

Environment/positive/negative

For TBL the most important thing is sustainability, for the future of the Lake. With the Lake being one of the cleanest lakes in the world TBL want to keep it this way. This is why in 2003 the council put in a nitrogen cap on the lake catchment to minimise the nitrogen leaching into the lake with was forming algae bloom. To do this nitrogen cap they decreased the stock number on the farms by 20% which was hard on the farmers not getting the maximum out of their farms. This forced many farmers to plant their farms in pine trees or come up with other ways to make money out of their farms to make up for the 20% of profit they were losing. ①

A positive factor for TBL is that they have the ability to farm and also control the quality of water and farmland. Will they have to extend out further into the future as streams and rivers still run towards the Lake from a distance. Positive factor for the environment is now that they are such tight regulations around the catchment farmers have a good understanding of sections in the environment that are compromised when intensive farming happens.

Social positive/negative

When the Nitrogen cap was applied in 2003 many farmers sold their land as they couldn't see the potential of it being financially viable. Over time farms in the surrounding areas have merged and become a few larger farms, going from 105 farms down to 76 farms.

The number of people in the surrounding area has reduced as there are less people farming the land and less people employed due to either the reduction in stock numbers or land planted in pines. Therefore, this has reduced the number of people in many rural communities, and community halls and pubs are negatively affected, and many have closed. Additionally, the nitrogen cap has created a decrease in the income of the catchment area, therefore, people are not spending money locally and some townships rely on farmers to continue in business. As the number of people going towards the main cities grew the number attending local schools decreased so some close, making it harder to live in these communities. ①

TBL have their cattle all grass feed with no antibiotics, so it does not affect the meat taste. With customer wanting clean tasty meat that is not force grown produced in a way that people want them to grow into healthy nurtured cattle, this is a positive social impact as consumers are wanting to know that their meat has no nasty, artificial preservatives in it. ①

Economic

TBL has many challenges economically due to the slight increase in price in comparison to other meat companies. They create a brand in which customers are willing to pay top price for their meat and the 'sustainable environment' factor. TBL and Countdown have similar beef mince, but people are paying nearly double the price for the same amount, so the negative impact is many people will not pay the extra price for TBL meat. This could possibly create a downward turn in demand as consumers aren't willing to pay extra for this product, this could lead to a reduced income for TBL. The economic factor of running a brand like this is just as important as consumers need to continue purchasing these products for economic viability. In addition to this are TBL having extra expenses on items such as brand marketing and advertising to keep the momentum of their brand going, as consumers are less likely to ①

purchase the product if they don't understand the 'story behind the brand', this could be a risk if they don't create enough awareness.

1

Strategies - Future proofing and sustainability

TBL have had a lot of changes in the past few years, long term change and short-term changes to keep their business sustainability. From getting the brand started initially as they were at risk of consumers not considering their product, for the brand and business to continue growing. Following are a few strategies that I would recommend for the business to continue in the foreseeable future.

Continue targeting a niche market in which people are willing to pay the higher prices and in which people understand the brand. In addition to this they could increase supply and have the ability to expand, the opportunity of more farmers in the catchment to ensure supply all year round, therefore, the opportunity to sell all year round and the possibility of continual growth of their brand.

2

Another long term sustainability strategy they could do is try and get the whole catchment working together, getting more farmers on board as there are only 11 farmers supplying their product. Many others are just breeding farms and if they get more of these farms that have the ability to trade stock, they could supply meat all year round. Farmers could breed stock at different stages therefore creating a constant livestock flow, and restaurants and specialty retailers could purchase TBL meat all year round.

3

In the short term TBL must make sure of cattle gender to get most meat product per hectare and female cattle urinate in one spot so it does not spread the nitrogen in the pasture. The male cattle spread the urine because they walk when they are urinate so it doesn't cause as much nitrogen leaching. A short term sustainability strategy is using their research done on the farm in terms of what grass to grow and what will help reduce nitrogen leaching. The TBL brand also has a good reputation created with a market attracted by some core aspects, that the meat has no antibiotics, no added hormones, the meat is aged for tenderness and they have a cattle cross of Charolais/Angus.

3

Another strategy in the long-term that they could implement is the possibility of marketing their meat overseas in top restaurants especially in areas such as the Asian markets. Overseas consumers are interested in their produce and with the ability to track and trace the meat and where it comes from could help to create more supply and the ability for growth and higher prices for TBL.

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In conclusion I think the best strategy going forward for TBL would to be get more farmers in the catchment on board. This means having the ability to supply all year around and this will keep the momentum of their brand going. Additionally, consumers are becoming more aware of what they are consuming and are now more conscious of what they are purchasing, therefore there is a gap in the market for premium meat. Lastly, TBL could create a track and trace and a code to show the location and details of the livestock when meat is purchased. This could help consumers understand the story as it is advertising their meat at the same time and shows why they are paying more for their meat.

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