



Blueprint for partnership with the New Zealand Government

Joint B+LNZ and MIA
Manifesto - 2020



www.beeflambnz.com



www.mia.co.nz



The New Zealand red meat and co-products industry is a productive, value-adding and innovative sector. We make a vital contribution to New Zealand's economy and the country's regional communities.

With the scale and pace of regulatory change, environmental issues and trade disruption, New Zealand's red meat sector is facing the most significant challenges in its history.

Consumers are rightly demanding our food systems are sustainable and operating within the planet's limits.

We're embracing this challenge. We're playing our part to ensure New Zealand remains a leader in producing nutritious and healthy food and highly valued co-products for the world.

The red meat sector's contribution to the social, economic and environmental wellbeing of the country has been reinforced in the wake of COVID-19 and the sector has proven its resilience and increased its importance.

We're New Zealand's largest manufacturing industry, the country's second largest goods exporter. The sector is responsible for generating more than \$9.3 billion worth of exports in the year to September 2019 (including sheepmeat, beef and veal, venison, and co-products, with raw wool adding an additional \$533 million in exports).

We also support the livelihoods of thousands of Kiwis, accounting for over 92,000 jobs in New Zealand (35,702 directly and 56,719 indirectly), representing around 4.7 percent of New Zealand's total workforce. Many regions rely heavily on employment from the sector.

Our farmers, processing, marketing and exporting companies are committed to their communities and understand the vital role they play in the regions. As we have seen with the COVID-19 outbreak, our sector keeps going - even during hard times.

We are an adaptive and agile sector. With 120 markets across the globe, our sector can withstand major shocks like COVID-19. We have maintained the value of our exports in the last few months despite massive disruptions to our domestic and global markets, and drought in many parts of the country.

The sector continues to lead the way in innovation, efficiency and sustainability. Thanks to improvements in farming practices, breeding and the use of technology both on-farm and in processing, the national sheep flock has been halved since 1990 while still maintaining a similar level of production and doubling the value of exports.

Sheep and beef farmers have reduced their absolute greenhouse gas emission by over 30 percent since 1990, one of the few sectors of the New Zealand economy to do so.

Our meat processing and export companies are pioneers in robotics, logistics and packaging. We produce premium



food for discerning consumers. In fact, approximately 98 percent of lamb and 99 percent of beef now leaves our shores as cuts.

Despite the current uncertainties created by COVID-19 it is an exciting time for the red meat sector, with the global population expected to grow by two billion by 2050 and protein demand forecast to double by 2050.

Our sector has been focused on producing more from less for the last 30 years and we are incredibly positive about the opportunities for our sector. We can't feed the entire world. Our focus is on maximizing the price we can achieve for our product and on value adding.

With new competition in the market such as alternative proteins, we are differentiating what New Zealand does so well – producing natural, grass fed and sustainably produced red meat and co-products.

As a sector, the collaboration has never been so strong and we see good opportunities from the investment in New Zealand's premium origin brand, **Taste Pure Nature**.

We are investing along the supply chain to substantiate and support the brand, through the Farm Assurance Programme; environment programme; aligning our farming excellence work and investment in research and development. We are also committed to protecting and enhancing our environment and ensuring that our systems are sustainable.

The red meat sector works closely and constructively with the Government of the day to represent the interests of our members and we share the same ambitions for the country. We see great opportunities for an enhanced partnership to growth the wealth of New Zealanders. *He Waka Eke Noa* is an example of this partnership approach.

It's critical that this partnership extends to any policy reforms, whether that be climate change, forestry or freshwater. A partnership approach will ensure that practical, workable on-the-ground solutions to shared issues are formulated and applied in a way that is fair and just and avoids negative unintended consequences.

This booklet outlines the key challenges facing the sector as well as the opportunities we see to work collaboratively with all political parties to ensure policy settings support the sector's ongoing vibrancy and contribution to the wider economy.

We know that many of the issues in this manifesto will be raised throughout this year's election campaign. We're looking forward to robust but productive discussions that are based on sound evidence and facts.

We are investing in our future. We're now seeking your support to work with us in achieving our – and New Zealand's – vision.



Andrew Morrison,
Chairman Beef + Lamb
New Zealand

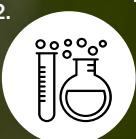
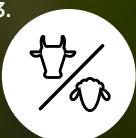


John Loughlin,
Chairman Meat
Industry Association

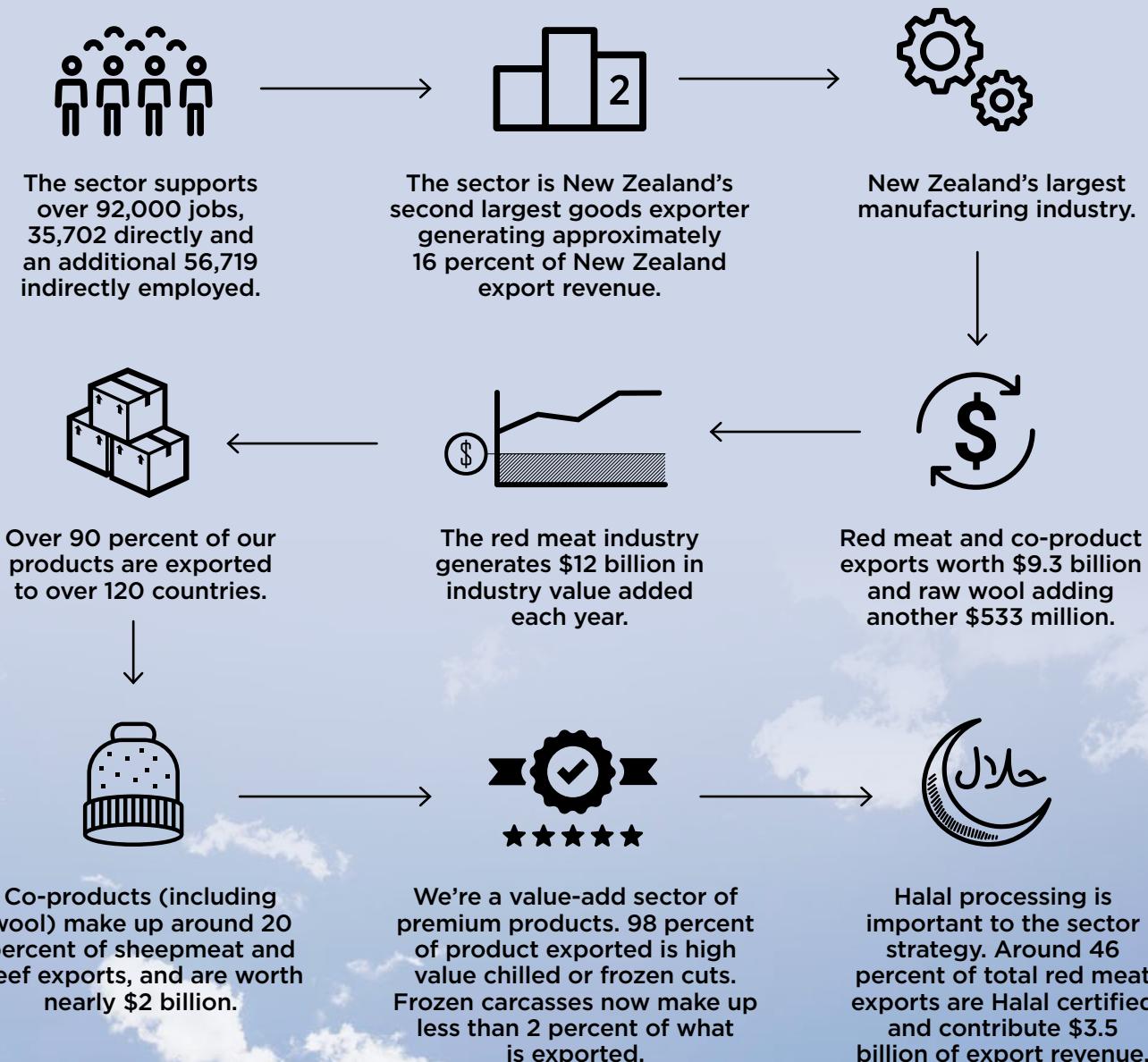
Our vision is to be the world's most sustainable sheep and beef producers - continuously improving what we do to drive the New Zealand economy, in an innovative, socially responsible and environmentally sound way to support New Zealand's wellbeing.

This document focuses on a range of key sector initiatives where a stronger partnership with Government will achieve better outcomes for our sector and New Zealand as a whole.

Key priorities for the sector over the next five years include:

1.  **Continue to improve the sustainability of our production** by helping farmers to develop land and environment plans, supporting catchment projects, investing in climate change research, and educating farmers on good farming practices.
2.  **Continue to invest in research and development** to lift productivity, mitigate risk and support innovation on-farm and in our processing plants.
3.  **Continue to expand Taste Pure Nature** and tell our unique New Zealand grass-fed story, to achieve higher returns.
4.  **Work with Government to strengthen the case for trade liberalisation**, tackle non-tariff barriers and open new markets for our products.
5.  **Work with Government to enhance New Zealand's world-class food safety**, animal welfare and biosecurity regulatory frameworks that support our market access and international reputation.
6.  **Continue to invest in high workplace productivity** by looking after the health and safety of our people through the development of industry standards, ongoing training, and advocacy for employment legislation that better meets the unique needs of the red meat sector.

