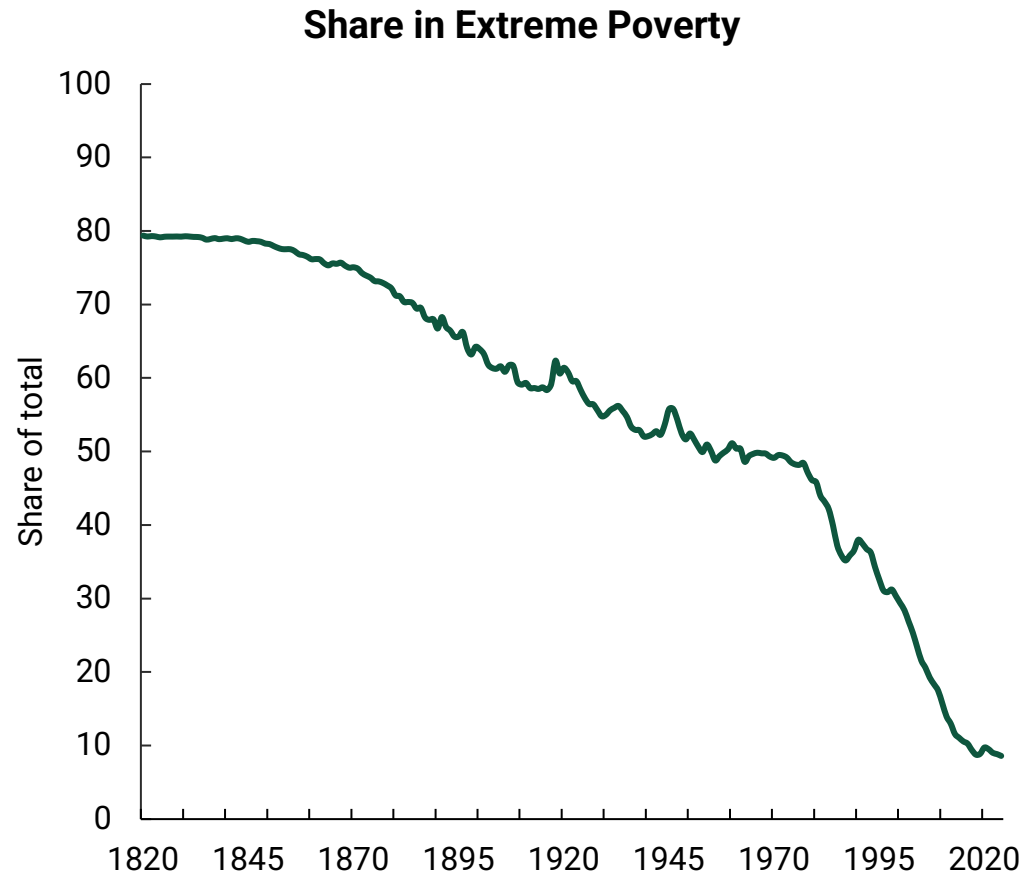
Import Volumes: Actual vs Forecast Vintages



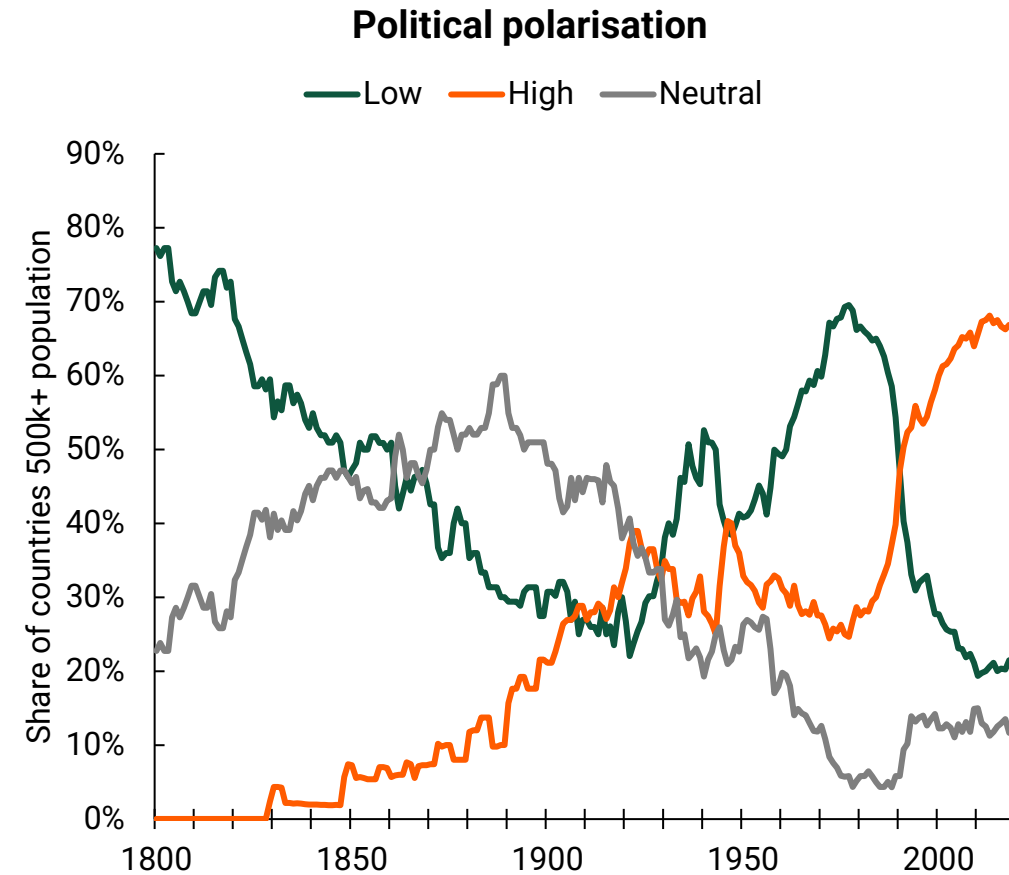
Source: RBNZ, S Eaqub



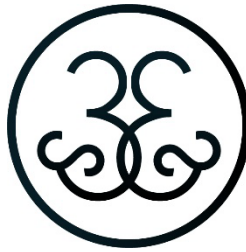
The world is getting better & worse



Source: World Bank, Michalis Moatsos (2021), S Eaqub

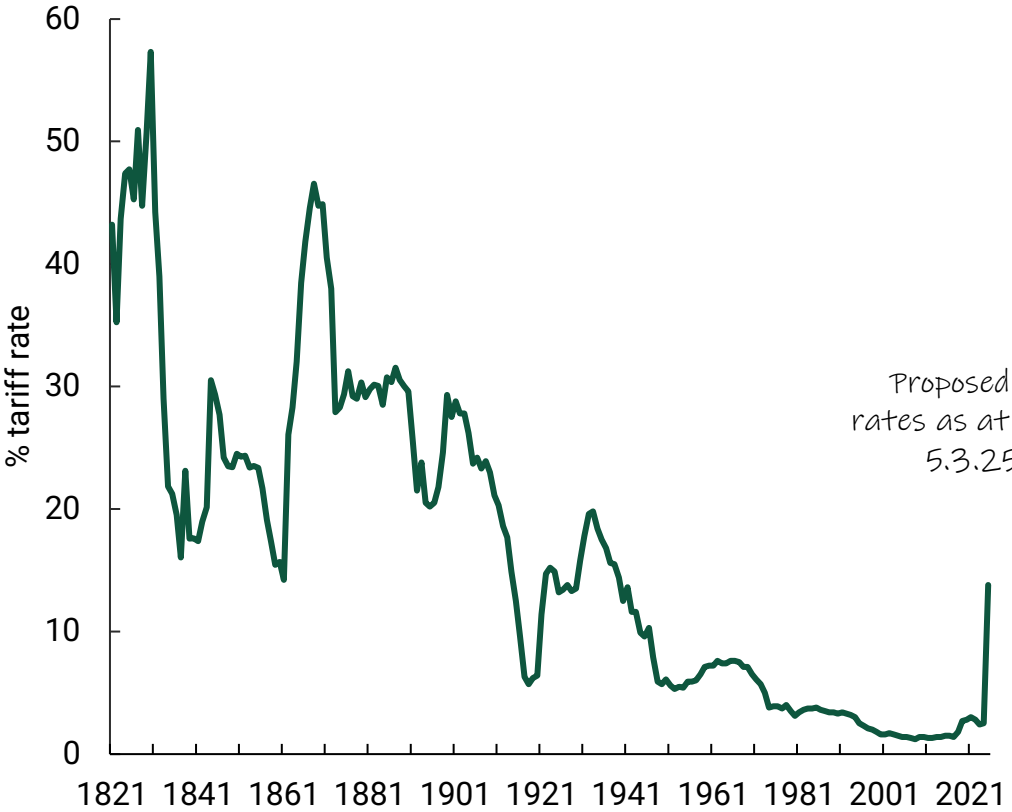


Source: Polity Project, S Eaqub



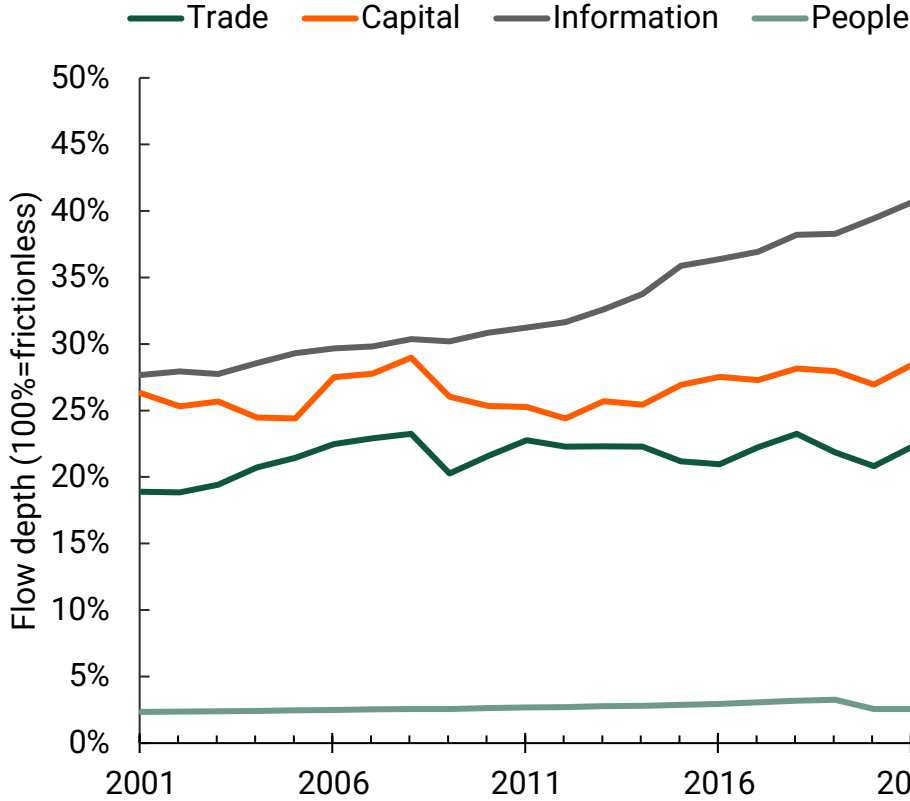
Old tools; watch closely

US Average Tariffs on Imports

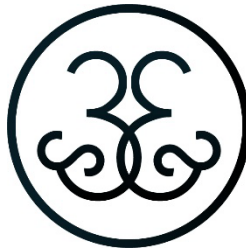


Source: World Bank, Tax Foundation, S Eaqub

DHL Global Connectedness Index Depth



Source: Altman, Steven A. & Bastian, Caroline R. (November 2024). DHL Global Connectedness Tracker. DHL Group. DOI: 10.58153/w7fak-t4r89, S Eaqub



Big global themes



Shifting values

Geopolitics
Economy
Trade
Climate



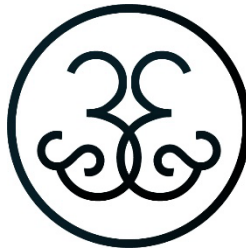
Politics

No centre/fractured
Fiscal pressures
Unorthodox/less durable policy
Institutions under attack

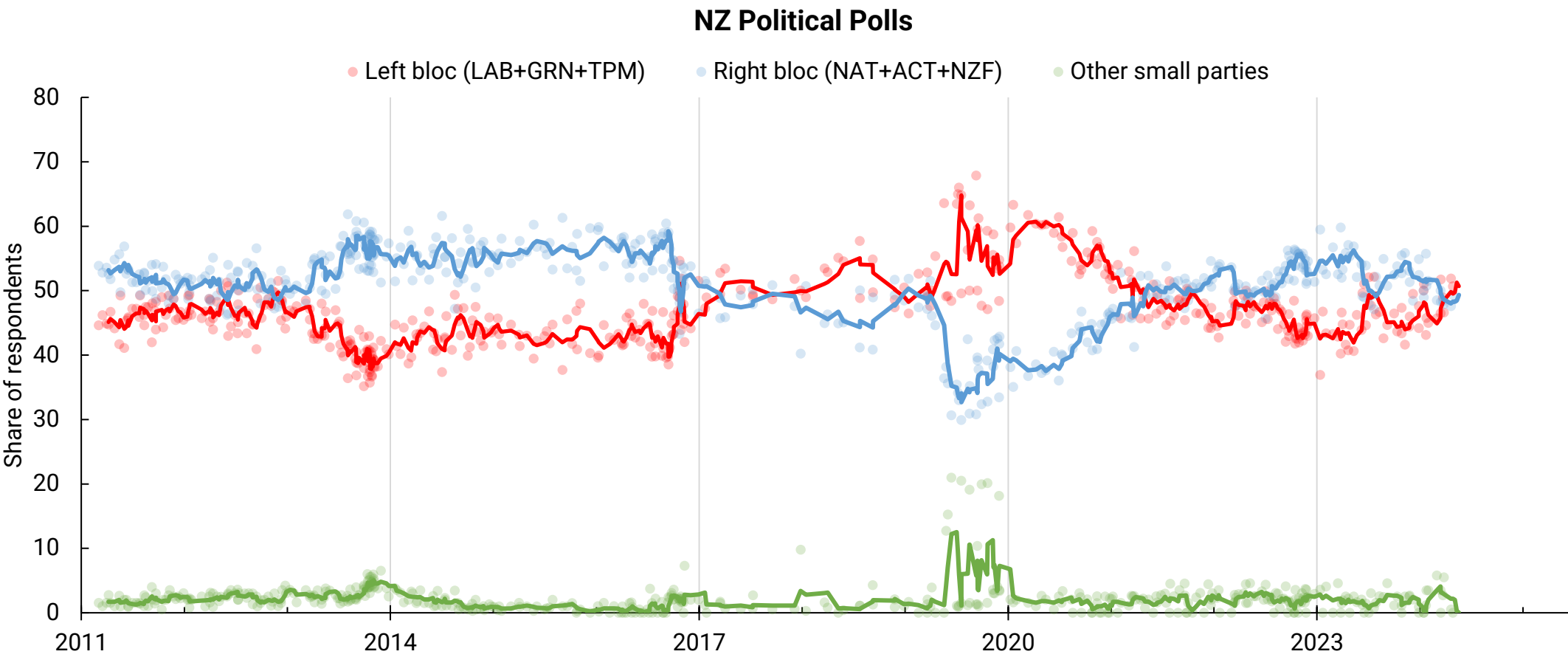


Which will affect

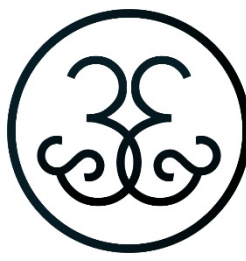
Demand & price
Supply chain
Technology
Transition



