



## 35<sup>TH</sup> ANNUAL GENERAL MEETING

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Draft Minutes of the Annual General Meeting held in the MIA Board Room, level 5, 154 Featherston Street, Wellington on 10 September 2019 commencing at 4.31pm

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### Present

John Loughlin Chairman

### Members

Fred Hellaby	Auckland Meat Processors Ltd
Craig Hickson	Progressive Meats Ltd
Craig Hickson	Ovation NZ Ltd - <b>PROXY</b>
Simon Gatenby	Taylor Preston Ltd
Simon Gatenby	Fern Ridge Ltd - <b>PROXY</b>
Tony Egan	Greenlea Premier Meats Ltd
Tony Egan	Universal Beef Packers Ltd - <b>PROXY</b>
Tim Harrison	Advance Marketing Ltd
Simon Limmer	Silver Fern Farms Ltd
Nigel Stevens	AFFCO New Zealand Ltd
Marcus Adam	Wilmar Gavillon Ltd
Mark Frost	Wilmar Gavillon Ltd (no vote)
Ahmad Zainudin	NZ Natural Beef and Lamb Limited

### Affiliate Members

None

### In Attendance:

Tim Ritchie	Chief Executive
Beverley Dixon	Association Secretary
Christopher Guy	MIA In-house Legal Counsel

### 1.0 APOLOGIES

#### Apologies were received from:

Peter Conley	ANZCO Foods Ltd
David Surveyor	Alliance Group Limited

The Chairman welcomed members to the 35<sup>th</sup> Annual General Meeting of the Meat Industry Association. With proxies, there were 12 members represented at the meeting (quorum is 11 members).

### 2.0 CONFIRMATION OF MINUTES

**Motion:** That the Minutes of the 34<sup>th</sup> Annual General Meeting of the Meat Industry Association of New Zealand (Inc) held on 18 September 2018 in the MIA Boardroom level 5, 154 Featherston Street, Wellington be adopted and confirmed without amendment.

Craig Hickson / Simon Limmer  
**Carried**

### **3.0 MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the minutes of the 34<sup>th</sup> Annual General Meeting held on 10 September 2018.

### **4.0 CHAIRMAN'S AND CEO'S ANNUAL REPORT**

The Chair briefly outlined the contents of the Chairman and CEO's annual report and thanked Councillors for supporting the work of the Association.

**Motion:** That the Chairman's and CEO's Annual Report for the year ending 30 June 2019, as contained in the 2019 Annual Report, be received.

Fred Hellaby / Tim Harrison  
**Carried**

### **5.0 ANNUAL ACCOUNTS (YEAR ENDED 30 JUNE 2019)**

**Motion:** That the Financial Report for the year ending 30 June 2019 be received.

Simon Gatenby / Tony Egan  
**Carried**

### **6.0 PROPOSED RULES CHANGE**

**Motion:** That the Rules of the Meat Industry Association of New Zealand (Incorporated) as tabled be adopted pursuant to Rule 22 (requiring the affirmative vote of 90% of the total votes of the Members present and entitled to vote and any postal votes) and that any three Members are authorised to sign the Rules as adopted.

Tim Harrison // Simon Limmer  
**Carried**

The CEO summarised the notified proposed change to the MIA Rules, noting the following:

- The MIA Rules have a \$275,000 cap and any excess is pro-rated across other members.
- Two years ago MIA and B+LNZ agreed to fund a resource in Europe to pursue the industry's Brexit interests and there was a Rule change to increase the cap for two years to cover MIA's share of that funding. We are at the position where Brexit continues and Council is of the view that the resource should continue 50/50 with B+LNZ.
- The previous cap is insufficient as there is also an advocacy plan in addition to the costs of the person on the ground. Council took the view MIA needed to invest in communications and that required an additional \$50,000 annually, and also the economic resource we have discussed today. There is a need to lift the cap to \$360,000 to allow that to happen over the next two years.
- The cap will revert to \$275,000 at the end of the two year period.

The Chair noted raising the cap is an enabling function and Council can review when approving the annual budget.

The CEO advised David Surveyor was concerned about increasing the cap again, but he understood there were additional projects to be funded. David asked that his fellow members be made aware of the need for the increase.

Breakdown of votes of those members present and/or entitled to vote via proxy or postal vote in accordance with the MIA Rules:

8	Present in the room in support
Nil	Present in the room against
2	Postal Votes in Support
Nil	Postal Votes against
3	Proxy Votes in Support
Nil	Proxy Votes against

The proposed rule change was passed by a 100% affirmative vote.

## **7.0 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)<sup>1</sup>, these were:

David Surveyor	Alliance Group Ltd
Nigel Stevens	AFFCO New Zealand Ltd
Peter Conley	ANZCO Foods Ltd
Simon Limmer	Silver Fern Farms Ltd

The remaining five nominees were eligible for the five remaining vacancies, one under Rule 13.1(b)<sup>2</sup> and four under Rule 13.1(c). The MIA Council had approved of the nomination of Craig Hickson and Simon Gatenby by related parties pursuant to Rule 13.3. The nominees were:

Tim Harrison	Advance Marketing Ltd (Rule 13.1(b))
Fred Hellaby	Auckland Meat Processors Ltd
Tony Egan	Greenlea Premier Meats Ltd
Craig Hickson	Progressive Meats Ltd (nomination approved by Council pursuant to Rule 13.3)
Simon Gatenby	Taylor Preston Ltd (nomination approved by Council pursuant to Rule 13.3)

There being nine nominations for nine vacancies, the nominees were considered duly elected.

