



Ep 7 - Neal Wallace: Trends, Trade & Farming's Future

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Rachael Halder: Catchment Convos with Thriving Southland. Your link to Southland catchment groups and their impactful projects. Each episode we'll dive into grassroot effort by local farmers and communities that are driving change and sustainability in our regions. Listen in for inspiring stories and insight. Real people, real change, the Southland way.

Happy New Year everyone and welcome back to Catchment Convos. It's 2025 and we're kicking off another year of incredible stories, ideas, and inspiration from Southland and more. I'm Rachael Halder, your host, and as always we're here to explore what's happening in our catchment groups, communities, and the wider world of food, fibre, and sustainability.

To kick off the year, we're revisiting some of the fantastic discussions from last year, and we're lucky to have someone who was a real standout at the Thriving Southland AGM in November. Our guest today [00:01:00] is a familiar face, or maybe more of a familiar read to you, Neal Wallace, Farmers Weekly senior reporter and rural journalist with over 40 years of experience.

Neal's career has taken him from Gore to Dunedin and across the world, exploring the big issues shaping agriculture and rural communities. At the AGM, Neil gave a brilliant talk about the insights from his recent overseas travels where he dug into consumer trends, the expectations around dairy and meat production, and how global political shifts are influencing trade. It sparked a lot of conversation, so we wanted to dive a little deeper into some of those ideas and share them more widely with you. In this episode, we'll be chatting about what motivated Neal's trip, how New Zealand can better market its food through biodiversity values, and why traceability is such a crucial, critical opportunity for farmers.

We'll also explore evolving consumer trends. Global eating habits and how to bridge the gap between what markets need and what farms supply. So, [00:02:00] grab a cuppa, settle in, and we'll get into it with Neal Wallace.



Hey Neal, welcome to the Catchment Convos podcast.

Neal Wallace: Thank you.

Rachael Halder: And hey, for our listeners, we also have our project lead, Richard Kyte, joining us today. So this is Richard's second debut on the Thriving podcast, and we'll see if he's got some improvements.

How are you today, Richard?

Richard Kyte: Yeah, good. Thanks, Rachel. Uh, yes, we shall see.

Rachael Halder: Awesome. I'd love to hear, Richard, how have you roped Neal in to getting involved with Thriving Southland and our crazy catchment group network down here in Southland?

Richard Kyte: Um, Thriving Southland is set up around, being farmer led, but also, have a positive drive, around the direction of travel, around how we manage our environment and our farm systems and how it all works together. But we're not focused on a regulatory pathway, but probably, I mean, that there's a space for that. But the [00:03:00] reality is people just want to enjoy farming. And part of that is actually delivering to customers, whatever they're asking for and prepared to pay for. And out of that, obviously we heard about Neal, and his trip overseas and the board said, what a good idea for a speaker for our AGM.

And I suppose out of that, came this, request to Neil to, be part of the podcast and I suppose the, I mean for me, I've read one or two of Neal's articles and it would be interesting to hear, Neal, what motivated you around, this trip and what sort of made you think about it?

Neal Wallace: Yeah, um, well, actually the idea came from, some of our largest exporters, who, if you look back for the last couple of years, we've had the failure of He waka eka noa, um, we've had, Fonterra, Silver Fern, and they've put out their, scope two and three emission targets, which impact farmers. Uh, the whole supply chain, actually. And, Alliance are about to announce theirs sometime soon. [00:04:00] So they came to me, I think, because they wanted to hear from some of our biggest customers about what they actually wanted from,



their suppliers, in light of, you know, the sustainability issues. And when I talk about sustainability, I'm talking about climate change, I'm talking about, water, soil, animal welfare, biodiversity, a whole spectrum.

But I think initially a lot of it was just out of, the pending policies coming, from the likes of Mars, Nestle, McDonald's, some of our biggest, dairy and meat customers. So they came to me and said, how about going into a market and having a look and talk to some of these groups and see what they want and, what their demands are.

And that's, where we dubbed it meeting the market, the whole trip. So that's where that came from.

Rachael Halder: Where did you spend most of your time Neal?