We aren't immune

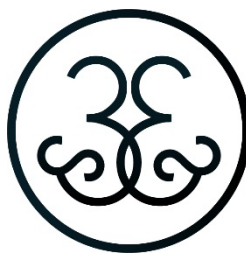


Source: Various political polls, S Eaqub



Global connections

We are connected, but remote

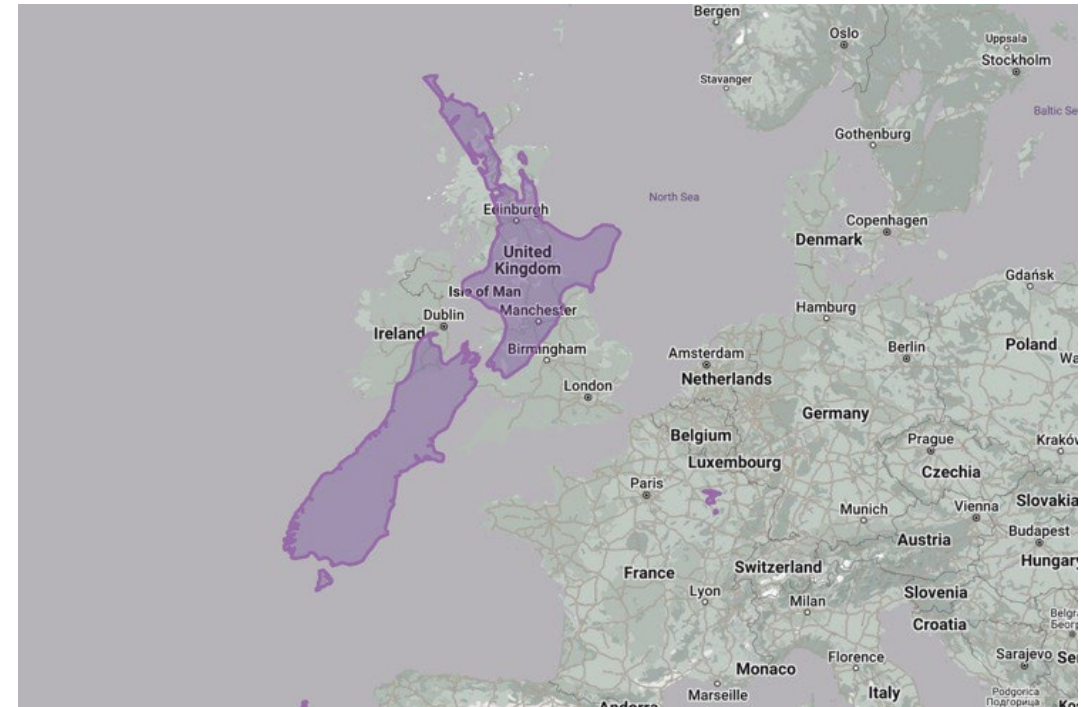


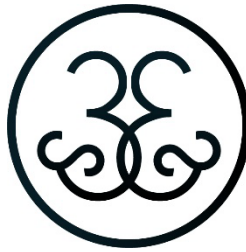
We are a big country...

Overlaid on Western Europe



Overlaid on UK





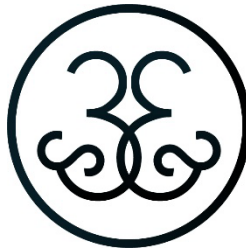
...and far away

2,000kms around Wellington...



