

Media Release

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Research project will transform sheep meat processing

Leading meat industry companies and the Foundation for Research Science and Technology are partnering on a \$16.7 million research initiative designed to transform sheep processing using sophisticated automation technology

Meat Industry Association (MIA) Chief Executive Tim Ritchie says the project is the most significant innovation undertaken by the industry for 20 years and will deliver productivity improvements of up to \$43 million a year within five years.

The Foundation is investing \$8.36 million over six years with the rest of the funds provided by MIRINZ Inc (\$1.3 million), which funds research to improve the New Zealand meat industry's profitability, and nine industry partners, who have joined together to form Ovine Automation Limited. The research will be carried out by Industrial Research Limited and Miller's Mechanical (NZ) Limited both of which have a track record in automation solutions for the meat processing industry.

Researchers plan to use state-of-the-art sensing and robotic technology to fully automate the early stages of sheep processing including removing the pelt and the internal organs. The technology will mean 18 fewer people are needed on each processing chain, per shift, improve pelt and meat quality, and cut costs related to accidents and injuries.

Tim Ritchie, who also chairs the Board of the Ovine Automation Limited (OAL), says the collaborative gains offered by the project are a rare opportunity in the history of New Zealand's meat processing industry.

"Like other processing industries, the meat industry urgently needs tailored automation solutions that can improve productivity and profitability. New Zealand has traditionally been at the forefront on technological innovation in the sheep meat industry and this initiative will put us back at the head of the pack."

The meat industry employs around 23,000 people at the height of the processing season but, Mr Ritchie says, it faces a growing labour shortage in the medium to long term. "As well as tackling the shortage, the project will make jobs in the meat industry more attractive. Rather than carrying out repetitive and heavy manual labour, workers will be operators of sophisticated technology."

Mr Ritchie says the involvement of most of the large and small players in sheep processing in New Zealand dispels the myth that the industry does not collaborate.

"OAL shareholders understand that the industry needs to do something on a big scale, a real step change that is beyond the resources of any single company. We are committed to working together to face the challenges at home, in terms of competition for land from dairying, and abroad, where other sources of protein can be produced quickly and cheaply."

Foundation investment is being made through its research consortia funds which are designed to increase private sector research investment and support projects that deliver significant downstream benefits through industry use and uptake. The Foundation currently has around \$24 million per annum invested in 13 research consortia covering areas including new apple and pear varieties, novel building materials and systems from timber, new grass varieties and dairy-based functional foods and therapeutics.

Foundation Senior Business Manager Robert Matheson says greater automation in New Zealand's sheep meat industry will help to ensure sheep meat remains a successful export industry.

He says it's exciting to see industry players teaming up to invest in science and technology.

"This is the first research consortium to be completely owned by industry, with no shareholding from research organisations. It makes sense for the industry to own the technology as they are best placed to drive its implementation."

Mr Matheson says the Foundation funding for OAL is complementary to another Foundation investment in Robotic Technologies, a joint venture between Scott Technology and Silver Fern Farms. The \$4 million Foundation investment is helping to develop automation technology for lamb boning.

"OAL's research will automate early stage processes and Robotic Technologies will do the same for the lamb boning room. Together, these innovations will lead to greater efficiency across the whole processing chain."

Richard McColl, Innovation Programme Manager with MIA and manager of the new consortium says research will begin immediately and the new tools will be progressively available from 2012.

"We will be testing equipment in real world conditions in meat processing plants as it is developed so processing companies can view it in action and buy each module as it becomes available."

The nine meat companies involved in the consortium are:

- Silver Fern Farms
- Alliance Group
- ANZCO
- Taylor Preston
- Progressive Meats
- Bernard Matthews
- Crusader Meats
- Auckland Meat Processors
- Blue Sky Meats

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About the Foundation:

The Foundation for Research, Science and Technology invests over \$500 million a year on behalf of the New Zealand Government in research and development to enhance the wealth and well being of New Zealanders.

The Foundation's research consortia scheme funds significant, longer-term research contracts between the government and partnerships of private companies, industry groups or research organisations.

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