Our sector's story



Our sector underpins the New Zealand economy

The New Zealand sheep and beef sector is a vital driver of the New Zealand economy and prosperity. On every measure, the way we produce beef and lamb is economically, socially and environmentally sustainable – and delivered within the limits of the land. The sector has led the economy in terms of productivity and value-add gains. We are confident the sector will continue to innovate and grow in value in an environmentally sustainable way.

There has been a 50 percent reduction in stock numbers since 1990 - however meat production has only reduced by eight percent and the value of exports increased. This is a story of efficiency gain and value adding. On-farm and processing innovations have delivered massive eco-efficiency improvements, while driving economic gain.



Productivity and eco-efficiency gains



In 1990 the average weight of a lamb carcass was 14.4kg
The average weight of a lamb carcass now is 18.6kg



In 1990 on average 1 lamb per ewe was born
On average now 1.3 lambs per ewe are born



In 1990 lamb exports were 47% carcasses and 53% cuts
Lamb exports are now 2% carcasses and 98% cuts



In 1990 8% of lamb exports were in high value chilled form
32% of lamb exports are now in high value chilled form

Sheep and beef farming has not become any more intensive: stocking rates (the number of animals per hectare) have remained similar over this time.



Environmental sustainability is one of the main challenges and opportunities for our sector.

Climate change

The sector is committed to playing its part in keeping global warming within the parameters of the Paris Agreement, and through *He Waka Eke Noa* and the Pastoral Greenhouse Gas Research Consortium is investing heavily in this.

The sector has a goal of being carbon neutral by 2050 and is already a long way towards this objective.



We have reduced our absolute greenhouse gas emissions
BY OVER 30% since 1990



Of the remaining emissions, a significant proportion are being offset by 1.4 million hectares of native forest and 180,000 hectares of pine plantation on our sheep and beef farms.



The carbon footprint of sheep and beef production (on-farm Life Cycle Analysis) is estimated to be around half the average figure globally.¹



New Zealand average
17.2kg CO₂ per kg CW

Global average
23.4kg CO₂ per kg CW



New Zealand average
21kg CO₂ per kg CW

Global average
46.2kg CO₂ per kg CW

The sector has been investing in science to reduce emissions for 17 years, through the Pastoral Greenhouse Gas Research Consortium, and we are confident that this investment will ensure it can further reduce its footprint.

¹Estimates by B+LNZ using NZ LW and global CW figures in research by Stewart Ledgard: AgResearch, 2011

Water

Sheep and beef production is one of the most sustainable forms of agricultural production in New Zealand. From a water perspective, we can work within the limits of the land.

Most New Zealand sheep and beef production relies almost entirely on rainwater and grass/pasture feeding. It does not use grains or other crops used in livestock production globally.



The sector uses very little extracted water (i.e. irrigation or water in processing).²

On average
210 L ➡ **1 KILO**
extracted water

On average
46 L ➡ **1 KILO**
extracted water

These are both a fraction of the water footprint of grain fed red meat production globally and compares favorably to plant-based production.

NZ Sheep and beef production

70%
Land

17%
Irrigation

NZ Horticulture/arable

25%
Irrigation

3%
Land

New Zealand sheep and beef production nitrogen leaching rates are on average the lowest of any form of food production, and not much higher than from forestry in relative terms.

Sheep and beef
17kgN/ha/yr



Other land uses
30-40kgN/ha/yr



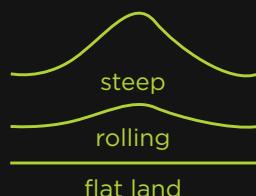
The sector has an average nitrogen leaching rate (as modelled by OverseerFM) of 16kgN/ha/yr, compared to an average for forestry of 6gN/ha/yr. On other farming systems, the average nitrogen leaching (as modelled by OverseerFM) is closer to 30-40kgN/ha/yr depending on the land use and soils, and can be as high as 100kgN/ha/yr for some horticultural crops.

The main water quality issues from sheep and beef production are e-coli; sediment; phosphorous and impacts from winter grazing. While there are still issues that need to be addressed, nearly every one of these indicators has been improving in the last 30 years.

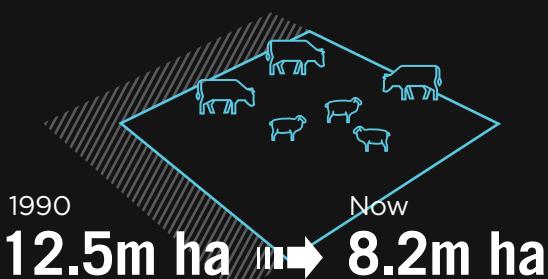
Land & biodiversity

With New Zealand sheep and beef farms being home to the largest area of indigenous biodiversity outside of the Department of Conversation estate, indigenous biodiversity is hugely important to our sector.

New Zealand's sheep and beef farms contain a mosaic of land types and uses.



There is concern globally about the amount of land used for livestock production and deforestation as a result of increased livestock production. In New Zealand's sheep and beef sector, the trend has been in the opposite direction.



Since 1990, the land under sheep and beef production in New Zealand has decreased by 4.3 million ha from 12.5 million ha to 8.2 million ha.

93% A green downward-pointing arrow icon.

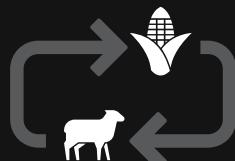
93 percent of the land that remains under sheep and beef production in New Zealand is unsuitable for cropping or horticulture because it is rolling or steep.



2.8m ha native vegetation
on sheep and beef farms

On average, approximately 25 percent of sheep and beef farms are covered by native vegetation, covering 2.8 million hectares. Much of this is regenerating native biodiversity and the sector is committed to continuing to build the biodiversity on our farms.

Additionally, most sustainable cropping systems rely on livestock production. The two work symbiotically together.



These cropping systems leave the land fallow for a period of time and rotate livestock onto those paddocks to rebuild the soil naturally through manure. This is why most arable farmers in New Zealand are sheep and beef farmers as the two work symbiotically together.



Environment

1

The sector has a world class environmental footprint, as we are highly efficient at converting grass to high quality meat on farms that protect ecosystem services, such as biodiversity.

2

Good environmental management is a key part of the value proposition of our products and our Taste Pure Nature origin brand.

3

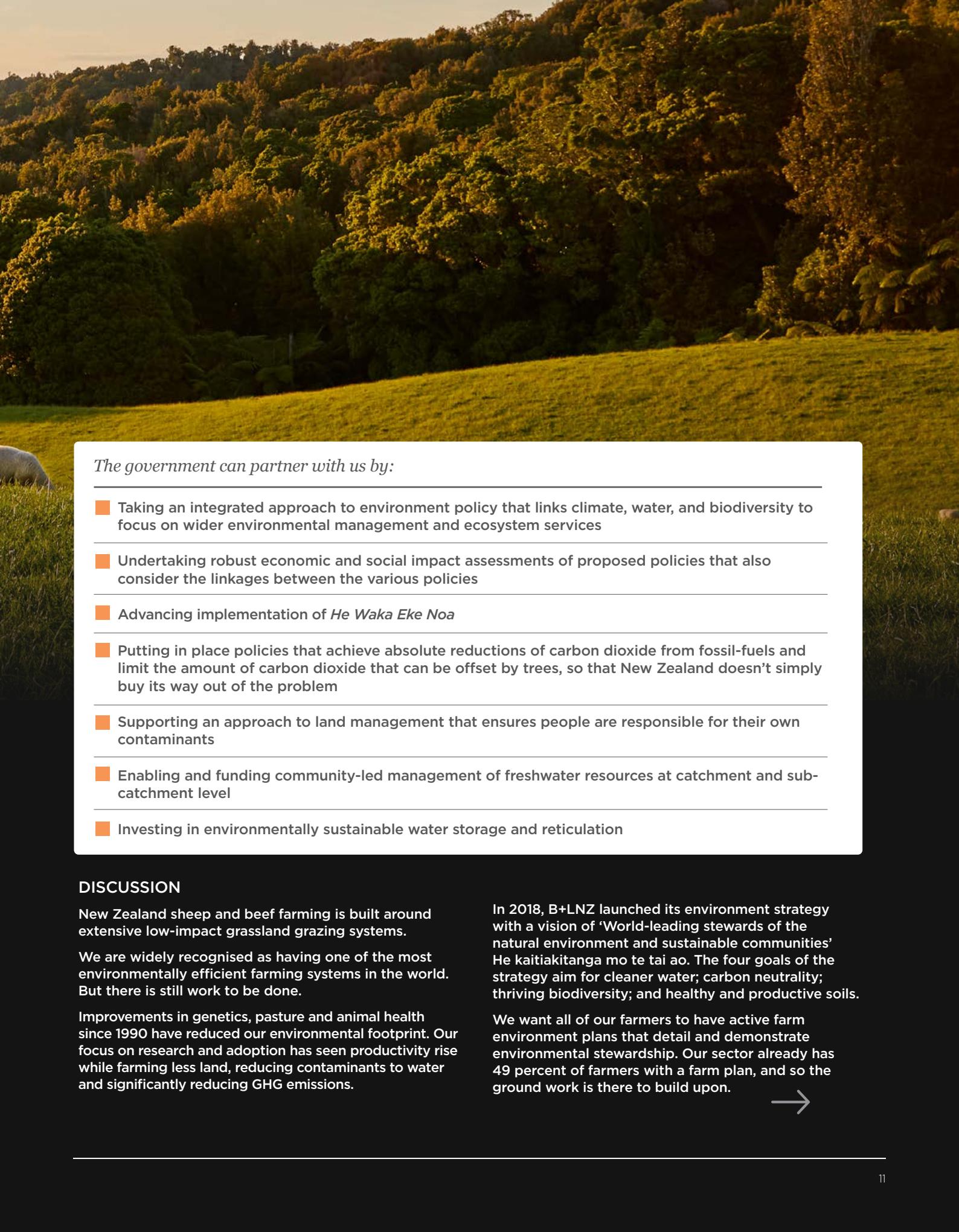
The sector recognises the need to continue to further reduce our environmental footprint. We are committed to improving water quality and further reducing the sector's greenhouse gas (GHG) emissions.

