



EVENT BRIEFING

Meeting with Meat Industry Association of New Zealand Incorporated, 25 March 2025

Date:	24 March 2025	Priority:	Low
Security classification:	In Confidence	Tracking number:	REQ-0011621

Action sought		
	Action sought	Deadline
Hon James Meager Minister for the South Island	Meet with Meat Industry Association of New Zealand Incorporated	25 March 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	General Manager Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	Privacy of natural persons	
Cory Hagenaars	South Island Lead Advisor, Kānoa	Privacy of natural persons	√

The following departments/agencies have been consulted
Ministry for Primary Industries

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Purpose

To provide background and supporting information for your meeting with the Meat Industry Association of New Zealand Incorporated (MIA), at 12.30pm to 1.00pm, on Tuesday, 25 March 2025.

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommend you:

- a **Note** the information in this briefing to support your meeting with MIA.

Noted

Karl Woodhead
General Manager
Strategy, Planning and Performance
Kānoa – Regional Development & Commercial
Services, MBIE

24 / 03 / 2025

Hon James Meager
Minister for the South Island

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Your meeting with Meat Industry Association of New Zealand Incorporated

1. On Tuesday, 25 March 2025, you will meet with Sirma Karapeeva, Chief Executive, and Ashlin Chand, Manager Policy and Trade, from the Meat Industry Association of New Zealand Incorporated (MIA). The meeting is scheduled from 12.30pm to 1.00pm, in your office. Biographies of attendees is provided in the about the attendees section.
2. The meeting is an introductory one to MIA and an opportunity to be briefed on their work and the red meat sector. MIA is likely to raise the recent closure of Alliance Group's Smithfield meat processing plant in Timaru.
3. Additionally, MIA have advised they will be inviting you to speak at their upcoming Red Meat Sector Conference, that is being held on 21 and 22 July 2025, in Christchurch. The conference is held annually with the aim of promoting and fostering the red meat sector by providing a framework for engagement with farmers, industry and networks, and showcasing innovation and best practice.

Meat Industry Association of New Zealand Incorporated

4. MIA is a voluntary trade association representing New Zealand meat processors, marketers and exporters. It is an Incorporated Society (owned by members) that represents companies supplying New Zealand sheep meat and beef exports.
5. MIA member companies operate more than 60 slaughter and further processing plants, employing 25,000 people throughout the country. The plants process around 22.9 million sheep and 4.6 million cattle annually. Ninety percent of this production is processed into value-added products. Over a million tonnes, or 86 percent of total production, is exported to more than 110 overseas destinations.
6. The Association advocates on behalf of its members and provides leadership and advice to help ensure a thriving red meat industry. Areas of strategic focus are:
 - Trade and market access – monitoring food safety trends and developments in importing countries, and ensuring members maximise returns from global markets by improving market access conditions.
 - Government policy and regulation – ensuring these are fit for purpose and avoids negative consequences that could impact the future of the industry.
 - Communication and advocacy – ensuring New Zealanders understand the valuable and positive role the red meat sector plays in our economy and society.
 - People and skills – ensuring the industry has access to the right people, training, and health and safety practices so it can continue to operate more efficiently and safely at optimum levels.
 - Innovation – ensuring the industry has access to the best research and development and science innovations to achieve its potential.
 - Biosecurity – ensuring New Zealand's biosecurity readiness and response settings are robust and able to protect against and/or manage an incursion.
7. Nathan Guy, former National Party Member of Parliament and Minister for Primary Industries from 2013 to 2017 is the current Chair of MIA.

Red Meat Sector

8. The red meat sector is a cornerstone of New Zealand's economy, returning more than \$11.00 billion (approximately 2.5 per cent of total GDP) in export revenue to the country, supporting approximately 92,000 jobs (5 per cent of total national employment), and contributing significantly to regional and rural communities¹.
9. The sector has struggled in recent years with low commodity prices, high input costs, and challenging global markets.
10. The Ministry for Primary Industries' Situation and Outlook for Primary Industries December 2024² report shows the sector is slowly recovering, but that it will be some time before export returns come back to levels experienced in 2022-2023.
11. There is growing optimism in the sector with commodity prices improving. Meat and wool export revenue is forecast to increase by \$1.4 billion (to \$11.40 billion) in the year to 30 June 2025, with rising prices offsetting declines in export volumes. Higher prices are being driven by tighter global beef and mutton supplies as well as robust demand from Europe and the United States of America.
12. However, the sector may not be able to fully capitalise on higher prices due to reduced production and export volumes resulting from a smaller flock, lower lambing rates, and post-drought herd rebuilding. Farm profitability is forecast to fall in 2024/25 due to an increase in schedule prices being more than offset by higher expenses and fewer livestock sent for slaughter.
13. Shifting global trade patterns will continue to play a vital role in the sector's rebound. While China remains an important market, New Zealand exporters have diversified, increasing shipments to markets where demand is stronger – such as to the United Kingdom, European Union, United States of America, and Canada.

