



31ST ANNUAL GENERAL MEETING

Minutes of the Annual General Meeting held in the MIA Boardroom, Level 5, Wellington Chambers, 154 Featherston Street, Wellington on 15 September 2015, commencing at 16:30

1.0 Present

Bill Falconer	Chairman
Tim Harrison	Advance Marketing Ltd Asia New Zealand Pacific Foods (ANZPAC)
Rowan Ogg	AFFCO New Zealand Ltd
Mark Clarkson	ANZCO Foods Ltd
Simon Gatenby	Taylor Preston LTD Fernridge
Willem Sandberg	Ovation New Zealand Progressive Meats
Tony Egan	Greenlea Premier Meats Ltd Universal Beef Packers Ltd
Greg Roberts	Auckland Meat Processors
Greg Roberts	Farmlands Mathias International Ltd

In Attendance:

S Dreyer	Association Secretary
T Ritchie	Chief Executive

2.0 APOLOGIES

Apologies were received from:

Peter Single	Fernridge
David Surveyor	Alliance Group Ltd
Craig Hickson	Progressive Meats Ltd
Fred Hellaby	Auckland Meat Processors
Andy Lowe	Lowe Corporation
Dean Hamilton	Silver Fern Farms Ltd
Richard Frater	ANZPAC Foods Ltd
Murray Roberts	ANZPAC Foods Ltd
Kerry Stevens	Alliance Group Ltd
Roger Stewart	Universal Beef Packers

The Chairman welcomed members to the 31st Annual General Meeting of the Meat Industry Association. The Chairman noted that, with proxies, there were 12 companies represented at the meeting (quorum is 11 companies).

3.0 CONFIRMATION OF MINUTES

Motion: That the Minutes of the 30th Annual General Meeting of the Meat Industry Association of New Zealand (Inc) held on the 23rd September 2014 in the Morrison Room , Level 6, The Wellington Club, 88 The Terrace, Wellington be adopted and confirmed without amendment.

W J Falconer/M Clarkson
Carried

4.0 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes of the 30th Annual General Meeting held on 23rd September 2014

5.0 CHAIRMAN'S AND CEO'S ANNUAL REPORT

Motion: That the Chairman's and CEO's Annual Report for the year ending 30 June 2015, as contained in the 2014 Annual Report, be received.

W J Falconer /T Harrison
Carried

6.0 ANNUAL ACCOUNTS (YEAR ENDED 30 JUNE 2015)

Motion: That the Financial Report for the year ending 30 June 2015 be received.

W J Falconer/S Gatenby
Carried

7.0 SPECIAL RESOLUTIONS

There were no special resolutions.

8.0 ELECTION/APPOINTMENT OF COUNCIL

The Chairman advised that nine valid nominations had been received for the nine Council positions.

The Chairman then noted, of the nine nominations, four individuals are appointed as of right pursuant to Rule 13.1(a)¹, these were:

Dean Hamilton	Silver Fern Farms Ltd
David Surveyor	Alliance Group Ltd
Rowan Ogg	AFFCO New Zealand Ltd
Mark Clarkson	ANZCO Foods Ltd

The Chairman **moved** that the four individuals named above be appointed to Council until the 2016 Annual General Meeting

W J Falconer /M Clarkson
Carried

¹ Each processor whose annual subscription in the preceding Financial Year represents 10% or more of the MIA's annual budget paid by Processors in aggregate may appoint a person as a Council member

The remaining five nominees were eligible for the five remaining vacancies, one under Rule 13.1(b)² and four under Rule 13.2(c), these were:

Tony Egan	Greenlea Premier Meats Ltd
Simon Gatenby	Taylor Preston Ltd
Tim Harrison	Advance Marketing Ltd (Nominated by Exporter Representative)
Fred Hellaby	Auckland Meat Processors Ltd
Craig Hickson	Progressive Meats Ltd

The Chairman **moved** that all nominees named above be appointed to Council until the 2016 Annual General Meeting

W J Falconer /M Clarkson
Carried

9.0 APPOINTMENT OF AUDITORS

Motion: That KPMG be re-appointed Auditors of the Association for the year ending 30 June 2016

W J Falconer/T Egan
Carried

10.0 GENERAL BUSINESS

There being no further business the meeting closed at 16:39

² At least one (1) Council Member shall be elected from persons nominated by Members who are Registered Exporters

Appendix One

ANNUAL REPORT

During the year ended 30 June 2015 total exports from the sheep and beef industry were \$7.3 billion, some \$600 million more than the previous year. This was achieved despite continuing uncertainty in our major markets for lamb, and because of strong global demand and prices for beef.

Over the period companies were cautious in procurement and inventory management, and overall we witnessed relative stability for the sector. Nevertheless, we have not escaped the effect of a number of unpredictable events, including the ongoing impact of New Zealand's drought, a downwards correction in Chinese economic growth, continuing uncertainties regarding beef exports to Indonesia, and fluctuating demand in Europe.

We are fortunate that the New Zealand meat production model, with a foundation of highly efficient pastoral farming and competitive processors and exporters selling a diversified mix of products to many markets, makes the sector flexible and resilient enough to weather these challenges and to grow.