4

The sector's vision of success is an integrated landscape, where farmers continue to farm in the most sustainable manner possible by matching their land use to their natural resources.

5

We are committed to working in partnership with the Government towards a strong, environmentally sustainable economy.



The government can partner with us by:

- Taking an integrated approach to environment policy that links climate, water, and biodiversity to focus on wider environmental management and ecosystem services
- Undertaking robust economic and social impact assessments of proposed policies that also consider the linkages between the various policies
- Advancing implementation of *He Waka Eke Noa*
- Putting in place policies that achieve absolute reductions of carbon dioxide from fossil-fuels and limit the amount of carbon dioxide that can be offset by trees, so that New Zealand doesn't simply buy its way out of the problem
- Supporting an approach to land management that ensures people are responsible for their own contaminants
- Enabling and funding community-led management of freshwater resources at catchment and sub-catchment level
- Investing in environmentally sustainable water storage and reticulation

DISCUSSION

New Zealand sheep and beef farming is built around extensive low-impact grassland grazing systems.

We are widely recognised as having one of the most environmentally efficient farming systems in the world. But there is still work to be done.

Improvements in genetics, pasture and animal health since 1990 have reduced our environmental footprint. Our focus on research and adoption has seen productivity rise while farming less land, reducing contaminants to water and significantly reducing GHG emissions.

In 2018, B+LNZ launched its environment strategy with a vision of 'World-leading stewards of the natural environment and sustainable communities' He kaitiakitanga mo te tai ao. The four goals of the strategy aim for cleaner water; carbon neutrality; thriving biodiversity; and healthy and productive soils.

We want all of our farmers to have active farm environment plans that detail and demonstrate environmental stewardship. Our sector already has 49 percent of farmers with a farm plan, and so the ground work is there to build upon.



Environment

continued...

Water quality

Sheep and beef farmers are committed to protecting the health of our waterways and we're proud of the progress we've made so far. However, we know there is still more work to be done.

We support clear, science-based environmental bottom lines that protect human and ecological health, as well as frameworks that empower farmers and communities to work together to achieve these.

Policy should recognise, reward, and incentivise the protection and enhancement of aquatic ecosystem health on-farm. Healthy aquatic ecosystems are a valued and inherent part of productive farming systems.

The sheep and beef sector's main water health risks are e.coli, sediment, phosphorus and intensive winter grazing on crops. We are actively addressing these issues and understand the need for increased oversight for activities which pose a higher environmental risk.

Due to our predominantly extensive farming systems, our nitrogen leaching rates are low and in catchments where sheep and beef farms are the predominant farming system, nitrogen levels are not an issue.

We strongly oppose a 'grandparenting' approach to water quality which locks down the low-intensity farming systems, while providing the greatest flexibility and opportunity to high intensity systems. We are encouraged by the rejection of 'grandparenting' in the recent Plan Change 1 decision in the Waikato, and encourage policy makers to follow this course as the Government considers allocation of diffuse discharge rights in the next stage of freshwater reforms. Farmers and growers should be focused on ensuring that they operate within the constraints of their land, and not expect others to manage the impacts of their contaminants.

We encourage Government to support the adoption of outcomes based industry approaches to farm plans to meet these standards. In our experience, outcomes-based farm environment plans deliver the better environmental outcomes.

Many processing plants' wastewater treatment systems have been significantly upgraded in recent years, often at considerable expense.

Improving wastewater treatment for processors is extremely costly and environmental policies need to be balanced with the economic cost to the community. Discharge limits should also be based in sound science to ensure that we achieve improved environmental outcomes and avoid unnecessary cost.

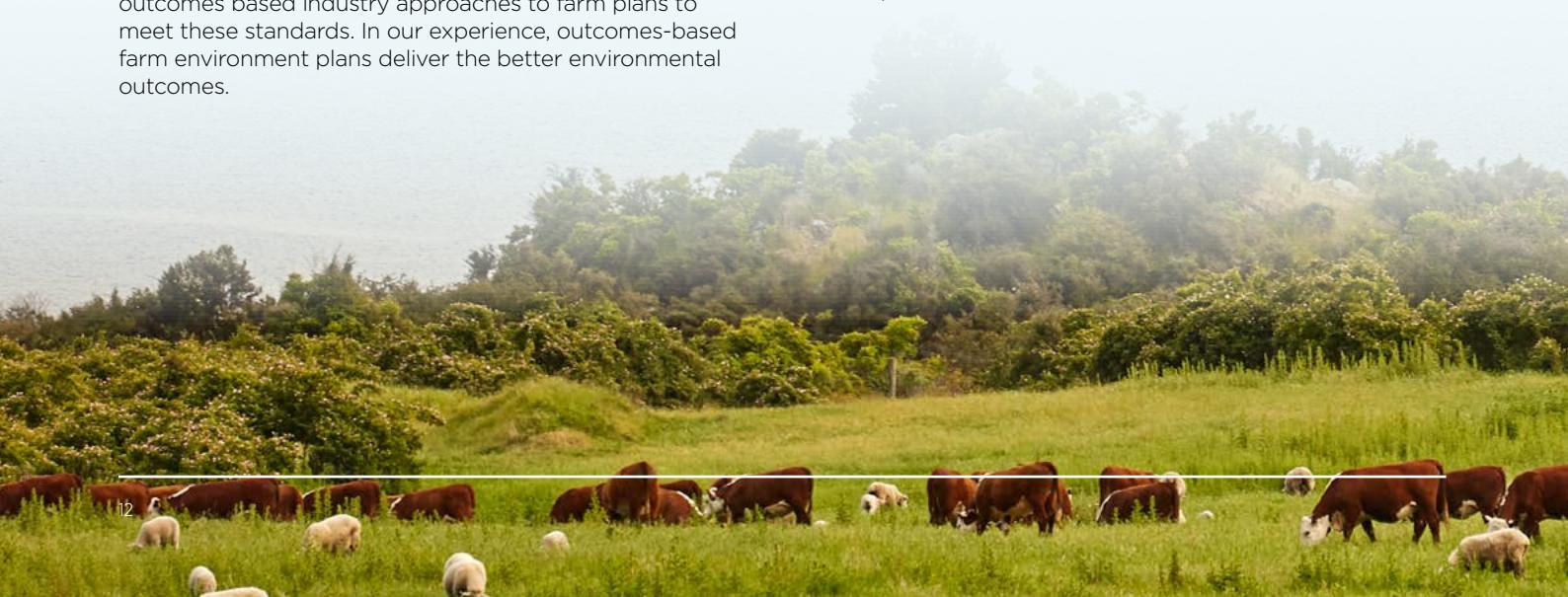
Climate change

The sector is committed to playing its part to address climate change and to working with the Government to implement the Primary Sector Climate Change Commitment - *He Waka Eke Noa*.

He Waka Eke Noa is an unprecedented agreement between 11 primary sector organisations to develop a farm-gate level approach for understanding on-farm greenhouse gas emissions and associated pricing mechanisms. Work is ramping up throughout 2020 and it is a priority to all the organisations involved.

Recognition of a 'split-gas' approach in the Zero Carbon Act, which recognises that methane – as a short-lived greenhouse gas – has a different impact on warming than long-lived gases such as carbon dioxide, is a welcome advance in our understanding of the drivers of climate change within the New Zealand economy.

What's now important is that political parties recognise that climate science has developed significantly since the current metric of Global Warming Potential (GWP) 100 was agreed, and that newer, more accurate metrics for measuring the warming impact of methane such as GWP* and GWP-warming equivalent (GWP-we) have been developed.



We welcome the United Nation's Intergovernmental Panel on Climate Change consideration of GWP-we in their upcoming session and encourage New Zealand to be a world leader in adopting GWP-we so policy decisions on climate change reflect the latest scientific tools available.

We would also encourage the Climate Change Commission to use this new metric to reassess the validity of the methane targets in the Zero Carbon Act and adjust these to better reflect the true impact of methane emissions as part of a strategy seeking a net zero warming impact.