Neal Wallace: Uh, well, I was away for six weeks and I visited seven countries. I was in the U. S., I went to L. A. and Chicago, went to Brussels, Utrecht, um, which was, in Holland where, Rabobank's head offices, uh, Amsterdam, Paris, London, Dubai, and China, and I was sort of [00:05:00] guided pretty much by where the people, who funded me were, um, Where they've got contacts, so Silver Fern Farms, Fonterra, Meat Industry Association, Beef and Lamb New Zealand, Rabo Bank and Alliance all provided the funding, but they also had the connections, in country.

But what I wrote, I judge in my own editorial, ethics, in my own editorial values,, I wasn't directed what to write whatsoever. So, they steered me in the direction, then the rest was pretty much, up to me.

Richard Kyte: So Neal, I suppose there's a whole, range of, thoughts out there. Like we work in the Catchment Groups, we work with farmers, and we know, different people think, differently about, the market requirements, from, the consumer really doesn't care right through to we need to be all over this.

I suppose one of the reasons for this podcast is actually some of that information around what you saw. How important is it when you look at what trends are shaping those consumer preferences overseas and is, there , the demand?



Neal Wallace: Yeah, I think there's two [00:06:00] things. Halfway, through the trip I started writing a list of all the things, the messages and it went multiple pages, but I've narrowed it down to sort of, you know, a handful. And, first thing is that our customers, when I talk about our customers, Mars, Wrigley, uh, Nestle, McDonald's, those sorts of entities.

They love our protein and they want it. You know, it's in their future. Our dairy and our meat is in their future. Um, we've done the hard yards, they recognize that we have, we meet their standards of what they want in terms of sustainability. What they want is for us to quantify that.

They want us to say, this is where we are now, this is our impact on the environment, these are our greenhouse gas emissions, now and then have regular reporting in the future to show well, we've actually, reduced our emissions. We've, you know, water quality has improved, although all those measures, they want to see quantifiable evidence that we're improving our environmental footprint and the other big message is that we need to have an international perspective. Our farmers need an international [00:07:00] perspective. Only one of our customers is the Fonterra tanker that comes up, the drive or the, the, the truck that takes away 600 prime lambs, to Finegand or to a Loreville.

That's only, they're only one of our customers. Our main customers, are, the consumers, in London who, who have cooked that, that four quarter for Christmas or the Baker in Shanghai who has, got, some Fonterra milk products and is using it in their baking. we need to have that international perspective because they are ultimately who tell us what they want.

And they are telling the Nestle's and McDonald's of this world that, what they want.

Rachael Halder: Before you left on this trip Neal, you would have obviously been reading and hearing and seeing a lot of things. And so, before you left and what you sort of heard and saw while you were away, they sort of aligned?

Neal Wallace: When you walk in and you meet the guy from McDonald's who buys all the beef from McDonald's, and he says, We love your beef, but sort out your bobby calves. I mean, that's the level of detail they have. They know



what's going on. You know, [00:08:00] you just can't say, we'll go away. They know what's going on and if we want to supply them, and these customers, these guys are taking double digit product from us. I wouldn't tell me exactly how much they take, but they all say that we're some of their biggest suppliers. We just can't ignore it. We can't walk away from that. And, um, as I say, you get the McDonald's guy to say, hey, we love your product, love your beef, but sort out your bobby calves. You know, you've got to take this seriously.

These are, you know, the Chelsea's, the Tottenham Hotspur, of football.

You know, these are the, this is where we want to be playing because they pay well and they're consistently want our product because they want consistency. But, we can't just sit back and think, oh, you know, we don't want to do that. So we're not going to supply you.

We can't do that.

Richard Kyte: Neal, did you see, that their consumers are demanding that product or is it a different driver, uh, behind the requests?

Neal Wallace: Well, when I was at McDonald's, for example, when, the level of information they get from their, customers. It's all electronic there. [00:09:00] You know, you walk into their, I don't eat McDonald's. I don't particularly like it, but,, he took me down to a restaurant and, It's all electronic.

They, they know what you ordered last time. They know what you want. Um, what you're likely to want this time. So, you know, they're getting all that information, that level of information from the consumer. So, you have to , take their word at it that this is what their consumer surveys say.

Um, but the other factor to take into account is that like, Mars Wrigley, for example, the Mars family is Incredibly wealthy. The owners are saying to the management,, we value sustainability, we want you to start introducing sustainability targets, greenhouse gas emission targets, et cetera.