The emergence of China as a principal market for lamb and a growing market for beef led to a recognition that it would require particular attention, both to build on relationships with importers and those in the China value chain, and to promote markets for higher value products. Experience during the year past also demonstrated that, such is their size, small changes in China's commodity markets can have significant impacts on demand and price. Companies have accordingly taken steps to lift their marketing investment in China, and indeed other Asian markets, to introduce brand and product promotion.

It is now five years since the Red Meat Sector Strategy was introduced and it is pleasing to see that many of its themes have been adopted, particularly in the PGP programmes progressively initiated by some of the major processors, and by the Red Meat Profit Partnership spearheaded by Beef + Lamb New Zealand. Collaboration, it is happening where it should – in greater vertical integration of the value chain, in which through selective contract procurement arrangements, farmers are linked to customer demand.

It is pleasing that a FTA has been signed with Korea which will result in the eventual removal of more than \$50 million in tariffs, and eliminate the disadvantage New Zealand would otherwise have faced relative to that of its competitors. While the WTO remains moribund, a network of free trade agreements is important to New Zealand's and our market development.

But once an agreement is concluded there remains a lengthy process of securing agreement on the food safety provisions under which New Zealand product will be accepted in the market concerned, including provisions for regular inspection and audit. A FTA is just the start – the hard work is in building and deepening ongoing relationships with markets.

China is a good example of this. The China FTA has provided significant benefits for our industry, and we are generally in a good position compared to other exporters. There have, however, been hiccups along the way, and there remain a number of outstanding market access issues.

In June 2014, MIA sent a senior delegation to China to demonstrate the importance our industry places on the Chinese market, and to initiate an enduring whole-of-industry relationship with the principal Ministries and industry bodies who regulate and influence the conditions under which we trade in China. During Chinese President Xi's visit to New Zealand in November 2014 we signed a Memorandum of Understanding with CCCFNA (the Chinese Chamber of Commerce responsible for agriculture). Earlier in July 2015, we hosted a business delegation from China, signing an MoU with the China Meat Association and further strengthening 'industry to industry' collaboration through that body. This is an ongoing process, and later in 2015 MIA will be sending a follow-up industry delegation to China.

However, as at August 2015, the Trans Pacific Partnership (TPP) is still not over the line. Such an agreement would likely see significant market access improvements in traditionally protectionist markets such as Japan and the United States. This is especially important where some countries have gained preferential access to TPP countries such as Japan, while New Zealand exporters are placed at a major tariff disadvantage. However, the TPP is not only just a matter of lowering tariffs and removing quotas, but it is also about providing a vehicle for the promotion and acceptance of New Zealand regulatory guarantees for food safety and biosecurity.

At the beginning of 2015 the Indonesian government put in place restrictions on the importation of beef. These have no evident scientific or food safety justification, but have had the effect of significantly reducing New Zealand's meat exports to Indonesia. MIA is pleased that the New Zealand government has joined the United States in pursuing a case against these restrictions at the WTO.

The MIA has been involved in some major domestic policy matters this year. A biosecurity incursion is potentially the single biggest threat to the meat processing industry. We are pleased that last year MPI committed resource to fixing a number of gaps in the biosecurity response system through a partnership with MIA and other primary-industry organisations. However, while there were improvements to biosecurity readiness in 2015, there is still a lot more work to go, including reaching agreement on funding as between the government and industry.

The Government has recently passed sweeping changes to health and safety legislation, and MIA has taken an increasingly active role in the development of the proposed regulatory changes. The MIA is leading work on meat industry health and safety standards, and is engaged with the Government on the development of regulations.

Early in 2015, MIA became engaged in negotiations with MPI regarding intended changes to charges recovered from industry for regulatory services provided by MPI. The proposed increase in charges on the meat industry of several million dollars was to meet a historical MPI deficit, not attributable to meat processing. We are very pleased that MIA's engagement resulted in only a very minor eventual increase in charges for processors. MPI have also proposed a review of the 'first principles' underpinning its cost recovery processes, which will keep MIA fully engaged in the coming year.

Innovation continues to be another area of focus for the industry and for MIA. Innovation initiatives are often undertaken out of the spotlight, but are important for the industry as they add value, ensure ongoing improvements to food safety and integrity, and increase processing efficiency. This year MIA established the Meat Industry Research and Innovation Fund (MIRIF), a 50:50 partnership between the MIA on behalf of meat processors, and MBIE on behalf of the government. Through processors collaborating, the MIA has been able to leverage greater

funding and support for a broader range of innovation projects than would have been possible if companies had pursued them individually.

Finally, as debate about industry structure has continued during the year, it is worth reiterating the point made in last year's annual report that MIA does not have the mandate to involve itself in what are essentially ownership matters. MIA's focus is on areas, including those outlined above, where the industry seeks to work collectively – and while there is much work to do it is pleasing to note and record the good progress on all fronts during the year – and that while challenges will inevitably continue, the future is nevertheless very positive.

Bill Falconer
Chairman

Tim Ritchie
CEO