Farmers are deeply concerned that a combination of climate change proposals will lead to large scale conversion of sheep and beef farms into exotic forestry for carbon farming.

This would have a negative impact on rural communities, employment and exports – worsening in the medium to long term when planted areas are no longer eligible for earning carbon credits and the rate of return from the land plummets.

Relatively small reductions of livestock available for processing through land-use change, e.g. a 15 percent decline in volume, could result in many meat processing plants becoming unviable, which would lead to significant job losses in rural communities. We cannot afford this to happen as the New Zealand economy seeks to recover from COVID-19.

We have advocated strongly and consistently for the inclusion of a mechanism in the ETS reform bill to allow governments to limit the amount of carbon emissions that can be offset by trees.

At the time of writing it seems our concerns are acknowledged, but are inconvenient in the context of meeting New Zealand's 2030 emissions targets and so a mechanism will not be introduced. It is a serious policy error not to enable Government to limit offsetting as such limits are potentially a key lever to encourage gross emissions reductions, not to mention the negative impacts on rural communities and exports. We call on the next Government of New Zealand to make this right.

We also encourage parties to revisit whether there should be a gross reduction target for fossil fuel in the Zero Carbon Bill emissions to prevent emissions being offset solely through carbon credits and through trees.

Farmers support the integration of native or plantation forestry onto farms as part of an integrated landscape approach which will deliver water, biodiversity and climate change outcomes. There is already an estimated 1.4 million hectares of native forest on sheep and beef farms, most of which is sequestering carbon but does not qualify under the ETS.

It is important that farmers are able to claim credits for these trees when they face pricing for their emissions. This is not only fair, but necessary to achieve our shared outcomes. We hope that this will be possible through the *He Waka Eke Noa* process.

Biodiversity

The red meat sector strongly supports efforts to protect and enhance our indigenous biodiversity and is keen to work with the Government on how this can be best achieved.

New Zealand sheep and beef farms cover 9.3 million hectares (a third of the New Zealand land mass) and house a quarter of New Zealand's indigenous biodiversity, most of which is regenerating.

There is 2.8 million hectares of native vegetation on sheep and beef farms, of which 1.4 million hectares is native forest. Much of this native vegetation is recently regenerating and represents 24 percent of New Zealand's total biodiversity.

Protecting New Zealand's iconic flora and fauna is integral to the future of farming in New Zealand.

The current proposals in the Government's draft National Policy Statement for Indigenous Biodiversity have such a broad definition for Significant Natural Areas (SNAs) that these could be applied to most of a sheep or beef farm, or entire farms in some regions.

That, combined with the proposed restrictions on activities that can take place within or adjacent to an SNA, will have a large impact on many farmers, but primarily those who have done the right thing by protecting or allowing native biodiversity to regenerate.

With some small but significant drafting changes, we are confident we can find a solution that protects and enhances New Zealand's significant natural areas and allows agricultural production to co-exist where appropriate.



Sustainable and healthy diets

1

Globally and domestically, there is a significant focus on red meat production from both an environment and human health perspective. The two are intertwined.

2

This is an emerging issue. The science is evolving and public debate and policy discussions tend to be based on a narrow range of metrics/indices that are based on overseas grain-fed farming systems. As such, it does not accurately reflect the realities of New Zealand production and can be confusing and misleading in the domestic context.

3

Red meat is recognised as a healthy, core natural food by health professionals, underpinned by the Ministry of Health's Eating and Activity Guidelines for adults, and Food and Nutrition Guidelines for Healthy Children and Young People (aged 2-18 years).

4

We want to partner with the Government to ensure the best outcomes for all New Zealanders across climate change, land use, animal welfare and the health status of our population and our international customers.

The Government can partner with us by:

- Taking a holistic, whole of government approach to policy development that takes account of the strong and broad-ranging New Zealand-specific science and research expertise, rather than relying on global studies that do not reflect the reality of the way we farm or the way we eat.
- Ensuring policies are proportionate to the true environmental impacts, take an overall assessment of what is being achieved and the trade-offs between different systems.
- Engaging the sector in the conversation early so that we can be part of the solution.
- Considering the long-term impacts across a range of areas when making policy - for example what are the long-term health and nutritional implications of changing nutrition guidelines for vulnerable New Zealanders, and on societal and health systems, and regional development?
- Prioritising a nationwide nutrition survey on both adults and children to obtain an up-to-date status of the health and eating patterns of New Zealanders, which in turn can help identify opportunities to lift the nation's wellbeing.



DISCUSSION

The sector is committed to playing our part to ensure we are producing in an environmentally sustainable way and promoting healthy diets. With a rapidly growing population, sustainably producing healthy food is an important issue that needs to be continually considered and addressed.

Sustainability is complex and needs to be looked at in a country-specific context.

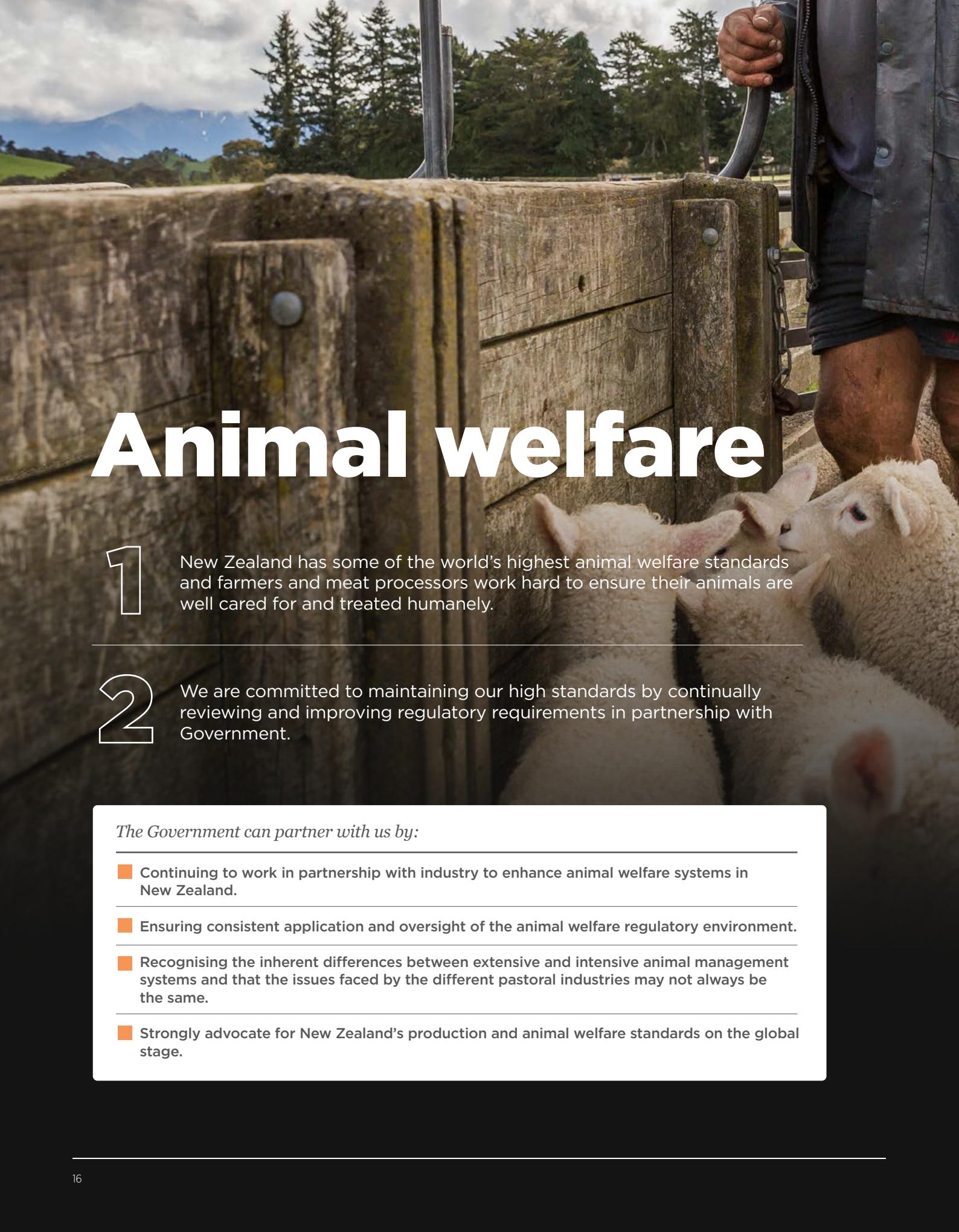
So far, many of the global reports on sustainable diets have been based on grain-fed production. As this is a new area of science, it has tended to rely on a small number of prominent views/methodologies. For example, the debate on sustainable diets has tended to rely on impacts versus calories rather than bioavailability of nutrients (nutrient density). Carbon footprints of products are based on GWP100, which overstates the impact of methane if it is reducing, and also different methodologies have often been followed for meat and plants.