So, that's what they've been doing, and the regulators are just, driving it too. You know, the European Union it's massive. The whole sustainability issue is massive, from the regulators. So they're putting it back onto the, companies



operating in the EU. Bankers are doing the same. So there's multiple drivers coming. The consumers are [00:10:00] certainly part of it, but there's also the regulators and the owners.

Rachael Halder: You said, Neil, that, you know, they are recognizing that New Zealand is sustainable and that we are doing good stuff, which is really positive, but quantifying it and basically proving it is our next hurdle.

You've talked a little bit about traceability and, this sort of opportunity sitting here for New Zealand. Can you elaborate a little bit more on that?

Neal Wallace: The key to success of all this, and gosh, you guys all know this more than I, given, the space you work in, but the key to all this is to get farmer buy in.

You know, if, a farmer's got to come home tonight and fill in a report on sustainability for the Environment Southland, then tomorrow's got to do something for the District Council, because it's Part of his consent. Then he's got to do something for osprey. Then he's got to do something for beef and lamb.

Oh, and he buys some dairy bulls. So he's got to do something for Fonterra or DairyNZ. It's just not going to work. And, I think, no, I don't think, I know we've got to get, a New Zealand Inc. [00:11:00] solution. It's got to be one form, collates all the information, and then the farmer sends the same form off to the regional council, the district council, OSPRI, MPI, whoever.

Otherwise, we're not going to get, it's not going to work. And I know, anyone know me knows, my IT knowledge is extremely limited, but, goodness sake, we can do all sorts of things, so why can't we have a generic form that, a farmer can have and just send it off to wherever, that form needs to go.

He or she needs to send that form. And to me, that has to be an absolute industry priority. We need to put Beef and Lamb, DairyNZ, Fonterra, all these groups into a room and say, sort it out and come out when you've, when you've got something that's workable. Because otherwise we're just not going to be, in the ballgame.



And Nestle and McDonald's and Mars and all these other companies are going to say, well, hey, You can't do it. Um, we can't trust your information because of whatever reason, yeah, we could be in trouble.

Rachael Halder: I guess that goes into that traceability stuff. And you touched on a little bit, but how do you think farmers can lead in this [00:12:00] space?

Neal Wallace: I think taking that international perspective, when it comes down to choosing what bulls they're going to use over the dairy cows or what rams they're going to use. I mean, it comes down to that level, just thinking about the end consumer all the time. And that end consumer is not the , Alliance group or Fonterra or whoever it's, people who are using the product and just having that perspective.

And I know some farmers have that because, I know talking to some, dairy and meat companies when they take farmer tours, they get an enormous amount of pleasure seeing, people looking at New Zealand branded product in a supermarket in New York or Berlin or London, you know, , I think, that's really important.

And, and I think the other thing they need to do is just realize that we've actually done the hard yards. We actually don't have to do a lot now. We have, all we have got to do is show quantifiable improvement. And, you know, we're not being picked on, and, all these companies are putting massive amount of money into, into sustainability, and Nestlé's got their scientists working on, methane reduction,, uh, Mars, and [00:13:00] McDonald's all working on, riparian planting, and you guys might be aware of that, they're putting money into FonterraCo to put money in, to help with riparian planting, so they're not abandoning us.

And it's not an us or them. I think, just to be aware that there is a collaborative approach to this. It's not just you need to do this and you don't, we're going to walk away from you. It's not that.

Richard Kyte: So, Neal, you know, what, what was the, I suppose the real positive messages that you brought away from your, tour?



Neal Wallace: The fact they actually have a lot of knowledge about what's going on here, what we're doing, um, but that. They're not walking away from us, and they know that we're actually doing a damn good job. When we, you make this grand claim, we're the most efficient farmers in the world, and maybe we, we're certainly, I think we're certainly, from what I was told, we're certainly there or thereabouts. And that, that was really refreshing.

Um, and in light of what we've had with, alternative protein, that they still see dairy and meat is still a big part of their future. ,They're not walking away from it,, which is really good, [00:14:00] but also, that collaborative approach, you know, they're not saying by the 31st of March, you have to do this or we're stopping buying your products.

They're wanting to work with us. And, and I think that's really heartening and I hope all the farmers, take that on board because that is, that's a really big thing to have those companies in there. They're enormous, enormous companies and they're prepared to stand by us and help us , meet this challenge.