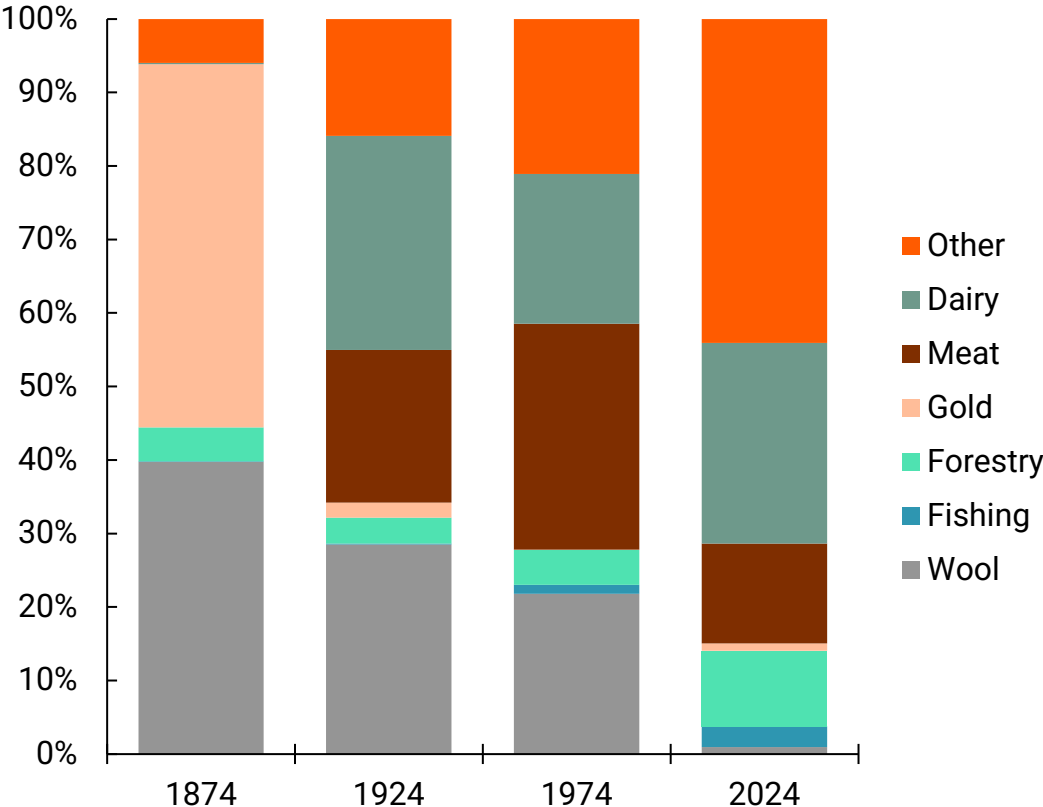
...vs Berlin





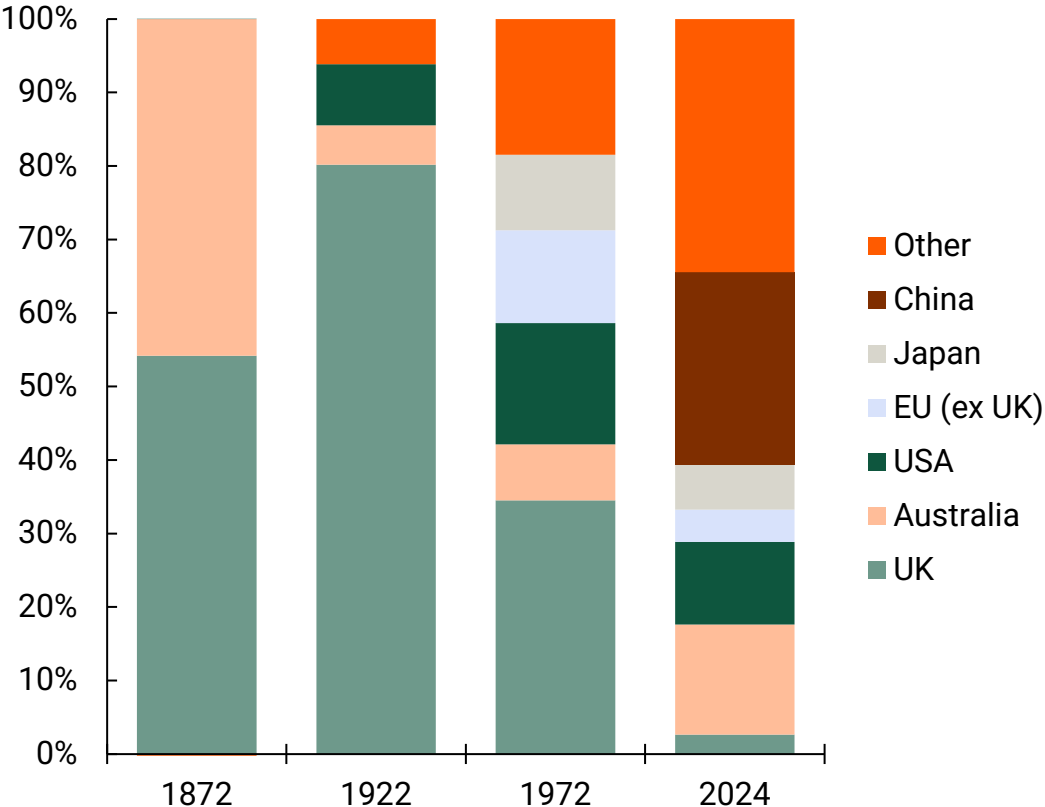
NZ is safer, but still exposed

NZ mix exports: selected commodities

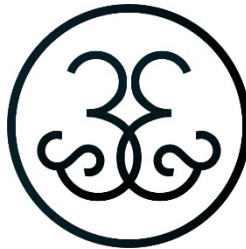


Source: Statistics NZ, S Eaqub

NZ mix of exports: selected countries

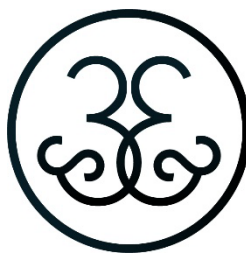


Source: Statistics NZ, S Eaqub



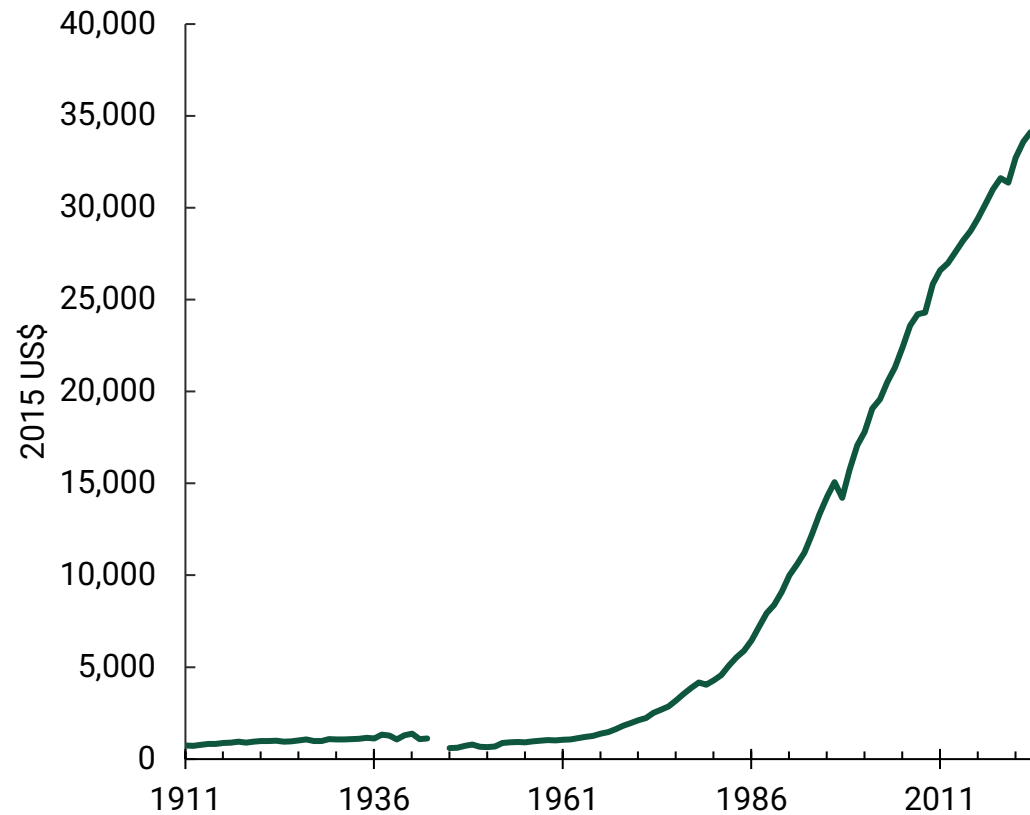
Reasons for optimism

Demand & social license



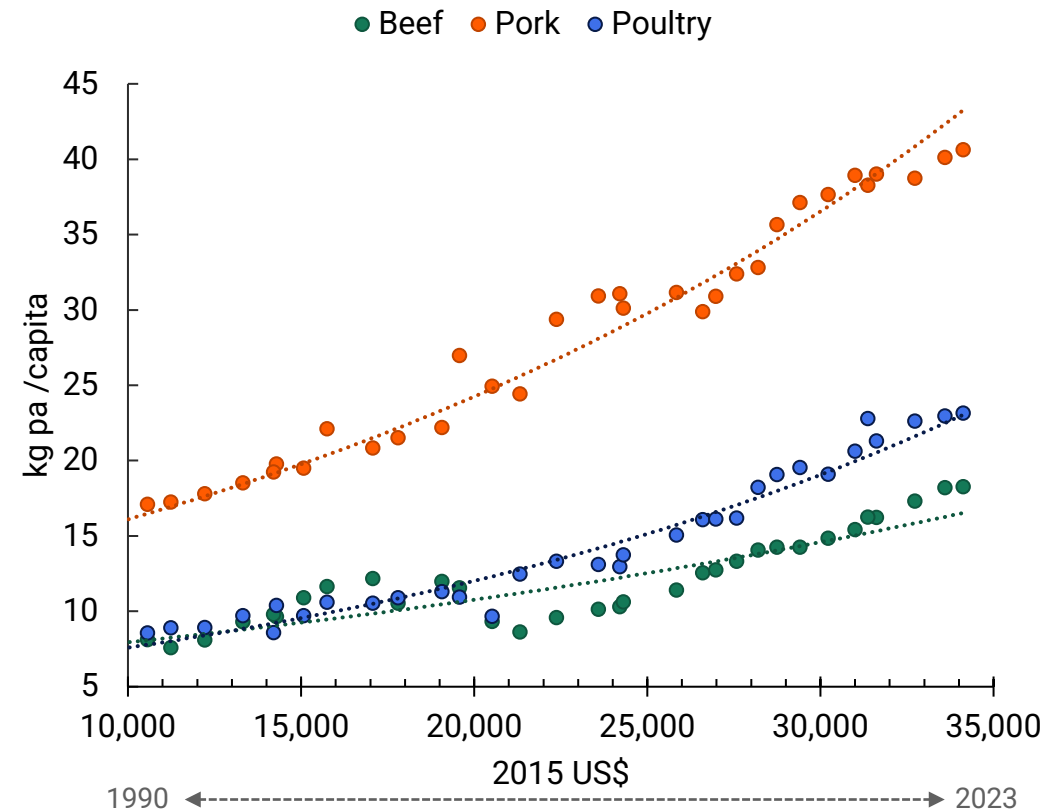
Rising prosperity & consumption

South Korea, GDP per capita

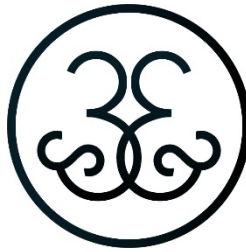


Source: Angus Madison Database, OECD-FAO, S Eaqub

Income vs meat consumption

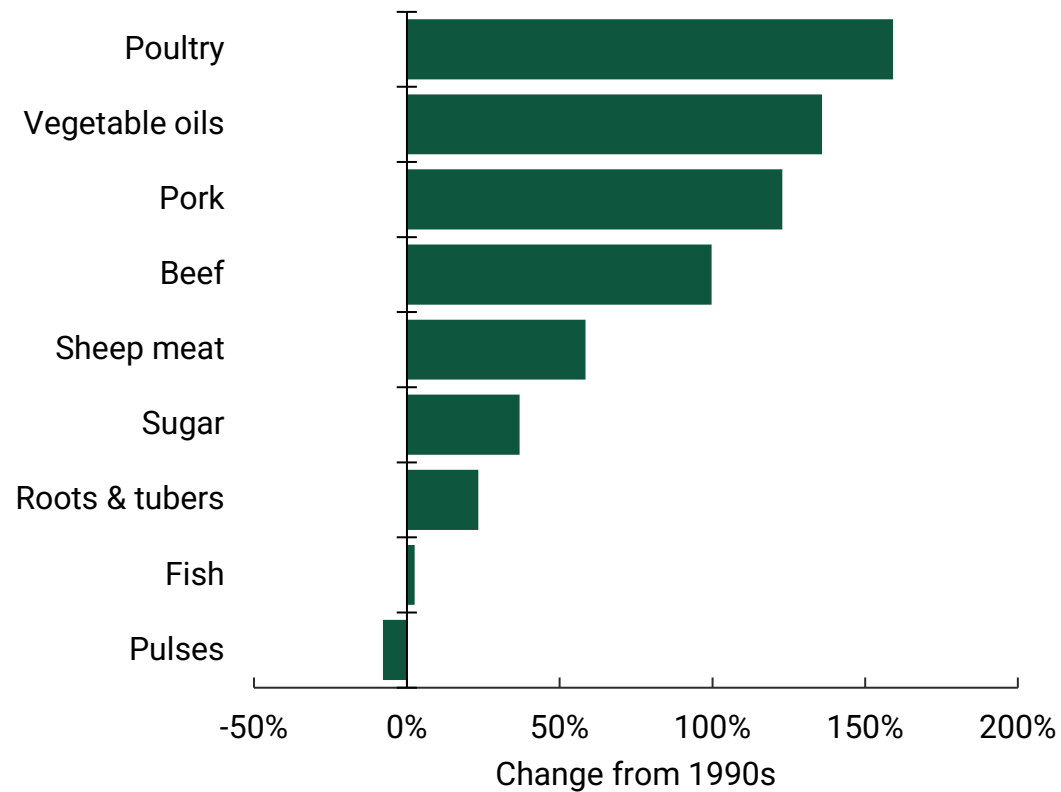


Source: OECD-FAO, S Eaqub



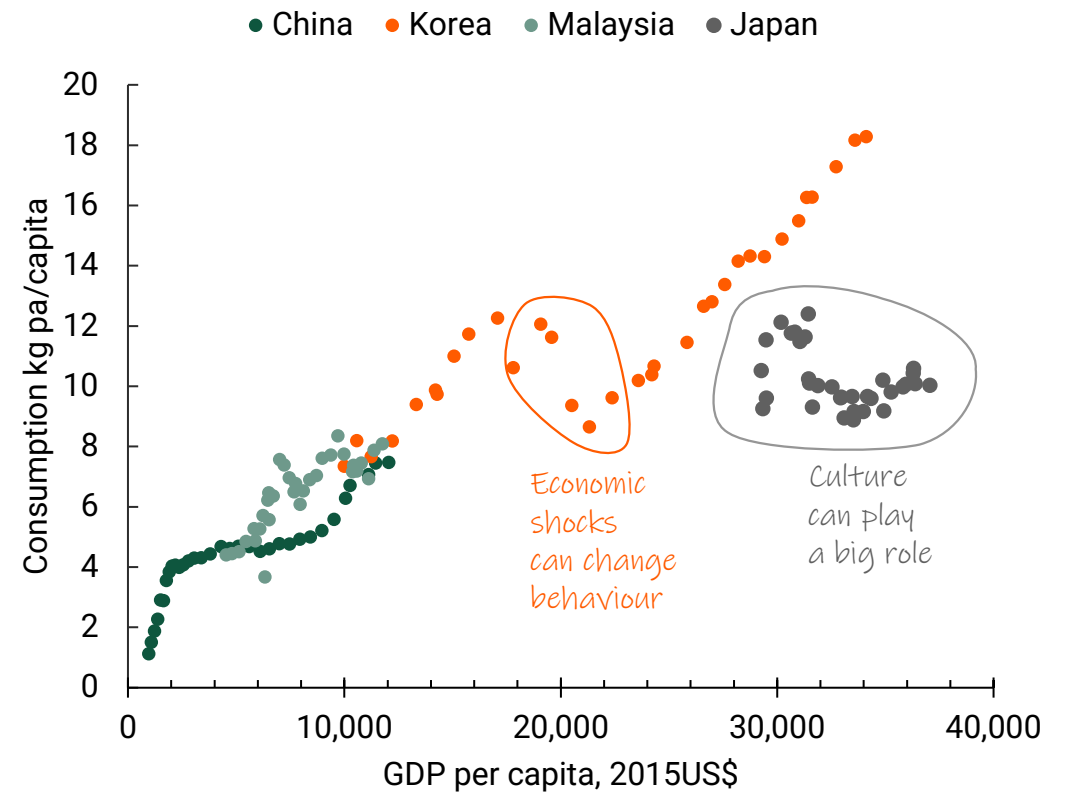
Not everything; not everyone

South Korea Consumption Increase since '90s

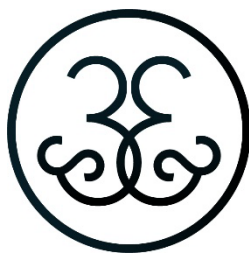


Source: OECD-FAO, S Eaqub

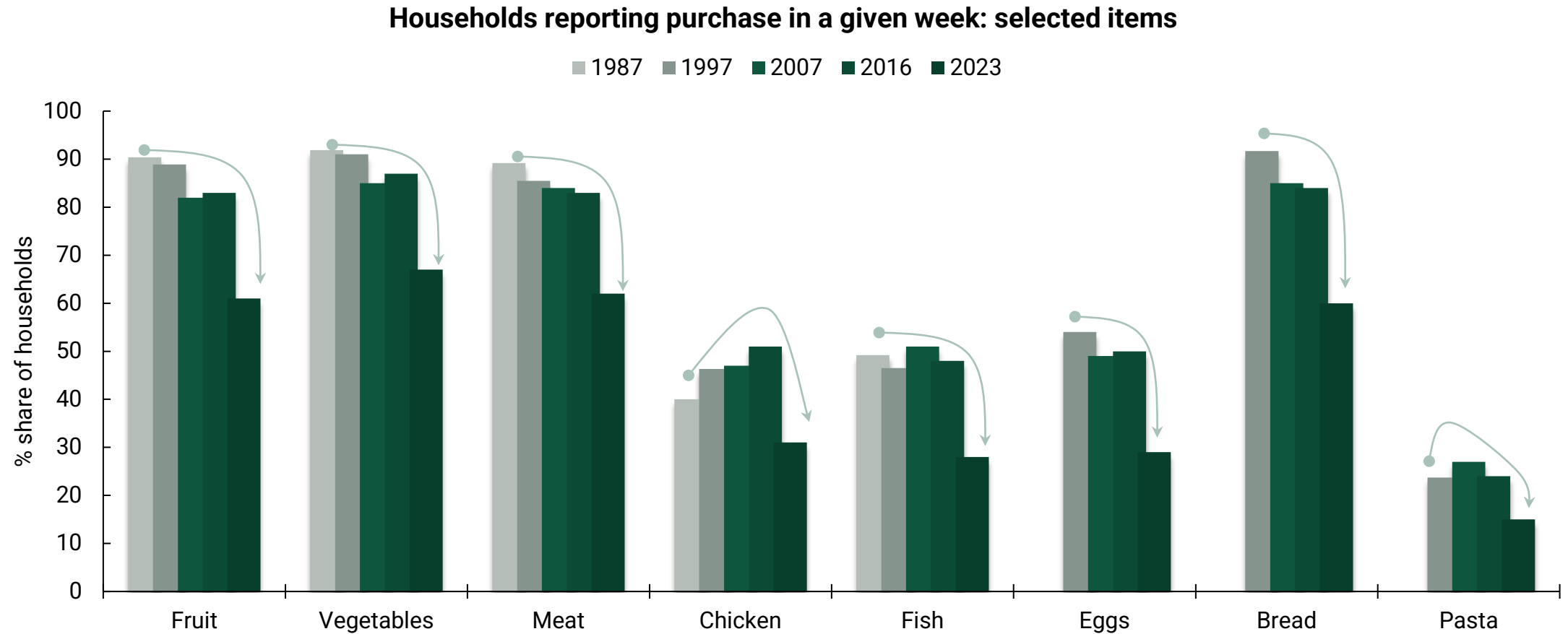
Beef Consumption per capita vs income

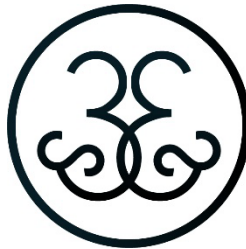


Source: OECD-FAO, S Eaqub



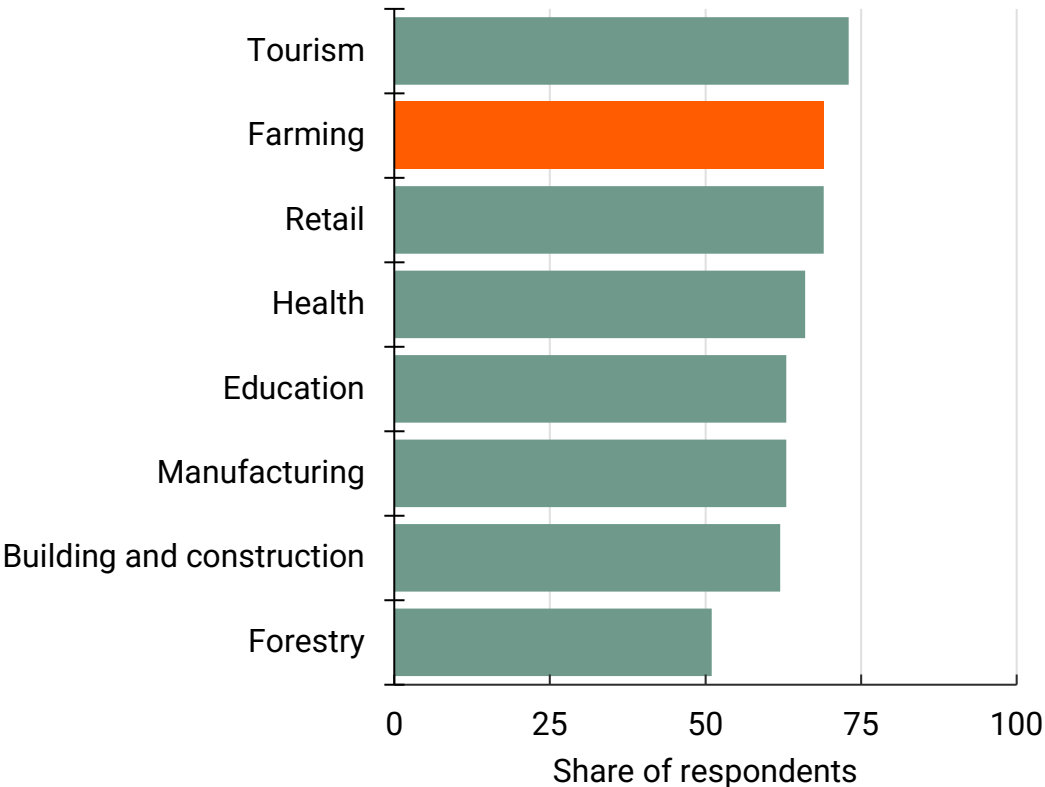
Who do we want to feed?