The red meat sector absolutely agrees that vegetables and fruit should form the foundation of diets in New Zealand and that many people are not eating enough. The sector actively promotes and translates the Ministry of Health Eating and Activity Guidelines for adults to adopt healthy lifestyles and provides guidance on how to achieve this for its consumers. This includes the consumption of moderate amounts of red meat in recipes alongside vegetables, wholegrains and other non-processed foods as part of a balanced diet.

Red meat is an extremely efficient way to obtain many vital nutrients. World-leading science is being developed in New Zealand by the Riddet Institute that should be taken into account in environmental footprinting contexts:

- Red meat contains essential amino acids, vitamins and nutrients such as iron, zinc and B vitamins essential for growth, development and well-being.

- Eating red meat can help overcome nutrient deficiencies that currently exist in vulnerable groups of our population, and those requiring additional nutrient support, including infants, toddlers, adolescent females, women of child-bearing age and older adults.
- Lean red meat is low in total and saturated fat. Lean meat is included in the Heart Foundation of New Zealand's guide to eating for a healthy heart.
- Selective interpretation of research results has exaggerated the risk of a link between red meat consumption and cancer. Results are often inconsistent and poor health outcomes linked with excessive meat consumption as part of poor diet and lifestyle choices. The actual risk is very small and global recommendations around reducing cancer risk emphasise overall dietary and lifestyle patterns are more important than consumption of a singular food.



Animal welfare

1

New Zealand has some of the world's highest animal welfare standards and farmers and meat processors work hard to ensure their animals are well cared for and treated humanely.

2

We are committed to maintaining our high standards by continually reviewing and improving regulatory requirements in partnership with Government.

The Government can partner with us by:

- Continuing to work in partnership with industry to enhance animal welfare systems in New Zealand.
- Ensuring consistent application and oversight of the animal welfare regulatory environment.
- Recognising the inherent differences between extensive and intensive animal management systems and that the issues faced by the different pastoral industries may not always be the same.
- Strongly advocate for New Zealand's production and animal welfare standards on the global stage.



DISCUSSION

Animal welfare is important to the sector and we support robust and effective regulations to achieve this. Where new regulations or codes of animal welfare are being considered, early engagement with the sector will help to ensure practical issues and market expectations are accounted for and good regulatory practice is achieved.

We have taken a leadership role in collaborating across the sector including with MPI, DairyNZ, the Road Transport Forum and Federated Farmers to improve animal welfare outcomes. This has led to continued improvements in bobby calf and other areas of animal welfare over recent years.

B+LNZ led work on improving winter grazing and is also a member of the MPI taskforce to improve the animal welfare of livestock on winter grazing.



Food safety

1

World class food safety standards are critical to the meat industry and for maintaining consumer confidence in our products.

2

New Zealand is recognised as a global leader – in terms of both our industry, science and regulatory systems. This enables us to access markets and maintain New Zealand's premium global positioning.

3

We want to partner with the Government to ensure regulatory oversight services are delivered in an efficient and effective way, without compromising the independence of the regulator.

The Government can partner with us by:

- Working together to deliver on the Red Meat Regulatory Strategy and to maintain the high performance of the regulatory system for food safety, market access and reputational reasons. The Strategic Directions Group is the joint vehicle for MIA and MPI to partner and collaborate to achieve results.
- Ensuring government services are provided efficiently and in a cost-effective manner, without compromising essential food safety assurances.
- Where agreed, leveraging the regulatory systems to enable industry to meet consumer expectations in a range of non-food safety areas (e.g. animal welfare and religious requirements).
- Promoting food safety, based on risk and science outcomes, when negotiating with overseas counterparts and developing policies and responses.
- Continuing to build the New Zealand Food Safety Science and Research Centre as a centre of excellence for food safety with global influence for New Zealand.



DISCUSSION

The Animal Products Act (APA), the primary legislation for the meat industry, is based on accepted principles that the system should be risk-based and focused on outcomes. This is consistent with the internationally-accepted principles in the WTO, OIE and Codex.

The meat industry and MPI are working together to update operational standards and to develop new codes of practice to ensure the regulatory framework continues to be effective and outcomes-focused.

The APA system relies on third party verification to ensure food processors are meeting these standards. We are the most heavily regulated industry in New Zealand and unlike others (which can choose a private verifier in a competitive market), the meat industry has to use government verification and inspection.



Given the continuous regulatory oversight and the lack of contestability, it is important that services are delivered to industry in an efficient and contemporary manner in the context of a modern, science-based food safety regulatory system.

\$87 million a year is cost recovered for direct government services. This cost is seen as an investment in ensuring a world class system.

To support scientific excellence in food safety the Meat Industry Association has been a member of the NZ Food Safety Science and Research Centre since its inception. With co-investment from industry, the centre undertakes key research to develop to mitigate risk and maintain the exemplary food safety record for red meat in our global markets.

Trade

1

New Zealand's economic recovery will rely heavily on the success of our agricultural exports.

2

Agriculture is often politically sensitive and trade in agricultural products tends to be highly protected. Given the negative impacts of COVID-19 on agricultural production globally, the risks of protectionism will be higher.

3

To succeed in the current complex trading environment and weather the storm of rising protectionism, our sector needs secure access to a multiplicity of existing and future markets.

4

The removal of tariffs and non-tariff barriers (NTBs) improves the economics of our exports in a highly competitive market driven by global supply and demand.

5

The sector is also investing in its future through the development of the Taste Pure Nature origin brand, which provides a platform for marketing New Zealand's red meat to the world and telling our story.

6

We want to partner with the Government to maintain and expand markets to the benefit of New Zealand's economy.

The Government can partner with us by:

- Continuing to prioritise and take a strong leadership role on trade, including maintaining current market access; negotiating high quality FTAs in new markets; addressing current and future NTBs; enforcing global trade rules to protect New Zealand interests; strengthening the WTO and the multilateral trading system; and influencing and supporting the work of international standards-setting bodies.
- Continuing to prioritise and progress negotiations with trading partners to recognise the equivalence of New Zealand regulatory systems and food safety standards.
- Continuing to champion public support for the value of trade to New Zealand. Bipartisan support for trade is vital to ensure continuity in trade policy and consistent public messaging about its value.
- Ensuring that New Zealand's current sheepmeat and beef access into the UK and EU is not eroded post-Brexit.
- Investing in the extension of the Taste Pure Nature strategy to give it the required international scale.



DISCUSSION

Trade is fundamental to the future of the sector and the wider New Zealand economy. The red meat sector is the second largest goods exporter, generating 16.2 percent of New Zealand export revenue in 2019. The value of the sector's exports in the 12 months to 30 September 2019 was \$9.3 billion (including sheepmeat, beef, venison, and co-products, with raw wool adding another \$533 million as well).

In a post-COVID-19 world, New Zealand's export profile will be significantly affected. Preliminary forecasts indicate our red meat exports will likely rise as a percentage of total New Zealand exports, as other sectors' exports fall.

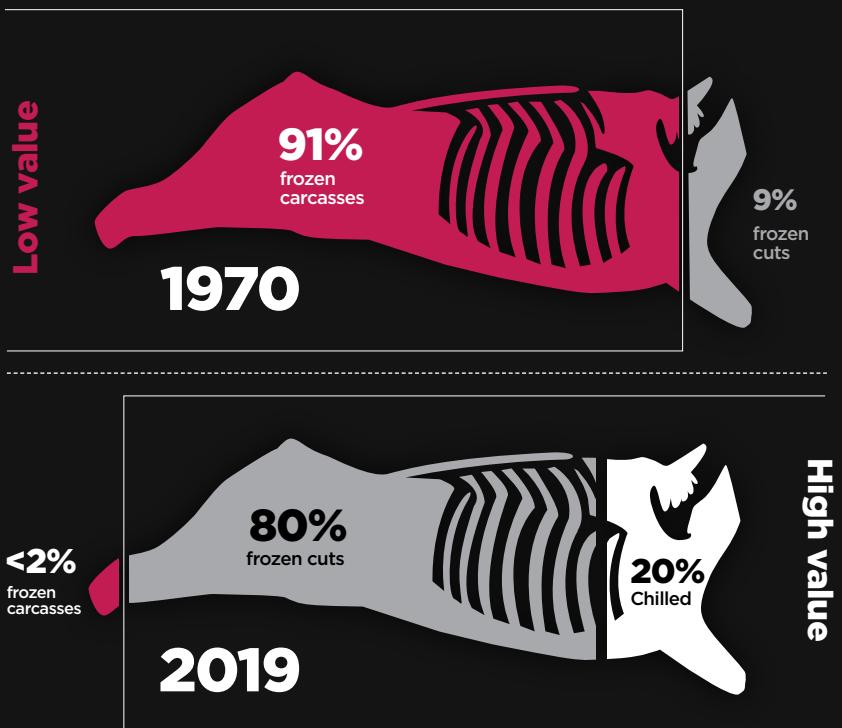
Global demand for protein and food are likely to remain high. In some markets food production and processing are likely to be disrupted. This will sustain demand for New Zealand food exports. Demand for higher value, luxury items is likely to be depressed, but mainstream product demand will be sustained. This creates both a challenge and an opportunity for our exports.