Richard Kyte: Well, I suppose one question I'd like to ask Neal is, we're hearing more and more about biodiversity and the value of biodiversity in our farm systems and, what that looks like and how to, how, and in a sense that's a national discussion, but it's also, you know, how much that an international consumer discussion?

Neal Wallace: Yeah, um, particularly with dairy and meat, when I was in America, which perhaps doesn't have the reputation for the greatest, diets, but, there was a view over there that's what's good for the environment is good for my body. So they would look at an item and think, Oh, [00:15:00] yes, I'll buy that because it's obviously good for the environment.

It's red meat from New Zealand or dairy from New Zealand. I know they do a good job. So, um, but I think biodiversity is just part of , that wider conversation about sustainability. The only thing that animal welfare and climate change were the two things that were most prominent, but, the others like soil water and biodiversity were also there, but, some of the studies I saw over there, they're talking about , the main priorities were, climate and, what they call regenerative agriculture and, improving productivity.



That was some of the goals that came out of, Nestle, for example. Um, so, yeah, that's part of the wider conversation.

Rachael Halder: And it's fascinating you say that. Good for the environment and good for you. So I guess building on that, have you, or do you see sort of global eating habits evolving?

Neal Wallace: , I think it's become a bit more refined from what I was told, Fonterra has got this fortified protein that it's selling [00:16:00] throughout,, particularly the U. S. and it's going very well. It's protein enriched beverages, baked goods, snacks, and pasta, and even, even potato chips,, using fortified protein.

So, and candy bars. So, that's apparently going very well, for Fonterra.

Yeah, there's been some changes, like since the pandemic,, restaurants have fewer options on their menus now. And the, the supermarkets aren't employing butchers in there. in the supermarket. So everything's now getting, case ready. Uh, you know, stuff like the, North America Land Company, New Zealand's a major shareholder. Alliance, Anzsco and Silver Fern Farms are major shareholders. So they're doing a lot of , case ready products., The lamb has a tiny tiny shelf presence on the shelves, and that is an issue as far as eating habits go just getting it noticed Um getting consumers to recognize that lamb and its values, UK supermarkets use New Zealand lamb as a loss leader. So,, that does help our demand.

And I've actually just written a story today saying that apparently our Christmas lamb sales were very, very good. But, you can [00:17:00] talk about things that we may need to do. Sunday roast is sort of an older generation product in the UK. So, we might have to look at new products. Like they've got a, Kitchen in their offices in London, they're developing Kofkas and burgers, and they're getting into some of the, big stadiums, Tottenham Hotspur Stadium, they're one of the suppliers to there, so, when you say, it's a challenge, so there is some eating habit changes, you know, with, moving away from the Sunday roast in the UK, and just getting lamb, Particularly noticed, in the UK and the US, it's very difficult, and in China,, Fonterra's got six display kitchens operating, they've just opened a new one in Wuhan, and, so there's 350, 000 bakeries in China, and, uh, about 10 percent close and open each year, so Fonterra's got



these display kitchens and they have chefs and they invite the bakers in and they , expose them to, Fonterra dairy products to get them into the, bakery. Yeah, so there are plenty of things happening, positive things and, uh, some changes in eating habits there as well.

Richard Kyte: Neil, you sort of mentioned the Chinese [00:18:00] market there and obviously the Asian market is a huge part of our exports, and it's obviously growing.

Did you see, any difference in the requirements from those markets? 'cause quite often we're they're seen as a market that uh, maybe, don't have the same focus.

Neal Wallace: A couple of things. Uh, one is that we've had some publicity about this before, but online is just so important. Online purchasing is just so important for food, in China. It's just growing and growing and growing and, there's the, Alibaba's, but there's a whole lot of other, online sites opening up and it's huge and it's becoming, a major way of selling. The other thing is that China is actually also getting, its agricultural production up to speed or increasing it. Actually, they're opening up big chunks of Mongolia to sheep farming that was previously closed off to people. They're now opening that up to sheep farming and the animal husbandry and breeding patents of the Chinese sheep farmers is also developing.