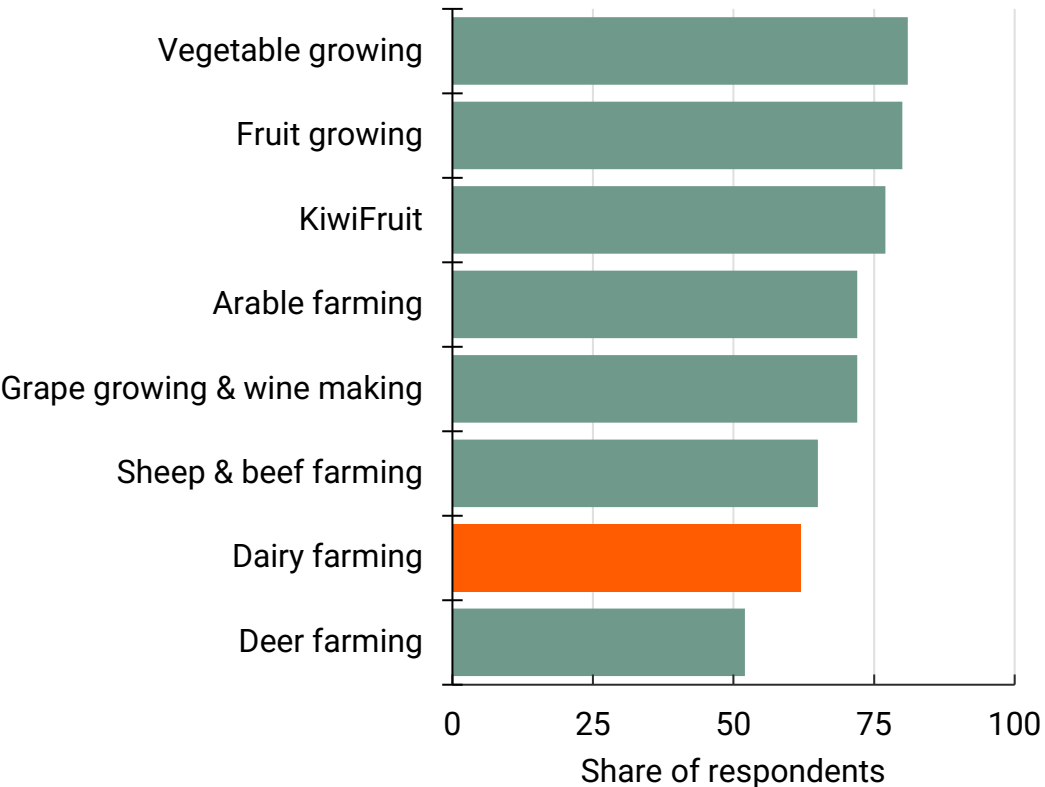
Social license: myths vs reality

Public Opinion of Sectors (2024)

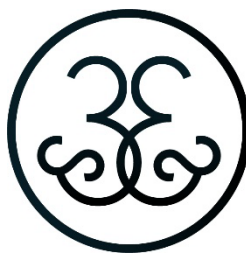


Source: Primary Purpose, NZCBIA, S Eaqub

Public Opinion of Farming Sub-sectors (2024)

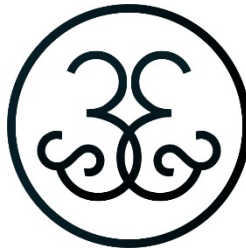


Source: Primary Purpose, S Eaqub

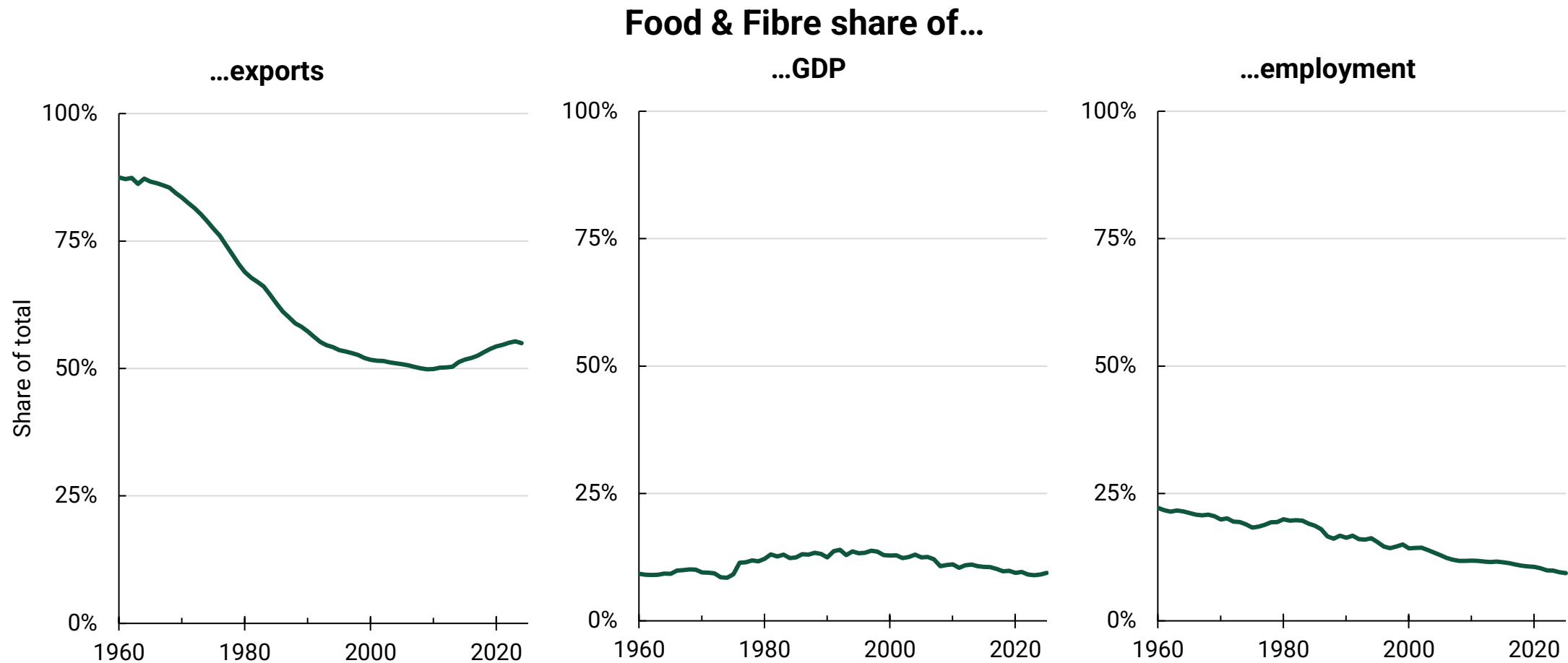


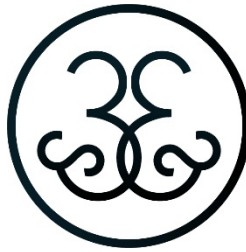
Food & fibre context

Past success, future choices

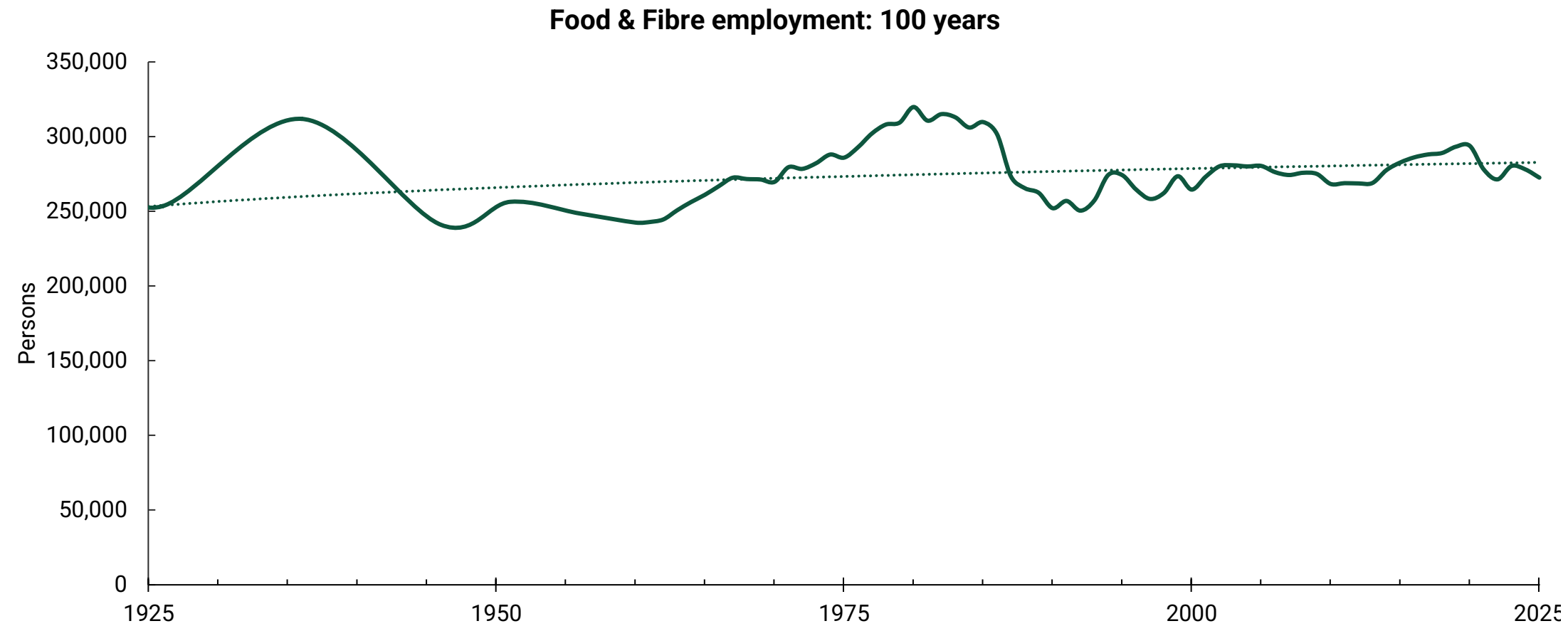


An important part

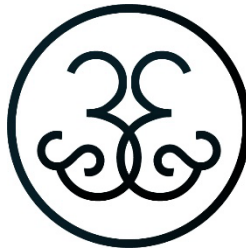




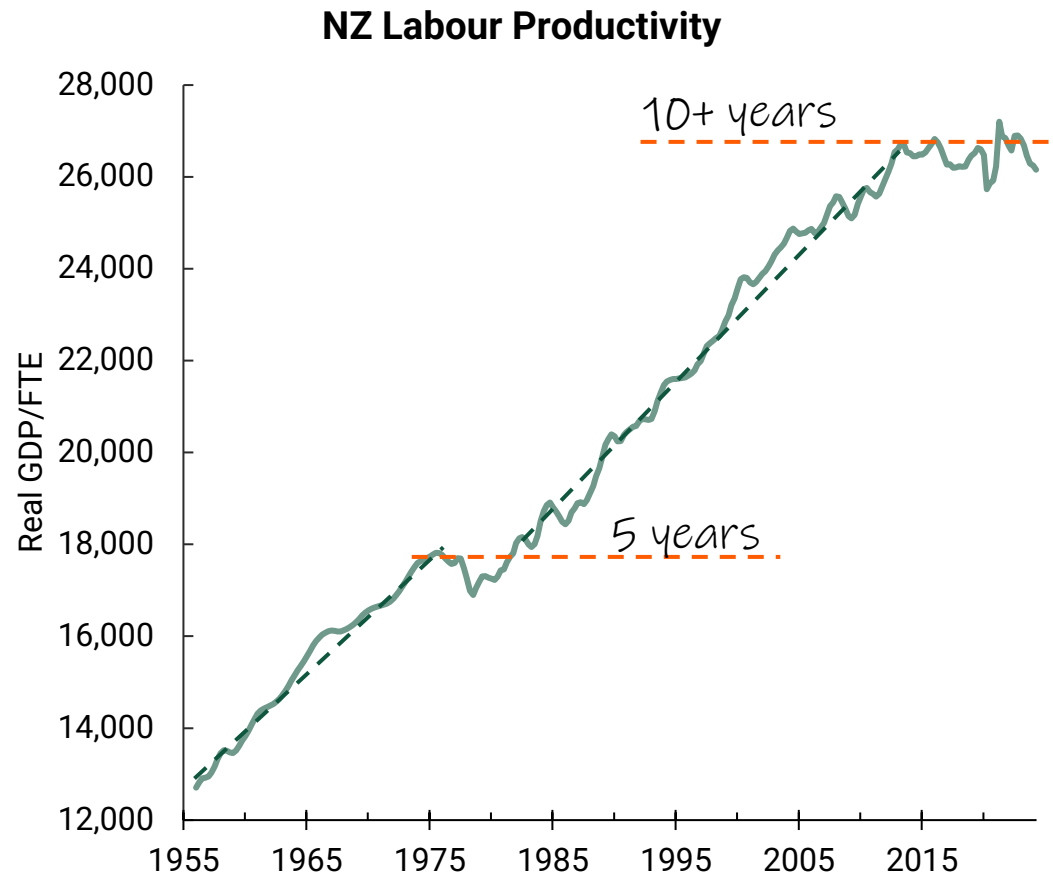
Will we hire more?



