

### *Breed and gender*

Ultimately for TBL having a nitrogen cap is what's stopping them from intensifying their farm to mass producing meat. However, focusing on the quality and not the amount is what TBL are doing with success. To be able to continue being successful the owners have to get rid of cattle that are not producing meat. Yet, they are birthing calves, but there is not a 100% chance that the cow will produce a bull. By getting rid of the cows and maximising the number of beef cattle and focusing on the quality of the beef, also upholding requirements for environmental care which allows TBL to charge a premium to their consumers. Angus Charolais cross was the most efficient beef cattle to reach the preferred weight within the 14 - 20 months without using growth hormones or supplementary feed. Through the use of the lysimeters and research conducted on the farm, they can confidently say that cows leach more nitrogen into the ground because while urinating they stand in one spot creating a concentrated patch of nitrogen which leaches into the ground and goes below the root zone, into the groundwater and then into the lake. Moreover, bulls walk around while urinating, which spreads the nitrogen out over the grass making it easier for the grass roots to absorb the nitrogen. This ultimately means that less nitrogen is leaching into the lake, making the environment cleaner. This strategy implemented for environmental conditions is both short and long term. Short term gain will include providing the council with the data needed to receive the environmental tick which also increase profit as they are able to charge a premium and long term gains include creating cleaner and safer waters for your grandchildren to swim in and increasing their businesses reputation and upholding it.

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### *Charge a premium for TBL product*

TBL and Lamb makes a profit by charging a premium to customers for upholding the water quality and surrounding areas of the Lake. They also charge more because they cannot intensify their farm like many others outside of the catchment. The owners have a restriction on the number of cows that they are allowed on their farm which is a result of a nitrogen cap. Yet, by focusing on quality they are able to profit. The farmers have also been forced to explore genetic engineering to speed up the natural growth process to reduce the time which the animals are on the farm. TBL was able to charge a premium not for their beef but in the way that it was grown, and with a reduced impact on the environment, protecting it for future use. This is proven by the fact that the council gave them an environmental tick which they use to sell their product at a premium. Socially, consumers liked the fact that farmers were looking after the environment and are willing to pay extra for it. This is what is known as an ethical food decision. This strategy has been proven by the fact that it has already been sold at top class outlets like, Moore Wilsons food outlet in Wellington which is selling their product at their premium price.

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The TBL product which is sold at high end restaurants dominates the regular meat 4 to 1. The ethical decision of helping the environment is worth value to the consumers hence the reason they are willing to pay more.

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### *Early culling*

The early culling of cattle reduces the number of animals leaching nitrogen into the soil but also allows the owners to move through the cattle faster increasing their profit. However, early culling is only necessary when the cattle are releasing too much nitrogen. This will be

determined by the lysimeters in their scientific lab which allows them to see the amount of nitrogen being leached with high accuracy. The owner informed us that younger beef cattle make \$22 more profit than older beef cattle per nitrate leached. Younger cattle make \$66 per kilo whereas only \$44 per kilo for older beef cattle. The younger beef cattle produce less nitrogen as they are more efficient at digesting and absorbing the nitrates within the various types of grasses. By culling early between 14 - 20 months, at 350 kg the owners would be able to have younger more efficient cattle on their farm which would also decrease the amount of nitrogen leached into the groundwater. By culling early, the owners would see a \$22 increase per cattle which would be a positive trend for long term viability. 3

To conclude, TBLs most viable strategy for short and long term viability is charging a premium for top quality environmentally friendly beef and lamb. After investigating influences and strategies and resolving problems I have chosen charging a premium mainly due to the fact that with a nitrogen cap in place the number of cows has already been reduced. Increasing the price and increasing the quality of the product which is environmentally friendly is a viable strategy that consumers are willing to pay for. With no added hormones, 100% grass fed, no antibiotics, etc. The strategy of breeding and gender is most likely the easiest way to charge a premium as getting rid of the cows which leach more nitrogen into the groundwater is positive for environmental impact and not breeding on their farm also positively impacts on their environmental footprint as there will be no cows and no calves to wean, which will positively affect the profit margin that TBL makes, making them more economically viable. 4