The meat industry is focused on optimising the value of each animal through matching value-add products to global customers and exporting to over 120 countries. For example, high value chilled product and frozen cuts now account for around 20 and 80

percent of lamb exports respectively. Frozen lamb carcasses make up less than 2 percent of exports today (see figure below). However, in order to successfully match product to customers, we need as many open markets as possible.

New Zealand's total red meat exports have remained largely unchanged throughout the COVID-19 crisis, with total exports surpassing NZD1 billion in March - a record for monthly exports.

Our resilience during the COVID-19 crisis can be attributed to our diverse 120 export markets and our deep understanding and relationships across our supply chains. This allowed our processing and exporting companies to shift product to different countries, and within markets, and pivot to new channels, such as from the food service sector to retail and e-commerce.



Trade

continued...

New Zealand's trade architecture, including the CPTPP and other FTAs, has delivered significant benefits to the sector.

Approximately 50 percent of our sector's trade is covered by New Zealand's network of FTAs and if the three FTAs currently under negotiation (Pacific Alliance, EU-NZ FTA and RCEP - including India) were concluded, this could increase to 72 percent coverage.

This network of FTAs saves the sector approximately \$350 million in tariffs each year. However, we are concerned about the increased negative rhetoric around trade and the deterioration of the multilateral trading system.

In 2019, the WTO failed to reach consensus on the reappointment of Appellate Body Members, thus rendering the Appellate Body ineffective. This is of real concern to the sector as a robust rules-based system underpinned by effective dispute settlement has been pivotal to the success of export-led sectors such as ours.



95 percent of sheepmeat and **86 percent** of beef production is exported to over **120 countries**



Last year, trade was worth more than **\$9.3 billion**. This was an increase of nearly \$200 million on 2017/18.



Co-products (including wool) make up around 23 percent of sheepmeat and beef exports worth around **\$2.3 billion**.



The EU currently takes **31 per cent** of New Zealand's global sheepmeat exports. New Zealand's sheepmeat quota into the EU saves the sector approximately **\$600 million** per year in tariffs.



Total tariff savings under FTAs = **\$350 million**.
Total tariffs paid in 2018 = **\$250 million**.



NZIER estimates that NTBs cost the beef sector more than **\$1 billion annually** in the Asia Pacific region alone.

We welcome New Zealand's support of the WTO multiparty appeal arbitration arrangement with the aim of overcoming the current paralysis of the WTO's appellate body.

The sector still faces significant tariffs and there has also been an increase in the use of NTBs in recent years. Removing the outstanding tariffs and addressing NTBs will help to level the commercial playing field for New Zealand companies in key markets where our competitors already enjoy preferential access, and help open up new markets to provide further opportunities for our exports.

NTBs are often costlier than tariffs. We encourage a focus on government-negotiated 'equivalence agreements' with trading partners that recognise New Zealand's regulatory systems as a means to address NTBs.

Government involvement with international standards-setting bodies, in particular the World Organisation for Animal Health (OIE) and Codex, has given New Zealand an influential role in shaping the rules for worldwide trade in animal products. It also supports the development of science and risk-based international standards. It is vital the Government continues to invest in this work.

Halal processing is a cornerstone of the New Zealand meat industry business model and is supported by a robust halal regulatory framework administered by MPI. 53 out of 60 processing plants approved for export are listed by MPI to undertake halal processing and more than 90 percent of the sheep and cattle are processed according to halal requirements.

This regulatory assurance enables companies to provide a wide range of products to Muslim countries and Muslim customers in other markets. We appreciate the partnership with MPI to ensure this regulatory framework continues to provide assurance for our trading partners, while providing opportunities for our companies.

A specific priority over the next couple of years is maintaining New Zealand's current, legally-binding WTO access into the EU and UK post-Brexit and progressing new trade agreement with these partners. Other priorities include maintaining current market access and concluding current trade negotiations (such as RCEP, Pacific Alliance, GCC). Priority should also be given to scoping out new markets with a longer-term horizon.



Taste Pure Nature – our red meat story to the world

Taste Pure Nature is the red meat sector's country of origin brand aimed at building awareness and preference for New Zealand's naturally raised, grass-fed, antibiotic- and hormone-free beef and lamb around the world.

Developed between B+LNZ and processing companies, the origin brand was successfully launched in California in March 2019 and started to be rolled out in China this year. This is a whole of sector collaboration and initiative aimed at raising the value of our red meat exports.

Quarterly tracking of the impact Taste Pure Nature is having in North America shows that awareness of New Zealand's grass-fed beef and lamb and our natural unique environment and farming practices have significantly increased since the campaign

launched. We are seeing an increase in every key metric tested.

Following the launch in North America we have piloted Taste Pure Nature in selected retail outlets in the Shandong province of China. While the COVID-19 pandemic has had an impact, the Chinese market is proving increasingly important for red meat exports and Chinese consumers are looking to red meat and its immune boosting attributes in the wake of the pandemic. The supermarket chain that was part of the pilot has recently requested to have TPN branding and marketing material in all 200 of their supermarket stores from June.





Biosecurity

1

Incursion of pests and diseases is the biggest risk to the sector and could be catastrophic to the New Zealand economy.

2

The sector is committed to partnering with the Government on biosecurity. This includes through the Government Industry Agreement (GIA) for Biosecurity Readiness and Response and becoming a *Mycoplasma bovis* response partner. B+LNZ, MIA and individual meat companies have joined the Biosecurity Business Pledge.

The Government can partner with us by:

- Continuing to invest in a strong biosecurity system aimed at keeping pests and diseases out.
- Continuing to work on New Zealand's biosecurity framework in partnership with industries.
- Supporting robust traceability systems and bringing about compulsory registration of locations where livestock are kept (farms, sale yards etc) to enable better biosecurity surveillance and responses.
- Enhancing traceability information associated with food-producing animals.
- Actively engaging in international organisations that set global standards for the trade in animal products (OIE and Codex).



DISCUSSION

The response to the detection of the cattle disease *Mycoplasma bovis* (*M. bovis*) in 2017 has seen the most significant biosecurity challenge New Zealand has ever experienced. It is also the first livestock disease response that has been run under the Government Industry Agreement framework for Government and industry cost and decision sharing. MPI, DairyNZ and B+LNZ agreed to work in partnership to seek to eradicate the disease under the *M. bovis* National Plan. The objectives of this plan, in addition to eradicating the disease, are to do so in a way which minimises the impacts on people and leaves the biosecurity system stronger.

Dealing with *M. bovis* has demonstrated the value of the GIA partnership and has provided valuable lessons for where our collective capabilities for responding to future disease incursions can and must be improved. Many of these improvements are being made along the way and this will require continued investment in biosecurity readiness and response capability from government and industry participants.

It is well recognised that prevention is better than cure and, while a zero-

risk border is not achievable, our agriculture and native flora and fauna depend upon the protection afforded by robust border standards to prevent incursion of exotic pests and diseases in the first place. It is important to New Zealand's prosperity that this protection continues to be science based and proportionate in keeping with our international commitments

As a sector, we are committed to doing our bit – whether through contributing to disease response (as with *M. bovis*) or through helping our farmers to protect their own farms through advice, workshops and farm planning. We need the government to do its part through effective border management, continuing with shared decision making and investing in core capability.

We also need the Government to be committed to representing New Zealand internationally on the bodies making biosecurity-related standards that have potential impacts for our trade. Codex and the OIE have historically been places where New Zealand's high-quality regulatory systems have enabled us to influence well above our weight, and we need to continue committing to engagement

in these organisations to retain that degree of influence.

B+LNZ and MIA intends to work with Government and other sector partners to:

1. Build on our existing on-farm biosecurity education and extension activities by developing a farm biosecurity assurance programme that would also support farmers to make better informed decisions when purchasing stock
2. Develop a business case examining the best way forward for improving the traceability of mobs of sheep moved between farms
3. Play our role in the continued improvement in the performance of NAIT
4. Invest in readiness activities and learnings from *M. bovis* to enhance capability to respond to a possible future incursion of foot and mouth disease
5. Encourage all businesses, especially those businesses whose supply chains have higher biosecurity risk, to sign up to the Biosecurity Business Pledge to actively integrate biosecurity into their business activities and supply chains.

Innovation

1

The sector is committed to continuous innovation, developing and implementing new technologies both on-farm and in processing operations so we can maintain and build our reputation as a global leader in agricultural science and ensure the highest quality product is available for consumers.

2

Initiatives on-farm range from building animal health and productivity and improving genetics to supporting environmental health, landscape management and mitigations to meet the challenge of climate change. Off-farm we are using cutting edge technology and leading New Zealand researchers to help smarten processing operations for the 21st century, protect our workforce and maintain and enhance quality, food safety, integrity and market access for our products.

3

We are focused on protecting our valuable natural resources. Our sector innovation benefits the productivity, prosperity and the wellbeing of all New Zealanders. Innovation also makes us more resilient to change and emerging risks by improving and protecting our land, livestock, people and final products and ensuring sustainability for our sector and New Zealand. Our sector provides an essential service to New Zealand and the economy. Innovation ensures we can function when challenges, such as COVID-19, arrive.

4

We want to work in partnership with Government to maintain and build New Zealand's reputation as a global leader in agricultural science and bank the gains from innovation.