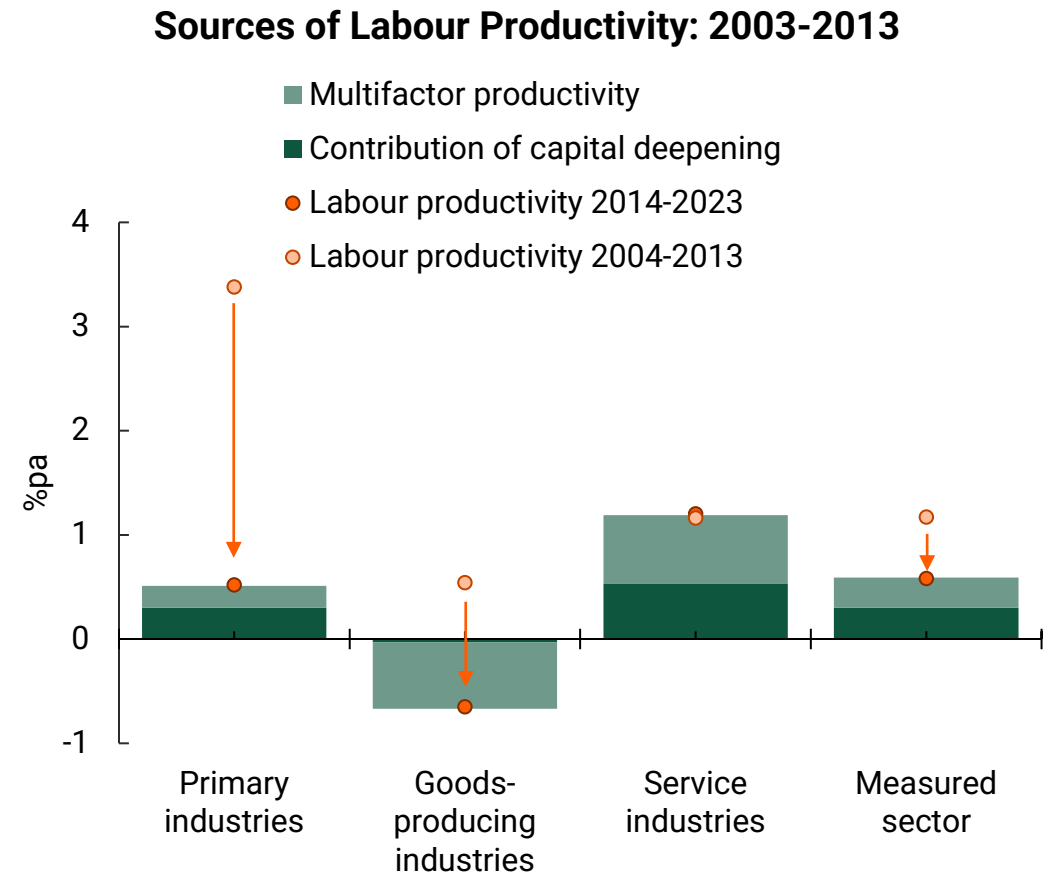
Source: Statistics NZ, S Eaqub



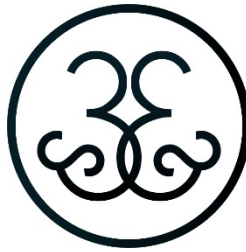
Maybe, because of a troubling stall



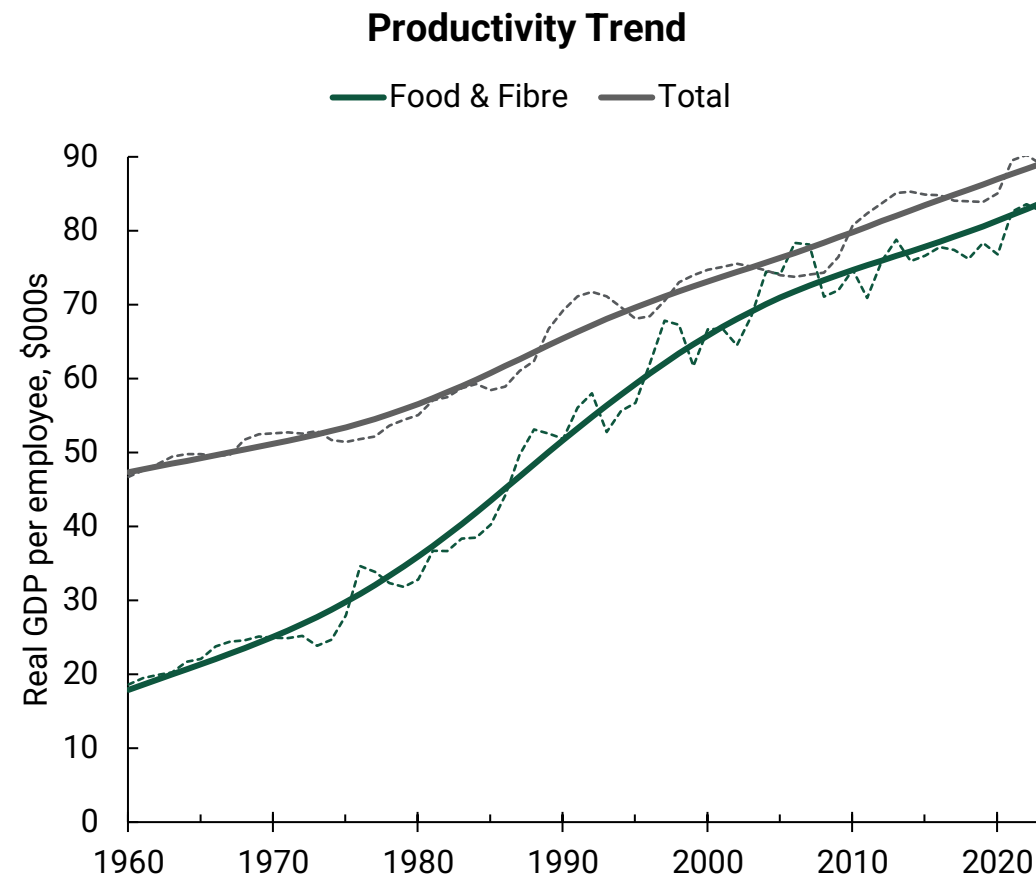
Source: Statistics NZ, S Eaqub



Source: Statistics NZ, S Eaqub



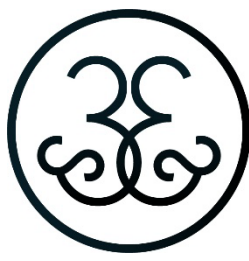
Reclaim our mojo?