China was incredibly quiet. I just heard this [00:19:00] over the last few days. It's still very quiet, but the Chinese just aren't spending. So, that's impacting what's happening, with the prices and, and the demand out of there. But as far as the requirements go, it's more market refinement, if you like, the move to online and that sort of thing. But there is certainly interest in lamb and venison from, Gen X and Gen Y, consumers.

Rachael Halder: Oh, yeah, and they definitely love our seafood too, which is awesome.

Curious, did you in your travels, obviously, Thriving Southland favourite, hear anything about catchment groups? Was, that something that had been discussed or had any farmers in your travels heard about that?



Neal Wallace: Uh, no, but , it was just really the whole use of the term sustainability was used quite liberally, and had a widespread, definition, as I say, you know, water, soil, that sort of thing.

But, you know, McDonald's and Mars and Nestle all mentioned about the work that they're doing with Fonterra and, Synlait in helping, fund [00:20:00] riparian planting, and, catchment work. So there was that reference.

Rachael Halder: Cool, so hey I guess that is true, you know, catchment groups, although many have been around for a long time, and the word catchment's not new, it's hopefully, and we think, a really cool way that some of our Kiwi farmers can get the chance to tackle some of these challenges together versus on their own.

Neal Wallace: First from my perspective, I think the catchment groups are just one of the most In my 42 career years as a journalist, I think they're one of the most positive steps, I've ever seen. I think it's just, they're just the most exciting, tool that farmers and the rural communities have got.

Rachael Halder: Yeah, it is incredible to see, you know, the creativity and the solutions that are being born and like you've said there is so much opportunity out there and, you know, after the big wet spring that Southland's had it definitely got people thinking about, how do we make sure our businesses are sustainable from both an economic and an [00:21:00] environmental point of view.

And so before we let you go, Neil, just some final comments from you as to, how do you think farmers and our rural communities can stay in touch with what's happening across the world and more, and , what is maybe your highlight from your trip and an opportunity?

Neal Wallace: Um, well, unfortunately, given the state of the media, there's not a lot of opportunity, it is getting more and more difficult, to stay in tune. I mean, I'd make no bones about it. I was, Incredibly fortunate to be given this opportunity. I mean, they come along once, you know, maybe once a career and I've been very, very lucky. And I hope it's I've come back with something that is useful.



I just think we beat farmers . We beat ourselves up so easily. And, I just saw the other day a survey came out which said that, you know, 66, 63 percent of the public think farmers do a pretty, do a very good job. So we need to bear that in mind, but we also need to think, well, This isn't a big step to do, I mean, this is going to be significant for some, and I get that, [00:22:00] but it's something we have to do, and if we want to play in the Premier League, well, you know, that's what we have to do, and, don't get beaten up, but let's just try and hopefully get a New Zealand Inc. solution, and, something easy, once a month, update your, farm assurance plan, and we'll see what we can do. FAP plus plan or whatever that vehicle is and, uh, the regional council want it, press a button and off it goes. Um, I think that's going to be crucial. So yeah don't beat yourselves up. There's a lot of positive things out there. They love our product. They want to keep it, keep using it. That's the main thing in my view anyway.

Rachael Halder: Oh, awesome. And so if people wanted to read your Meeting the Market, the full story, where can they find that?

Neal Wallace: On the Farmers Weekly website. If you go into the search engine and put Meeting the Market, all the 36 stories are there, so, yeah.

Rachael Halder: Awesome. And it was really cool and it's got heaps of good stuff in there Neal. Like you said, once in a lifetime trip.

Neal Wallace: Ah, well, I'm very lucky and very fortunate to have done it. I hope I've provided something of use for our industry that I [00:23:00] have nothing but utmost respect for.

Thank you.

And that's a wrap for another episode of Catchment Convos brought to you by Thriving Southland.

A big thanks to our guests for being a part of the conversation on today's episode. And for you guys for tuning in, we appreciate your support. Don't forget to like subscribe and follow us wherever you get your podcasts from.

So you can stay up to date with all the latest episodes as they're released. For more information on this episode, check out the show notes or head to the



Thriving Southland website, where you can also learn more about the awesome work happening across the catchment groups here in Southland. And if you've got a project or an idea you want to share, don't be shy, reach out.

So until next time, keep up the good work out there on the land, and as always, stay connected and keep driving those changes for a Thriving Southland.

[00:24:00]