The Government can partner with us by:

- Renewing its commitment to partnership with the sector and ensuring its investment strategies include long-term and sustained support for sector growth.
- Recognising the importance of an agile science/innovation funding system that supports fundamental, applied and emerging science to ensure sector longevity and resilience.
- Recognising the value of the primary sector as a major pathway for the development and adoption of new and emerging and high-value technologies to grow the New Zealand economy and continuing to invest in this.
- Providing ongoing support for core science capability development in agriculture within both CRIs and universities.
- Supporting regional technology infrastructure as a catalyst to the sector utilising more digital technologies to drive precision, efficiency and value.



DISCUSSION

The red meat sector has an active research and development programme that spans from the farm to the consumer, investing in leading-edge technologies in fields such as climate change, genetics, food safety, nutrition and emerging technologies for manufacturing.

Our aim is to support long-term growth of the sector and the New Zealand economy by building on the strong scientific base the sector has developed through sustained investment over many years, protecting our valuable resources and gaining added value and profit for our products through smart thinking and practices.

Government investment plays a major role in the sector's R&D programmes by supporting key industry initiatives in genetics, farm production, climate change, food safety and quality and production technology (via Research Partnerships, Sustainable Food and Fibre Futures Fund, core funding from CRLs, NZ Food Safety Science Research Centre). This has been of strategic importance for early-stage and long-horizon research, where risk to industry is high and the scale of investment is usually beyond the capacity of any one party alone. Government investment is highly valued and has helped build strong collaborative relationships across our sector R&D programmes.



Innovation

continued...

Areas of key investment for the sector currently include the following:



Genetics research

Beef: farmers are investing in developing the genetic infrastructure and tools to enable the use of genetics to select for more desirable animals. This will give farmers the opportunity to improve the environmental impact of their herds and the production and profit of their farms.

Sheep: a low input genetics progeny test is underway to identify animals which require less chemical inputs and have a lighter environmental footprint than other sheep. Animals and genetic markers identified in this test will be used widely across the national flock.



Hill Country Futures project

In a long-term partnership with MBIE and two seed companies, we are taking a whole farm and community approach to researching how farmers could change and reposition their farms and businesses. This includes practical work on future proofing hill country with a focus on forage selection.



Pastoral Greenhouse Gas Research Consortium (PGgRc)

Sheep and beef farmers have been researching how to reduce methane from livestock for nearly 20 years. Working across the pastoral sector and internationally, the research has focused on vaccines and inhibitors to prevent methane production in the rumen and genetics to find animals which produce less methane from the same feed. In a world first, a breeding value has been created and animals around the country are being screened to find the low methane producers.



Putting the science behind the benefits of pasture-raised red meat

A two-year study is underway to investigate the benefit of eating red meat on health and wellbeing as part of a balanced diet when compared to alternative products.



Exoskeletons - wearable technology to reduce Injury

The sector is trialing the use of exoskeletons to provide assistance for manual labour intensive tasks in the sector, reducing the risk of worker injury and improving rehabilitation and return to work.



Cutting edge technology to improve food safety

We are investing heavily in cutting edge microbiological technology, such as genetic sequencing, to improve our ability to detect and remove pathogens from our products. This will ensure the highest level of product integrity for our consumers, here in New Zealand and in global markets, protecting our reputation as a first-class producer of red meat products.



Sheep respiratory chambers - Methane Measurement Centre at AgResearch



Exoskeleton technology demonstration

Refreshing innovation programmes

As the science funding system evolves and with changing Government priorities, red meat sector programmes are struggling to gain support from Government. This places R&D programmes under threat as our sector cannot sustain the level of investment in R&D needed to face its current challenges alone. Reduced levels of funding, an ageing science population and a low intake of specialists in the field also threatens the retention of core agricultural research and development capability in New Zealand.

Over the next 2-3 years, the sector will be working to refresh its innovation programmes as government funding support for current initiatives draws to a close. We are focused on growing the sector innovation portfolios to improve sustainability, expand our capacity to manage climate change and to implement greater levels of emerging technology into our businesses. Ongoing support from Government is considered vital for these major initiatives and to ensure we have researchers in New Zealand who can assist our plans for industry growth.

We see considerable potential for the red meat sector to grow the New Zealand economy through innovation and urge the Government to continue to partner with us to achieve world class, sustainable outcomes. The primary sector is a leading adopter of technology and is well placed to grow new businesses that export agricultural know-how and technology to the world, alongside ethically raised, sustainable, superior and delicious protein for today's consumer.



Employment relations

1

The meat processing industry provides almost 5 percent of New Zealand jobs at competitive pay rates and provides opportunities for advancement and career progression.

2

Legislation needs to be sufficiently flexible to enable employers to manage dynamic processing levels, seasonality and non-salaried incentive-based wage structures.

3

We want to partner with the Government to provide for our employees without creating risks for our business.

The Government can partner with us by:

- Continuing the legislative reform of the Holidays Act 2003 to ensure employers and employees clearly understand how leave entitlements are calculated.
- Amending the Employment Relations Act 2000 or issuing guidance (in consultation with industry), to ensure the legislation does not destabilise workplace relations, in particular; the use of overtime to manage peak processing; shift cancellation arrangements within an environment where little notice can be provided; availability provisions and incentivised-based wage structures.
- Recognising that the meat processing industry has generally sound and stable employment relations, based on long-standing arrangements between companies and workers that have been tailored to the diverse work environments and company models, and that a ‘one size fits all’ approach won’t work for meat processing. If the Government wishes to proceed with ‘Fair Pay Agreements’, they should be focused on industries where there is evidence of systematic employment abuses across that industry, and not industries where there are stable and generally harmonious employment relations.



DISCUSSION

In the past three decades, the meat processing industry has been able to achieve impressive productivity gains, in large part due to individual businesses tailoring their employment relations to best suit their supply chains and production.

Given the diverse range of processors - from very large processing plants to relatively small, the range of different products, differing employment practices (such as widely varying levels of piece rates or overtime provisions between companies etc), and different business models - there is now considerable variation across the industry in employment agreements and practices. In most cases these have been done with the NZ Meatworkers Union through plant or company employment agreements (the industry being relatively heavily unionised). The Government forcing a 'one size fits all' approach would be extremely disruptive and a major backwards step for the New Zealand meat processing industry.

For this reason, the MIA has opposed proposals for Fair Pay Agreements, as these do not reflect the reality of modern meat processing employment relations.

The meat processing industry looks forward to the repeal and replacement of the Holidays Act 2003. Calculating leave entitlements under the Holidays Act 2003 is hugely problematic. Shift work, variable processing levels and use of incentivised-based wage structures place the industry within the category of employers most affected by the ambiguity of current legislation, adding significant compliance costs.

The meat industry needs to be agile to respond quickly to variability in stock available for processing due to unforeseeable external factors, such as the weather or disease (eg M. bovis).

Industrial legislation must be sufficiently flexible to enable employers to alter processing levels with surety without creating unnecessary complexity and cost. Overtime, with

associated penal rates, has provided employers and employees a stable and transparent mechanism to address peak processing periods. However, the introduction of 'availability provision' requirements threatens such arrangements.

Issuing guidance to clarify the nature of arrangements that amount to an 'availability provision' aligning legislative intent with drafting would aid stability in this area. Guidance clarifying that 'reasonable' notice of shift cancellation can in some instances be relatively short and that compensatory mechanisms already contained in employment agreements are relevant to the assessment of 'reasonable compensation', would also be of use.

A 2018 Employment Court decision clarified the position in relation to payments for (a) rest breaks for employees paid by piece rates and (b) dressing and undressing before and after work, known as 'donning and doffing'.

Education and sector capability

- 1** Having a skilled workforce is extremely important to the sector. We welcome the recent announcement of increased funding to re-train people to enter the agricultural sector and increased funding for trades and apprenticeships

- 2** The sector is also continuing to invest in education and training systems to upskill farmers and workers and promote the sector as a career pathway.

- 3** The current training model, where workers are trained in their workplace by their employer, works very well for the meat companies. However, more needs to be done to improve access to education and training opportunities for sheep and beef farmers.

- 4** The Review of Vocational Education reforms have the potential to significantly improve education and training. However, this can only be realised with strong industry leadership. Industry has taken responsibility for the implementation of the Food & Fibre Skills Action Plan, the establishment of Workforce Development Councils and the Primary Sector Centre of Vocational Excellence.

- 5** We want to work with the Government to deliver to deliver on the potential of the reforms to upskill our workforce.

The Government can partner with us by:

- Recognising that the most effective way of delivering training for both farming and processing is on the farm or in the workplace, and that classroom-based delivery models are less relevant for farming and processing.
- Supporting new Workforce Development Councils (WDCs) that are industry-led and Government enabled. WDCs for the primary and the manufacturing and logistics sectors offer an opportunity for industries to achieve synergies with other industries with similar training needs, and to develop more relevant qualifications for industry in a more responsive way.
- Supporting the development of a new Primary Sector Centre for Vocational Excellence (CoVE) which is industry-led and partners with education and training providers to develop capability to meet industry needs across the country.
- Supporting the implementation of the Food & Fibre Skills Action Plan jointly developed by industry and Government in 2019, including the actions on attraction and retention, education and workforce development, including aligning formal education and training with extension.
- Supporting efforts to promote both farming and processing as careers for young people.
- Ensuring that the transition of support and funding of training from the Primary Industry Training Organisation to the new NZ Institute of Skills and Technology minimises disruption and that key capability and systems are maintained.