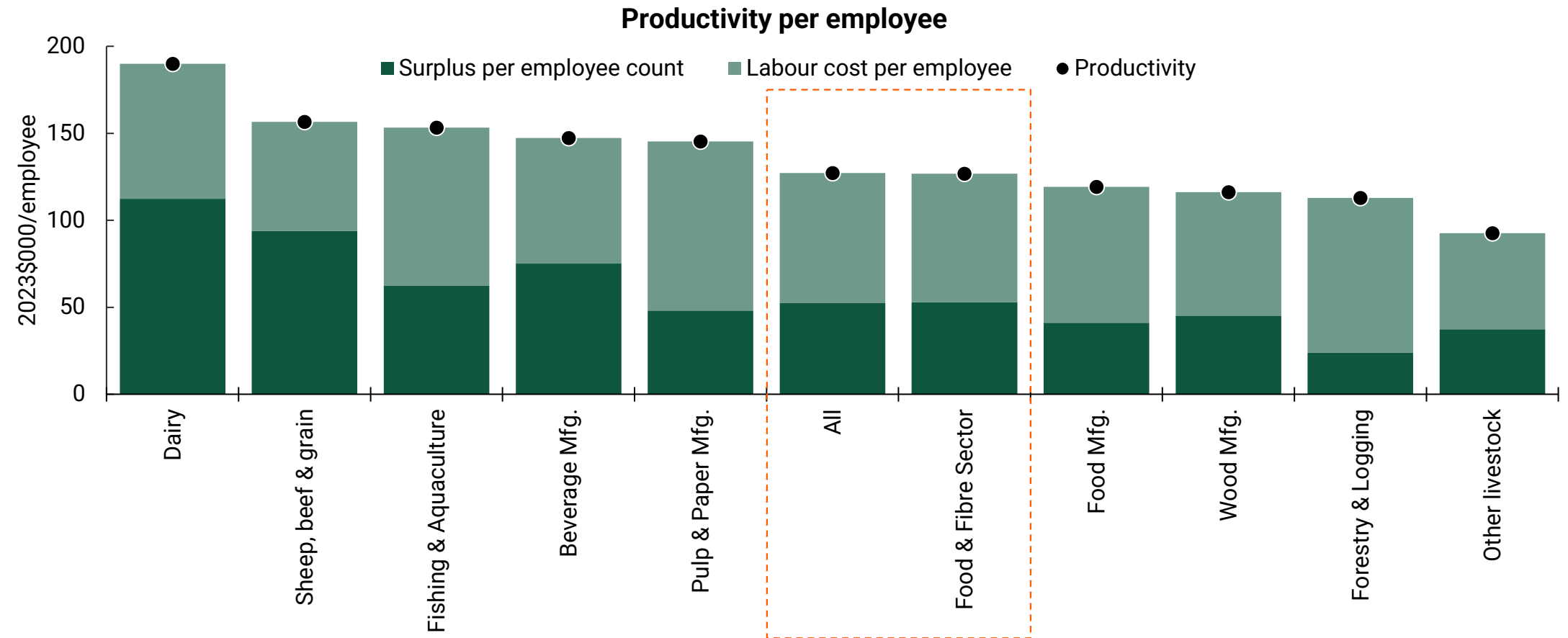
Source: Statistics NZ, S Eaqub

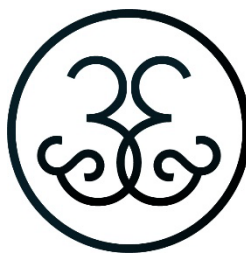


Source: Statistics NZ, S Eaqub



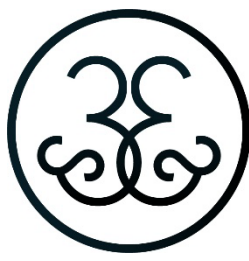
Variation within industry



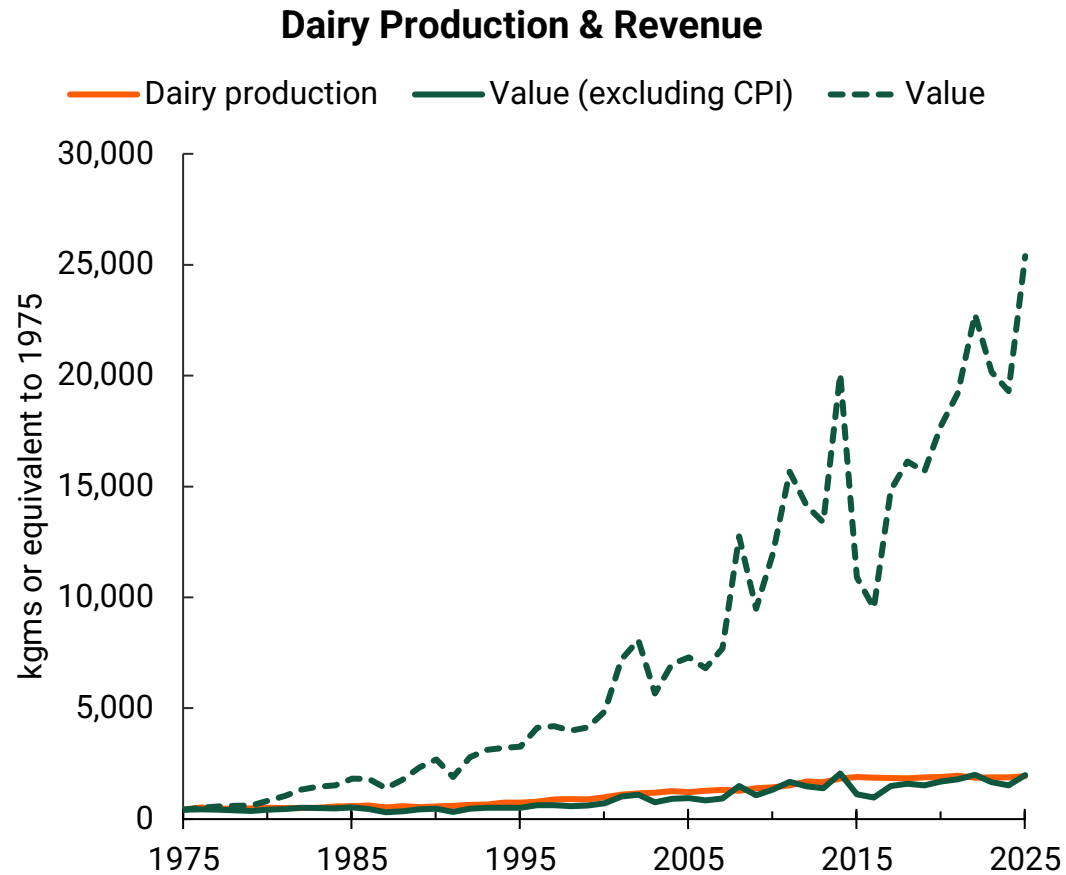


Dairy example

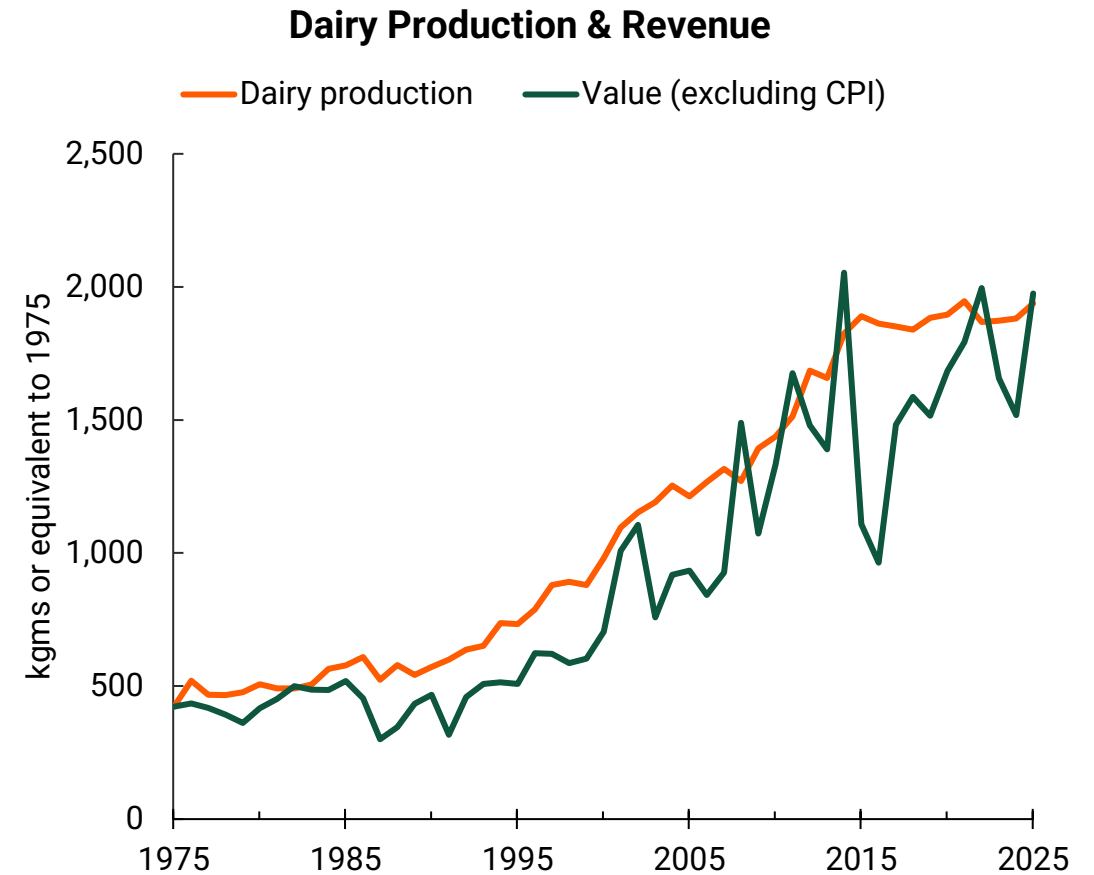
Slowing progress & people



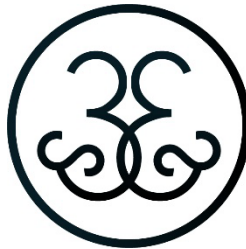
Revenue, volume or something else?



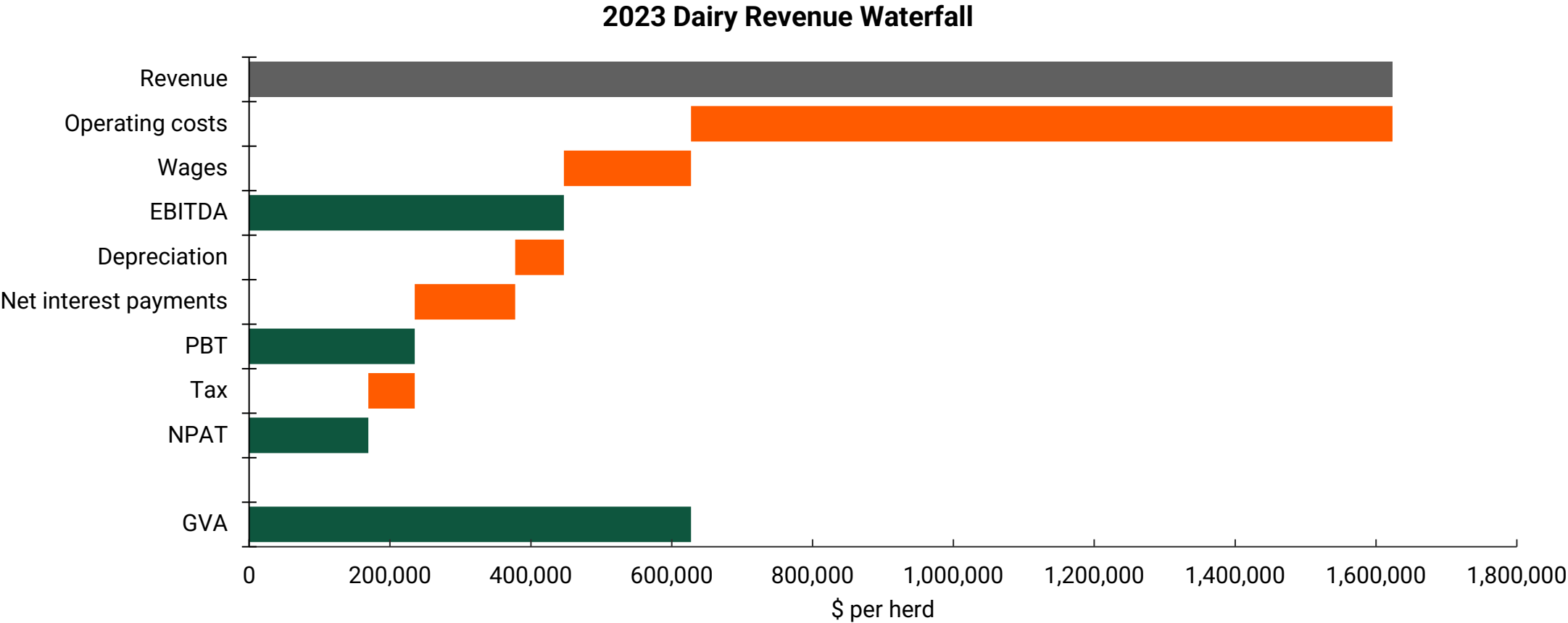
Source: Dairy NZ, Statistics NZ, S Eaqub

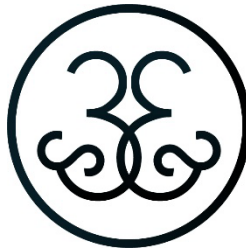


Source: Dairy NZ, Statistics NZ, S Eaqub

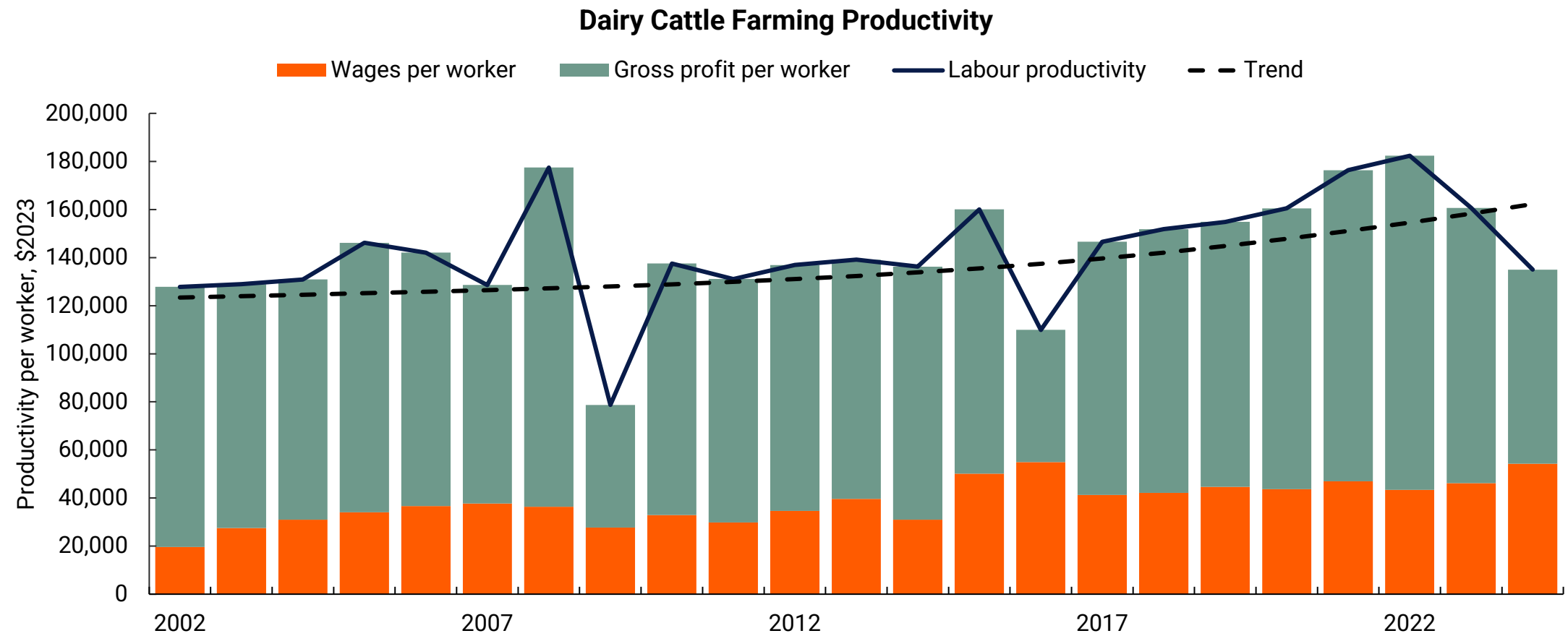


Revenue: high impact, low control

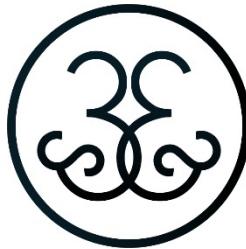




Productivity at the business level

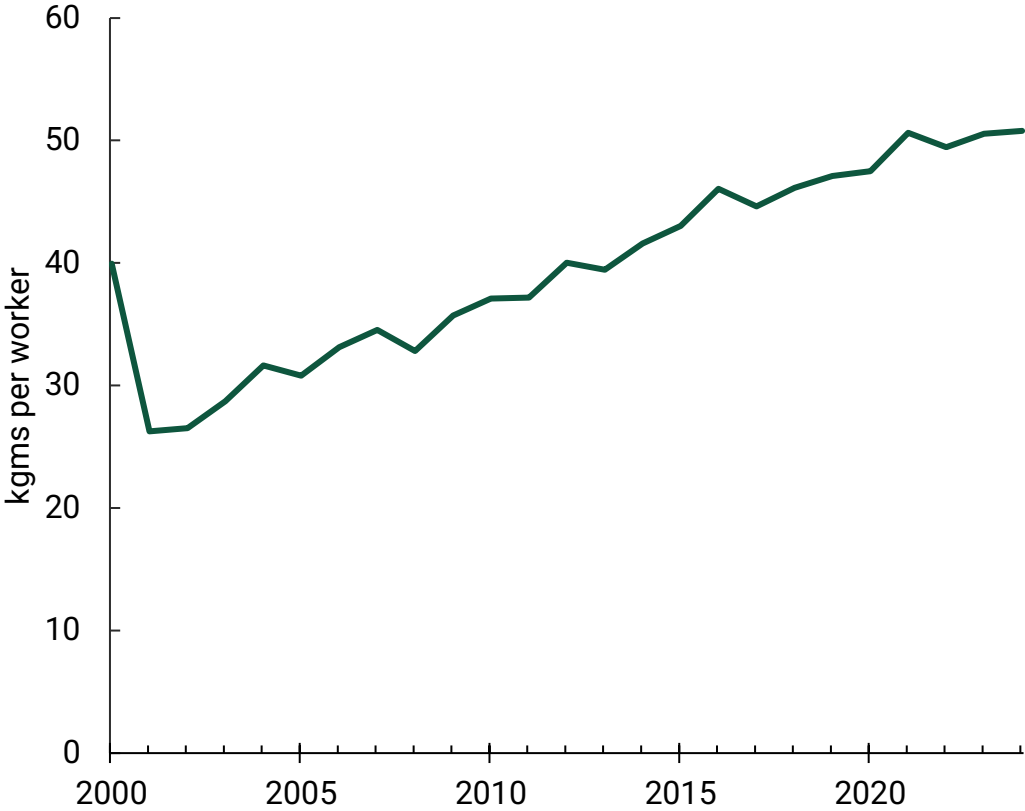


Source: Statistics NZ, S Eaqub



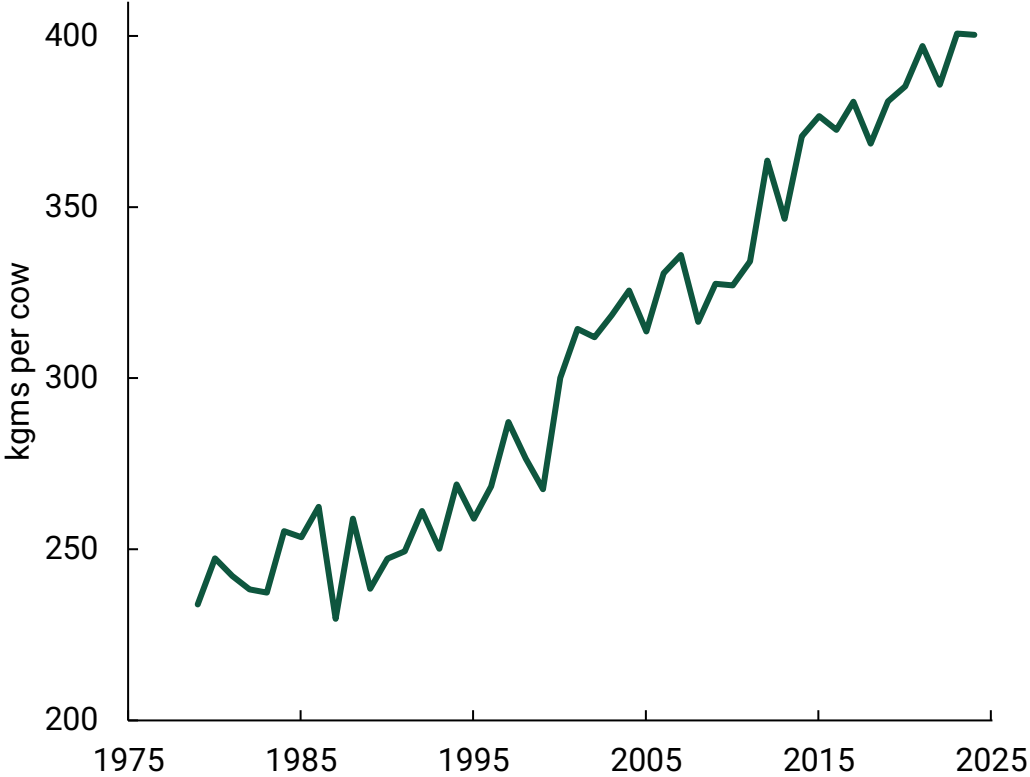
Technical efficiency...