## **8.0 APPOINTMENT OF AUDITORS**

<sup>1</sup> 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

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

**Motion:** That KPMG be re-appointed Auditors of the Association for the year ending 30 June 2020.

Fred Hellaby / Craig Hickson  
**Carried**

#### **9.0 GENERAL BUSINESS**

There were no items of general business.

There being no further business the meeting closed at 4.44pm

## Chairman's and CEO's Annual Report 2019

This year, the primary sector is facing challenges on a number of fronts and this year, the big story is climate change.

The Government is pushing ahead at speed with the Zero Carbon Bill currently before Parliament. Most of the Bill is common sense and as a sector we understand we have a role to play to reduce greenhouse gas emissions.

But the methane targets in the Bill came as a surprise to us and have all the hallmarks of a messy political compromise. These targets are not credible given the short-lived nature of methane.

Worse, based on current technology, the proposed methane targets would likely inflict enormous damage on the sector. The only current way to achieve a 10% reduction in methane by 2030 is by reducing livestock, with a flow on impact onto meat processing, food production and onto regional communities and the wider NZ economy.

From the perspective of MIA, an important principle is that, in keeping with the split gas approach, any methane target should be at a level where there is zero increased temperature impact (the same as net zero for long-lived gases).

The Bill also calls for carbon dioxide to go to net zero by 2050. We have grave concerns at the long-term impacts of fossil fuel users being able to offset their continuing emissions by planting permanent pine forest. We accept that in the short-term being able to offset is necessary – meat processors are big users of coal, and it will take time to convert our plants to other sources of energy. But there are long-term consequences for the New Zealand landscape and pastoral sector. The issue is complex, but it needs to be considered in a comprehensive, measured way.

A united primary sector has released the Climate Change Commitment, which outlines our collective commitment to respond to climate change. The Commitment details a practical 5-Year Programme of Action, aimed at on-farm behaviour change and commits \$25 million a year to implement this work.

Importantly, we also accept that from 2025 farmers will individually pay a price on their measured emissions. But any pricing, to be effective, has to be set at the minimum necessary to drive behavior change and uptake of new technology, and to ensure that farmers only pay where those emissions are truly creating increased warming.

Negotiating sensible, practical new legislation around climate change is only the first step for us. We need to move from a compliance mindset to an opportunity mindset, and to create and tell a great story as a sector. This can be a basis of building further premiums into the values of our products. We cannot do this without a sensible legislative framework, but that framework is only the start.

Within our primary sector we have world-leading innovative, high-tech complex production and manufacturing businesses producing food for global customers and which are delivering real and tangible benefits to regional New Zealand and the wider economy. Knee-capping the primary sector will ultimately kneecap our national ability to provide well-being to our citizens.

Another challenge we are facing is the government's decision to replace the current industry training organisations (ITOs) with "Workforce Development Councils" and to shift the role of ITOs in supporting workplace-based training to a new 'mega-polytechnic'. While we recognise more needs to be done to improve access to training opportunities, the current vocational training model, where employers undertake training on-site, works well for the meat processing industry.

The meat industry is one of the biggest trainers of New Zealand workers. In 2018, the sector had approximately 5,300 people undergoing NZQA-accredited, employer-led, delivered and assessed on the job training – achieving an 82 per cent completion rate. It is important that the Government

provides more detail and certainty about how workplace-based training by employers will be supported in the future.

The international trade environment also continues to be in flux. Despite strong global prices and increasing demand in many countries for safe, high quality meat, uncertainty and market access challenges remain.

Three years after the UK referendum vote to leave the EU, we are still grappling with what Brexit will look like and how it might impact access to our most valuable sheepmeat market. The EU and UK are planning to split the New Zealand specific tariff rate quotas for sheepmeat and beef post Brexit which would affect New Zealand's legally binding rights. We remain firm that our legally binding rights must be respected and are willing to look at creative solutions to achieve this.

The on-going concerns about the future of the WTO, US/China trade tensions, and the impacts of African Swine Fever are also impacting the dynamics of global markets. The WTO and its rules-based system is fundamental to the success of small trading nations like New Zealand particularly given the rise of protectionism globally. We have benefitted from the ability to enforce international trade commitments and we strongly support the efforts of Government to preserve the multilateral trading system based on rules and fairness.

China has rapidly grown to become our largest market for sheepmeat, beef and co-products taking more than a third of our exports in 2018/19. African Swine Fever has affected pork production and has led to a surge in demand for other meats. And while this is a boom for our exports, many premises are still not listed to supply chilled meat exports. We are continuing to invest in relationship building programmes in China, to help better position our exports, enable exporters to achieve better commercial outcomes and to support government's efforts to maintain and secure additional market access.

The red meat sector faces a multitude of challenges from on-farm, at processor--level and in our global markets. Despite these challenges there are a great many opportunities for the sector with a rising global demand for natural protein and consumers who are prepared to pay a premium for red meat produced as nature intended, free from hormones and antibiotics.