DISCUSSION

Processing

The meat industry is one of the biggest trainers in New Zealand. Meat companies trained more than 5300 people in NZQA-recognised qualifications in 2018 with an 83 percent completion rate. The success of meat processing training is more significant given that a large proportion of workers entering the industry have literacy and numeracy challenges.

The training system for meat processors is extremely effective at putting new workers onto career pathways and training them – from NCEA Levels 2 to 5. Workers typically begin their career in meat processing undertaking level 2 induction training – this sometimes includes literacy and numeracy training. As workers become more experienced, they progress up the training ladder, usually to a level 4 Certificate in Meat Processing.

An apprenticeship scheme is now underway, which has to date graduated 136 apprentices in meat processing. An indicator of success is that 90 percent of apprentices are still remaining with their parent company. Central to the success of the model is that the training is integrated into day-to-day work, and usually delivered by the employer in the workplace.

Meat processing shares significant commonalities with other food

manufacturing and we seek to develop synergies with other food manufacturers.

The industry offers significant opportunities for young people in a range of areas including engineering, food science, HR, manufacturing and technology. However, the industry faces strong negative perceptions about work in the industry. We look to counter the false perceptions and portray the industry as providing rewarding work with great future career pathways.

On-farm

The farming sector is committed to investing in advancing the knowledge of beef and sheep farm owners and managers, who make up 63 percent of the farming sector, while also maintaining career pathways for junior staff. The new vocational education system needs to be designed to meet the needs of both groups.

Beef and sheep farming does not currently have access to training to the same extent that other sectors do and B+LNZ is working with Primary ITO and the Tertiary Education Commission (TEC) to improve the funding model to ensure work-related education is available to farm owners and managers. In particular, the farming sector is developing a number of farm-based cadet schemes,



- Meat companies trained more than 5300 people in NZQA-recognised qualifications in 2018 with an 83 percent completion rate.
- 90 percent of the 136 Meat Processing Apprenticeship graduates are still working in the industry.
- Only three percent of the total sheep and beef on-farm workforce are enrolled in Primary ITO programmes.
- More than 4400 red meat sector participants have undertaken B+LNZ and Red Meat Profit Partnership (RMPP) training and leadership programmes since 2016.
- 1500 farm businesses are involved in the 200 Action Groups in the RMPP Action Network Programme. This programme is considered world leading and is estimated to have returned \$26 profit at the farm gate for every dollar government and industry has invested in partnership. We believe this merits ongoing investment by Government in the long-term.

Immigration

1

There is a sustained labour shortfall of people available to undertake a range of meat processing roles. This is especially acute in regional towns where meat processors are often the largest employer, and there is a small labour pool to draw from to begin with.

2

The industry's strong preference is to employ New Zealanders, and this is an even higher priority than ever as a result of COVID-19. If the sector continues to face shortfalls, however, the ability to bring in migrant workers is crucial.

3

Processing meat in the halal manner is a cornerstone of the meat industry business model and enables demand from Muslim consumers around the world to be met.

4

MIA is committed to negotiating a Sector Agreement with the Ministry for Business, Innovation and Employment, which will explain what meat processors are doing to attract, train and retain New Zealand workers and allow meat processors to bring in migrant workers to fill the labour shortage.

5

We want to partner with the Government to ensure we have the workers we need to keep up production and export earnings for New Zealand.

The Government can partner with us by:

- Supporting the Sector Agreement on Immigration.
- Ensuring immigration policy is developed to reflect genuine industry needs.
- Ensuring Immigration New Zealand is appropriately resourced to avoid processing delays.

DISCUSSION

The industry faces a significant shortage in labour. This is not dissimilar to other manufacturing industries, only made more acute due to most meat processors operating in small regional towns where the pool of available labour is already very small.

The labour shortage means that plants cannot operate at full capacity and animals cannot be fully processed, leading to a loss of value for the company and reduced export revenue. The shortage also means that existing workers may be requested to work longer hours, affecting their work life balance.

In the face of COVID-19, the sector is committed to finding roles for those that have lost their jobs in other industries.

Traditionally, meat companies have sought to bring in workers from overseas (often from the Pacific) to meet labour shortages, often using the 'Approval in Principle' (AIP) application to Immigration New Zealand to enable overseas recruitment. This shortage is especially acute in parts of regional New Zealand, where the available labour force of work-ready workers is too small to meet the needs of large companies. Again, the process for this has proved to be often lengthy, frustrating and uncertain. Additional staff and dedicated processing teams for separate sectors within Immigration New Zealand would go some way to address these issues.

The Government's announcement in September 2019 of a Sector Agreement to be negotiated between the Government and the meat processing industry was welcomed. We look forward to attracting migrant workers to meet clear labour shortage needs, but we also accept that we have to provide assurances to the Government and to the New Zealand public that we are doing our best to employ New Zealand workers. The industry is committed to making the Sector Agreement work to fill the labour shortages that cannot be addressed by the domestic labour force.

The package of changes to immigration policy announced by the Government in September 2019 still raises some concerns, such as the retention of a maximum duration of three years for a visa for jobs paid below the median wage, followed by the need to leave New Zealand for one year.

Halal

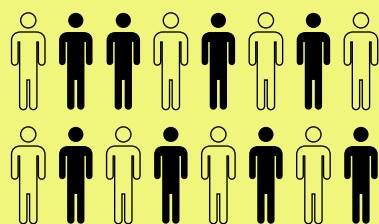
Halal processing requires a trained halal worker. However, New Zealand simply lacks the number of suitably qualified Muslim people to fill those roles. The meat industry needs approximately 240 halal slaughterers (which represents around one percent of the industry's workforce).

Approximately 100 New Zealand resident halal workers are recruited

each year through a national recruitment drive. This is part of the meat industry's commitment to giving qualified New Zealand residents employment opportunities. Halal workers are trained by the companies and receive competitive wages.

To supplement this, every year the MIA prepares an annual AIP. This is resource-intensive and creates considerable uncertainty for what is an essential labour force requirement.

In 2018/19, the MIA ran a new in-market recruitment and training initiative in Indonesia to find skilled Muslim employees. There has been good uptake by candidates and successful trainees are now going through the immigration process under the Indonesian Special Work Visa provisions as part of the ASEAN-Australia-New Zealand free trade agreement.



There is a sustained labour shortage - **2000 workers short** leading to reduced production and export revenue in 2018.

- **90 percent** of animals are processed as halal.



- **46 percent** of total red meat exports were halal certified in 2018/19. This is \$3.5 billion in export revenue and a seven percent increase since 2018.





Health and safety

1

In 2019-20, three of our people were killed working in meat processing and 15 on farms in 2019. This is on top of a high injury rate. The risks to our people remains unacceptably high despite our significant commitment in the past few years to health and safety.

2

Working with livestock and machinery means that the red meat sector has health and safety hazards that need to be well managed.

3

We are committed to working in partnership with the Government to create safer workplaces and improve the health and safety performance of the sector.

The Government can partner with us by:

- Working with the industry to devise new approaches to improving health and safety.
- Further expanding partnerships between WorkSafe NZ and industry.



4648 attendees at 177 Farm Safety Management System workshops nationwide (since 2015).

DISCUSSION

The meat industry takes health and safety very seriously and is working hard to create a safer working environment.

There is a commitment to health and safety at a senior level, including greater professionalism and capability of health and safety management.

There has been improved health and safety training and the sector is attempting to instil a health and safety culture in the workplace.

There has also been increasing investment in new technologies, such as the rapid uptake of BladeStop bandsaws (which automatically stops the machine if a hand moves too close to the blade).

At an industry level, health and safety managers and Worksafe NZ meet regularly to collaborate on health and safety issues, and develop guidelines and information across the industry. Recently, the industry has partnered with WorkSafe on new exoskeleton technology.

We accept that this is not enough, and more needs to be done to make our workplaces safer.

B+LNZ is a part of the Agricultural Leaders' Health and Safety Action Group, established to make farming safer. On-farm, the sector has worked alongside WorkSafe NZ to develop an accredited Farm Safety Management System that continues to be delivered through workshops across New Zealand.

These workshops have directly assisted thousands involved in the sheep and beef farming industry in meeting their responsibilities under legislation and help motivate them to lift industry performance. This work on health and safety management is supported by the development of joint government-industry guidance on key risk areas and activities, expanding into managing competency levels and implementing Farm Safety Management Systems as business as usual on sheep and beef farms across New Zealand.

Government has an important role in working alongside industry. We look forward to continuing to work constructively with WorkSafe NZ and ACC to achieve safer workplaces, and to further expanding industry-government partnerships to identify and manage health and safety risks.





This manifesto is our policy blueprint.

It outlines the importance of political parties working with the red meat sector as partners to re-build the New Zealand economy.

To discuss any of the challenges and opportunities in this document, please contact Beef + Lamb New Zealand or the Meat Industry Association using the details overleaf.





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