Efficiency: Milk solids/worker

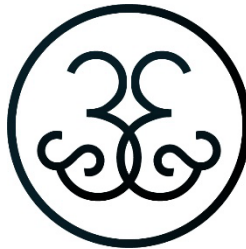


Source: Dairy NZ, S Eaquad

Efficiency: Milk solids/cow



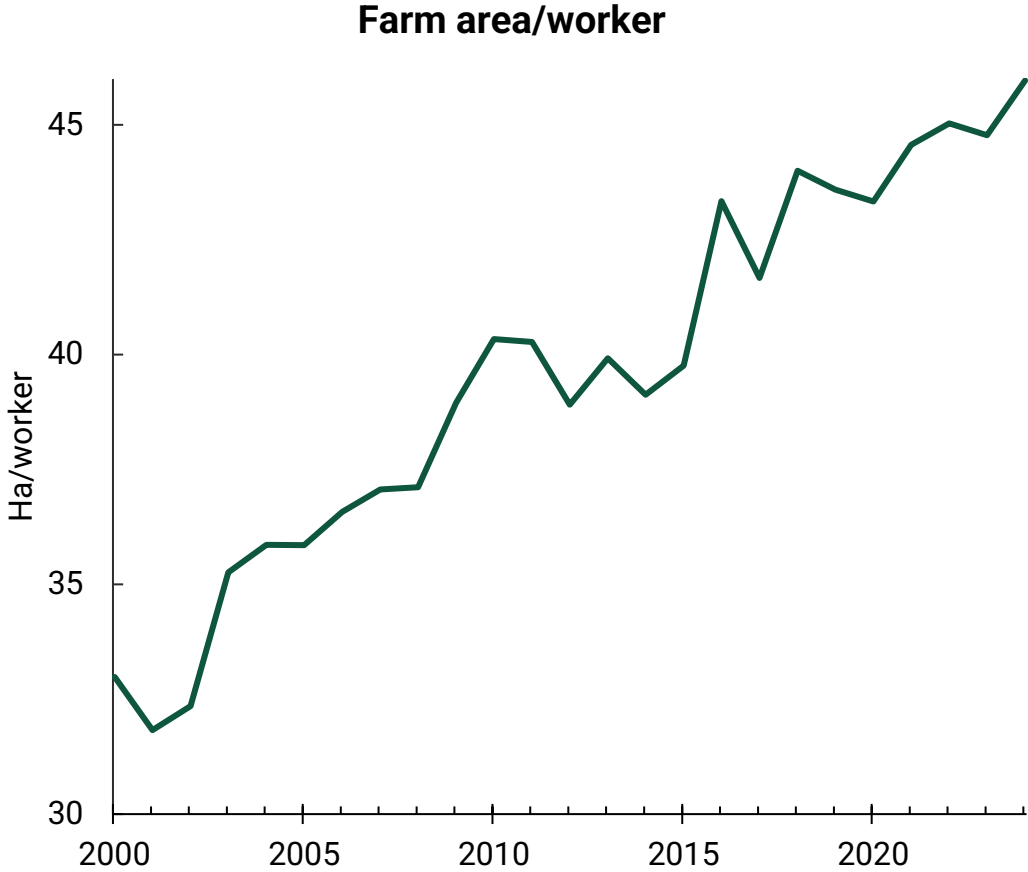
Source: Dairy NZ, S Eaquad



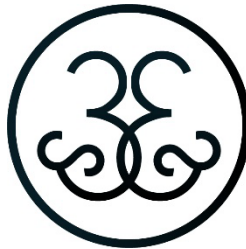
More responsibility



Source: Dairy NZ, Statistics NZ, S Eaqub

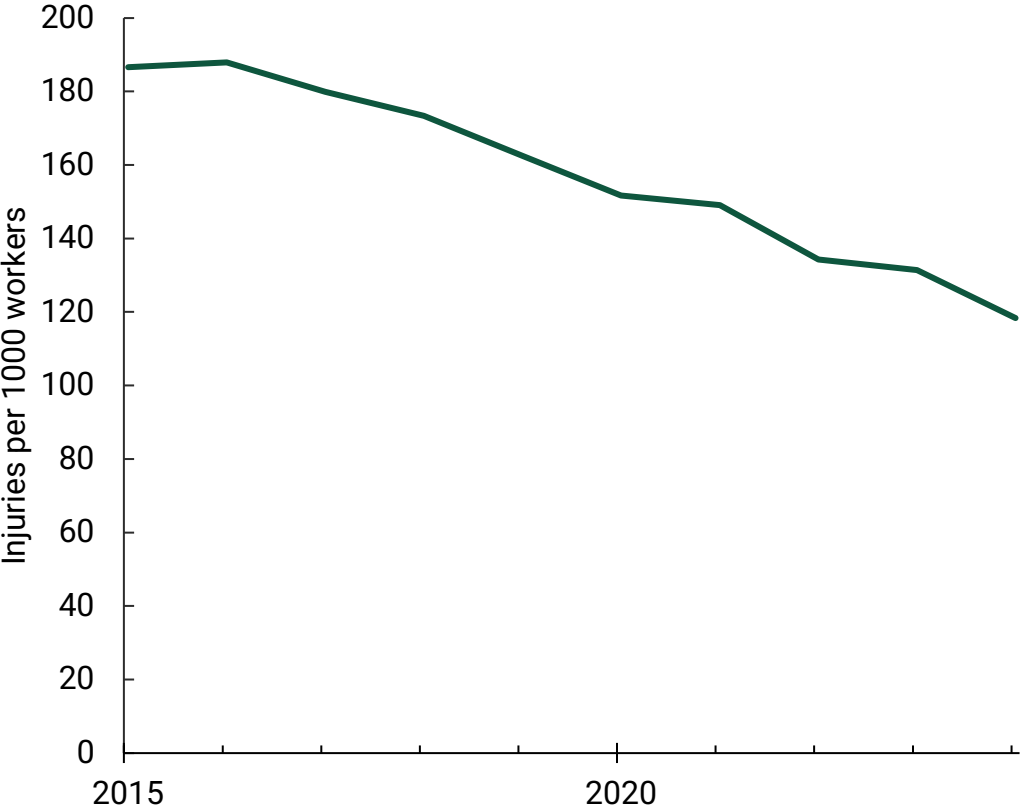


Source: Dairy NZ, Statistics NZ, S Eaqub



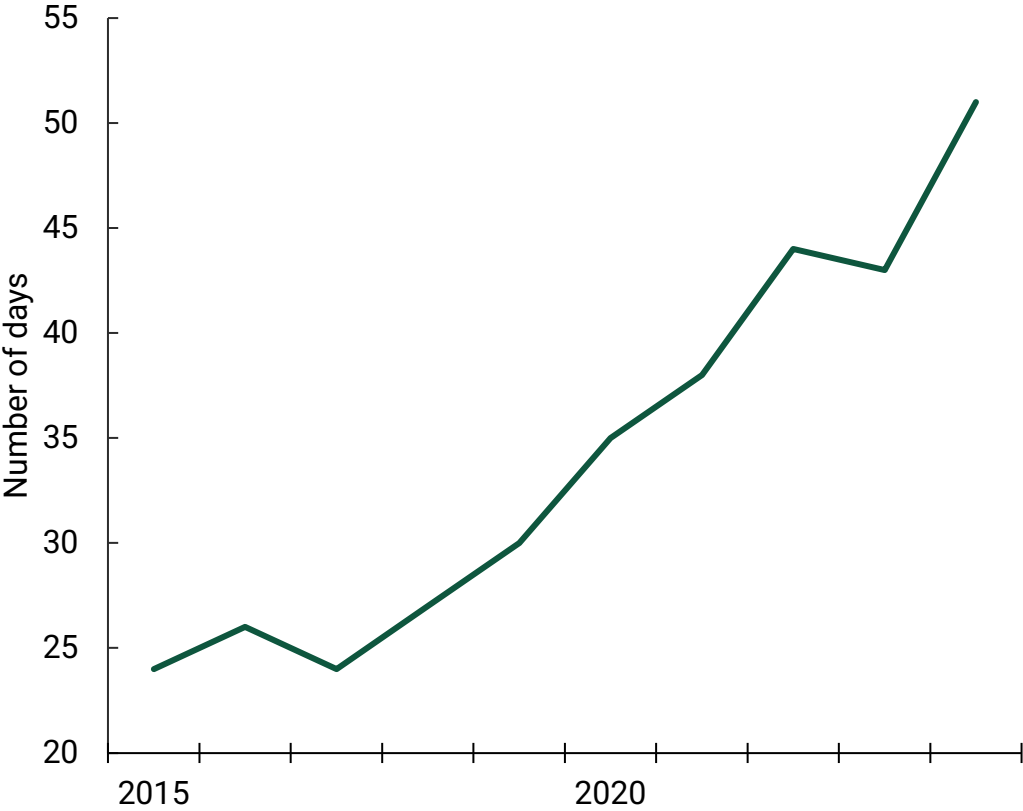
Injuries = 1-5m off; 2.5% drop in work

Dairy Cattle Farming: Injury Rate

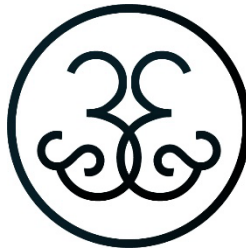


Source: ACC, WorkSafe, Statistics NZ, S Eaqub

Average Days off

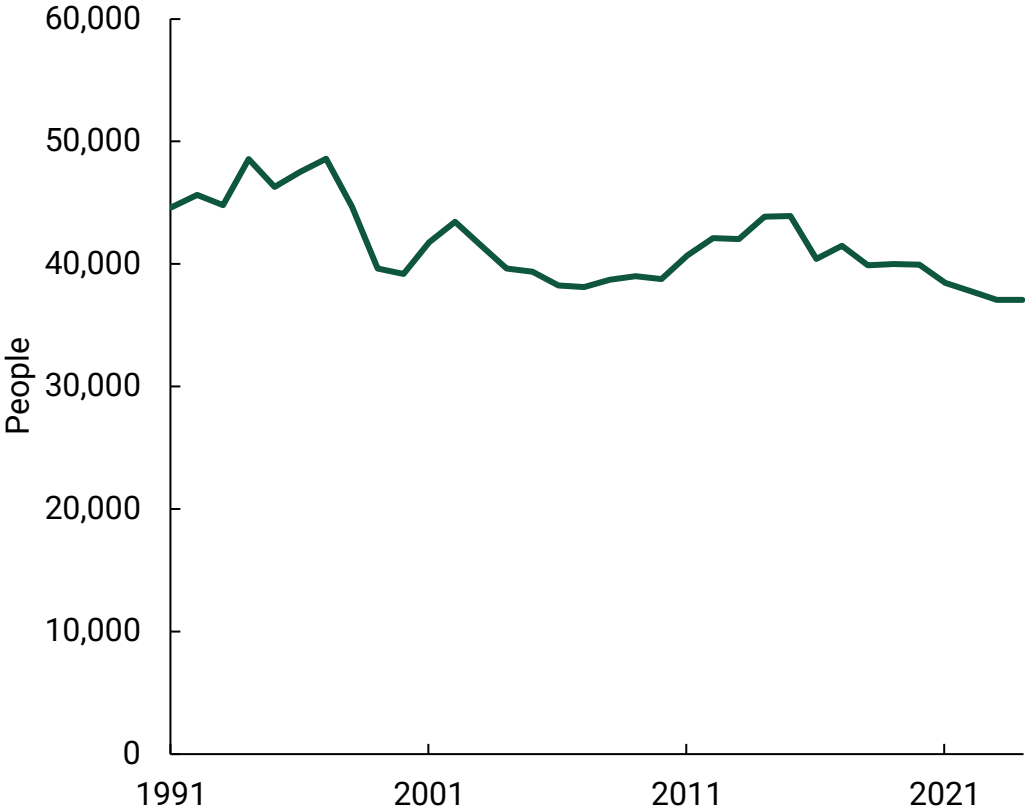


Source: ACC, WorkSafe, Statistics NZ, S Eaqub



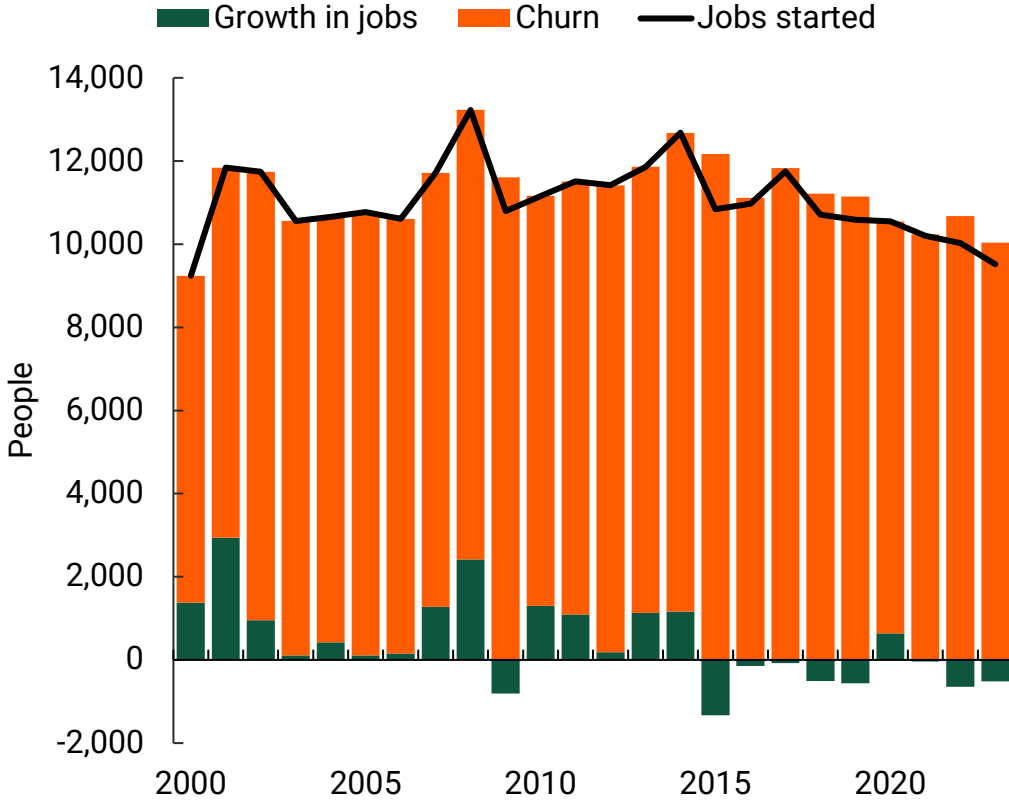
Not growing but hiring

Dairy employment

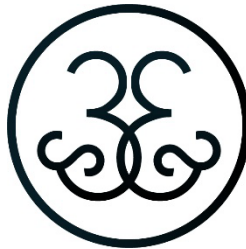


Source: Statistics NZ, S Eaqub

Dairy hiring composition

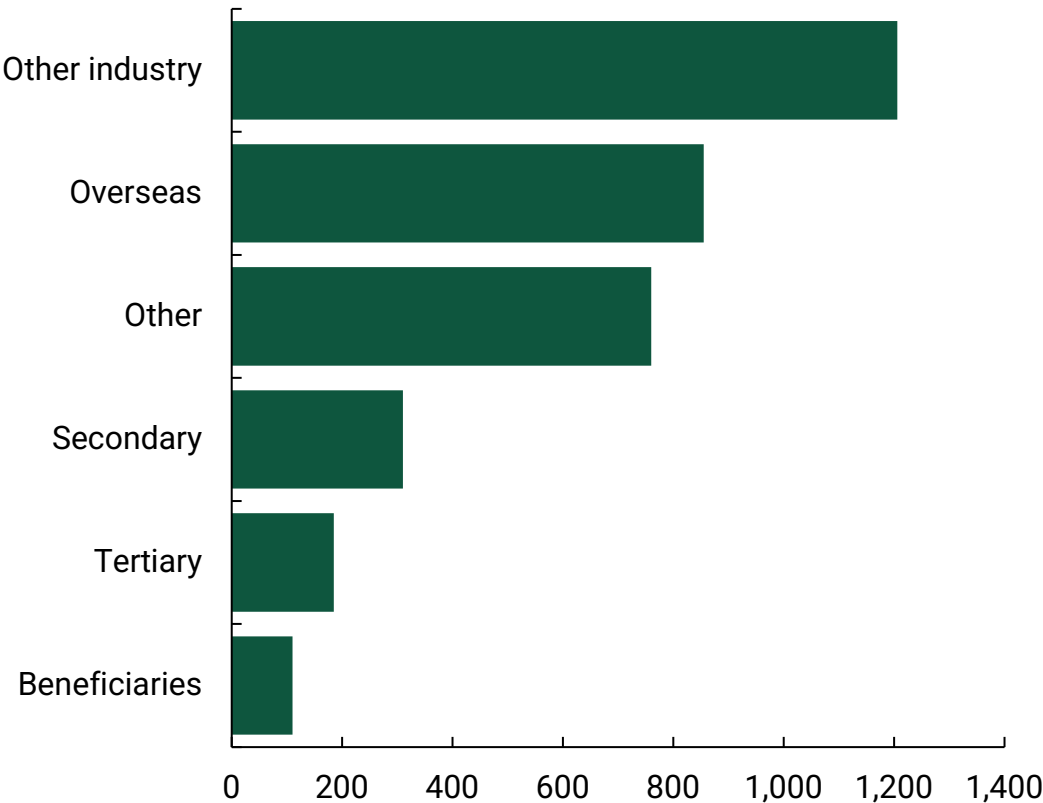


Source: Statistics NZ, S Eaqub



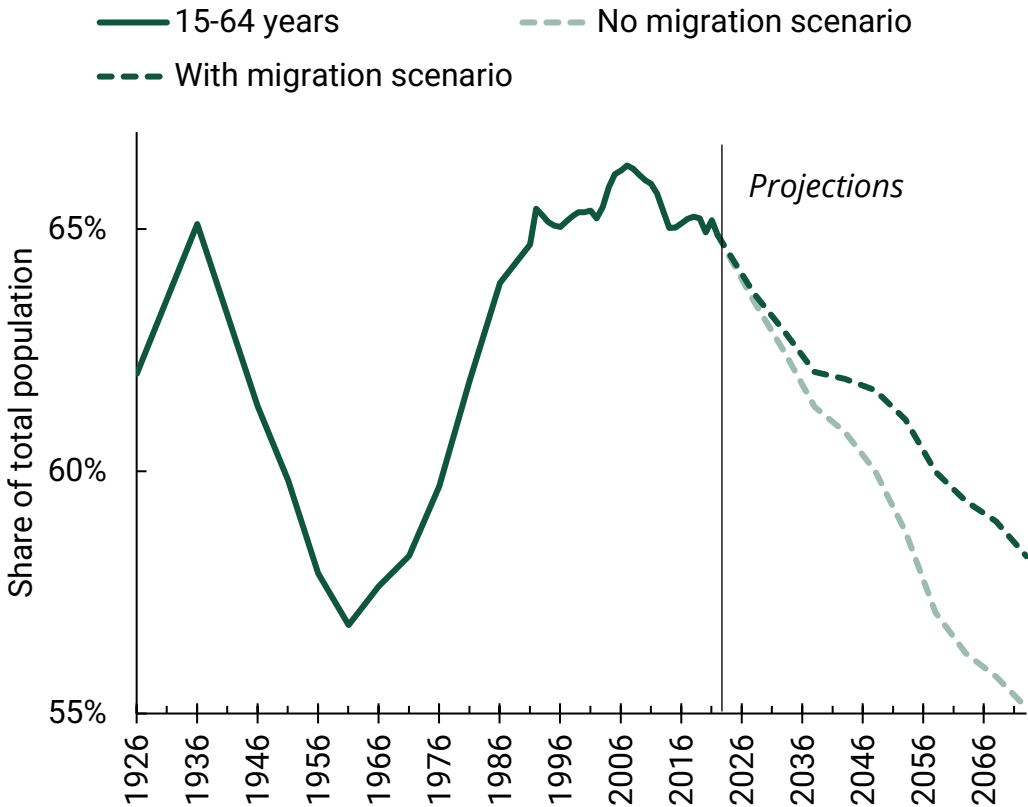
Increasingly competitive market

Dairy worker entrant sources

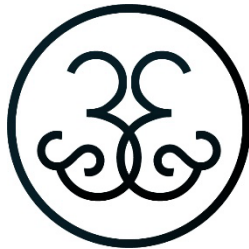


Source: Statistics NZ, S Eaqub

Core working age population: 15-64 years

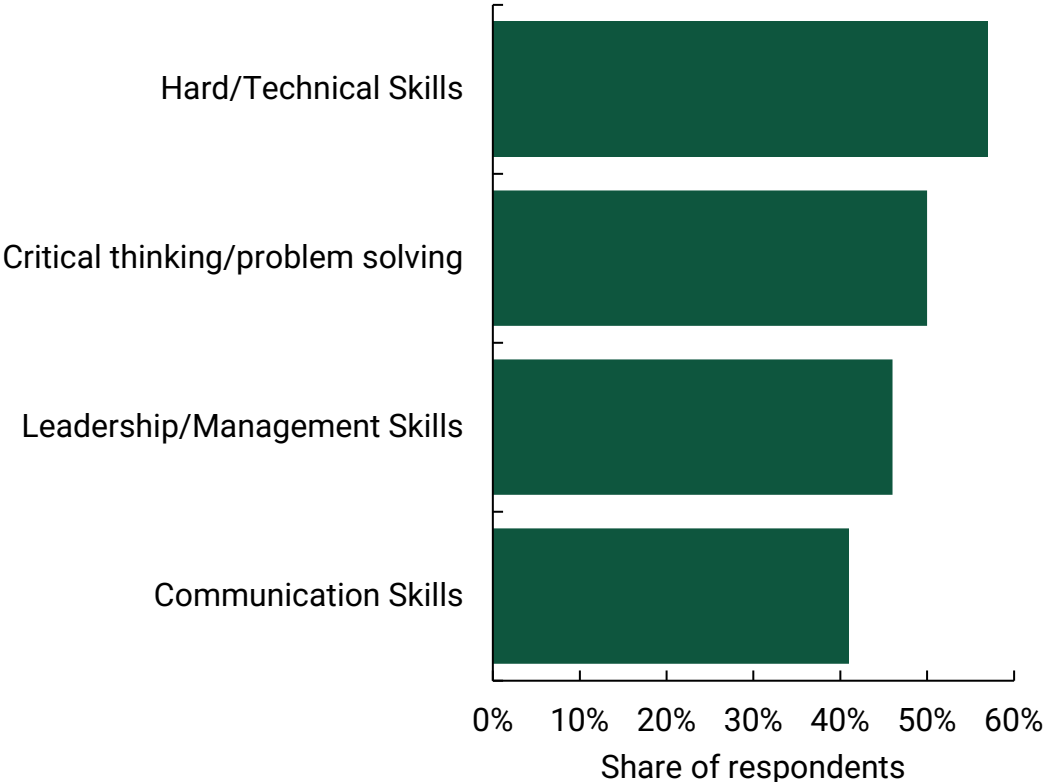


Source: Statistics NZ, S Eaqub



Skills gaps & filling them

Current Skills Gaps

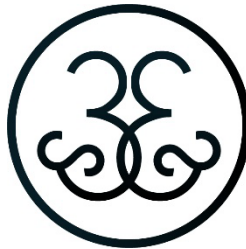


Source: The Hays 2025 Skills Report, S Eaqub

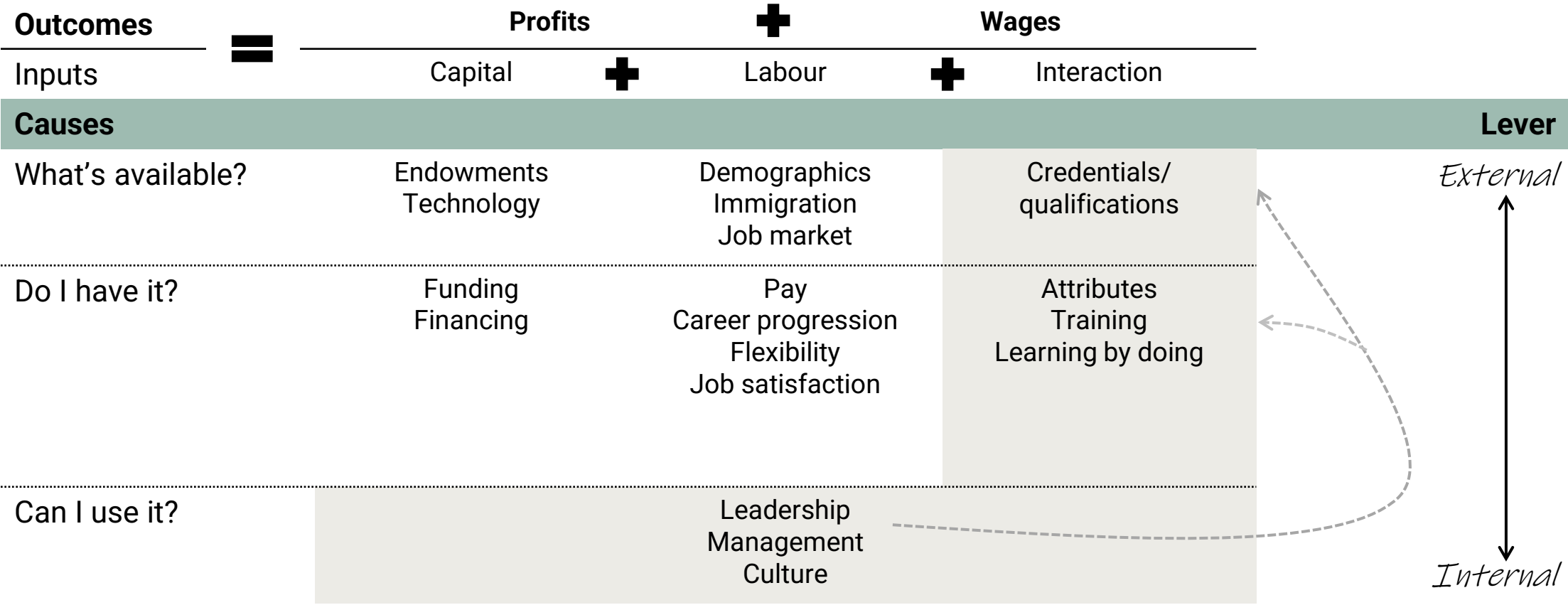
How to upskill

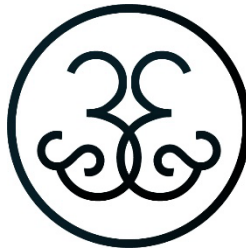


Source: The Hays 2025 Skills Report, S Eaqub



Business language of productivity





Some ideas



Invest in you

Leadership

Management

Culture



Invest in your people

Informal + formal training

Recruit for attributes, not just
qualifications and experience



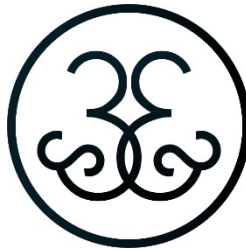
Broader settings

Stable funding envelope...

...for learning (not just
qualifications)...

...skills (appropriate, useful and
up to date)...

...delivered right (fit for
purpose).



Key points



History has returned



Bullish long term for food & fibre



Understanding our context



Using effective levers



What role will people play?

Thank you.

Questions?



EAQUB & EAQUB