The Red Meat Sector Strategy and Priorities

14. MIA launched an updated Red Meat Sector Strategy (RMSS)³ in December 2020, which set out four key goals for the sector to achieve by 2030, including:
 - sustainably profitable
 - premium value
 - vibrant communities, and
 - trusted guardianship.
15. Building on these goals, the sector's 2025 strategic priorities are set under three pillars:
 - Market Position: continue to grow the recognition of, and value from New Zealand pasture-based farm systems and the sustainable nutrition they create.
 - Innovation: continue to invest in partnership with the government, and in strategic projects, particularly in data and digital technology, to position the sector for the future.
 - Sustainability: continue to invest in improving the environmental footprint and communicating progress to consumers and the public.

¹ Source: [Summary manifesto 2023 \(final master\).pdf](#)

² [Situation and Outlook for Primary Industries \(SOPI\) December 2024](#)

³ [MIA-Annual-Report-2024_final.pdf](#)

Challenges

Climate and environment policy

16. Climate change is presenting various challenges, with increasingly adverse weather events impacting not only supply from sheep and beef farmers in New Zealand, but also meat processors and exporters.
17. Although New Zealand's livestock farmers are among the most sustainable in the world, the sector faces scrutiny for its environmental impact, including methane emissions and nitrate leaching from livestock. There is an expectation on farmers to adopt more sustainable practices which often require significant investment.
18. The red meat sector is committed to doing its part to address climate change, improving waterways, and protecting New Zealand's biodiversity.

Workforce and Industrial Relations

19. The sector's sustained labour shortage and difficulties in attracting and retaining talent is restraining processors from reaching their full potential. This also has knock on implications for training and development opportunities for staff, and innovation.

Rising input costs

20. Escalating costs for feed, labour, and compliance with regulatory standards put pressure on farm profitability. Total farm expenditure is expected to increase driven by higher regional and district council rates and farmers coming up for fixed-term mortgage renewal. Following a 54 percent decline in 2023/2024, average farm profit before tax for all classes of sheep and beef farms is forecast to fall a further 7 percent to \$45,200 in 2024/2025⁴. Farmers continue to defer maintenance and other expenditure where possible in response to squeezed profits⁵.

Market volatility

21. While global demand and trade patterns are improving, global demand for red meat, particularly in key markets such as China, has been inconsistent. Economic slowdowns and changing consumer preferences, such as a shift toward plant-based protein alternatives add to the uncertainty.
22. Additionally, United States of America (USA) President, Donald Trump's, new tariffs on key trading partners imports into the United States could create global market volatility and result in more meat directed into our key markets in-turn impacting prices.
23. If the USA implements new tariffs on New Zealand meat exports under its "Fair and Reciprocal Plan"⁶, beef and lamb could face increased costs, reduce competitiveness and potential declines in demand in the USA markets.

Overcapacity in processing

24. The sector has faced issues with surplus processing capacity, as seen in the closure of Alliance Group's Smithfield plant. This reflects broader challenges in aligning processing infrastructure with livestock numbers.

⁴ Source: [new-season-outlook-2024-25.pdf](#)

⁵ Source: [Situation and Outlook for Primary Industries \(SOPI\) December 2024](#)

⁶ Source: [Fact Sheet: President Donald J. Trump Announces "Fair and Reciprocal Plan" on Trade – The White House](#)

Closure of Alliance Group's Smithfield meat processing plant

25. Alliance Group (Alliance) are a 100 per cent New Zealand farmer owned cooperative producing free range grass-fed lamb, beef, venison and other secondary products. These products are available in more than 65 countries across the world.
26. In October 2024, Alliance confirmed it would close its Smithfield meat processing plant (the plant) in Timaru, which it owned since 1989.
27. The plant, after operating for 138 years, faced declining sheep processing numbers because of land-use change which resulted in surplus capacity in the plant network, making it unsustainable to maintain excess processing capacity when livestock numbers were insufficient.
28. Alliance operates six other plants at Lorneville (near Invercargill), Maitaia Southland, Pukeuri (near Oamaru), Nelson, Levin, and Dannevirke.
29. Alliance stated their forecasting indicated they could process their farmers' sheep, deer, and cattle during peak season across their four remaining South Island plants. The closure of the Timaru plant also meant they would have a reduced cost structure, better aligning with the needs of their farmers and customers.
30. The plant employed approximately 600 staff during peak seasons. It is reported the company spent \$51.00 million on redundancies for those who lost their jobs and the subsequent plant closure⁷.
31. In April 2024, Alliance announced a \$200.00 million capital raise following after-tax losses of more than \$70.00 million in the 2023 financial year and \$95.8 million in the year ending September 2024. For the year ending September 30, 2024, turnover was \$1.80 billion while the previous year's turnover was \$2.00 billion (year ending 30 September 2023⁸).
32. Alliance will soon make decisions on how the capital will be raised, whether through their farmer-shareholders or via a partial or full sale of the cooperative.

About the attendees

33. Biographies of meeting attendees is below.

	<p>Sirma Karapeeva, Chief Executive, Meat Industry Association</p> <p>Sirma joined the Meat Industry Association (MIA) as Trade and Economic Manager in March 2015 after a career in the public sector. She was appointed Chief Executive in April 2020.</p> <p>Prior to joining MIA Sirma worked at the Ministry for Primary Industries in their trade policy team, where she was involved in progressing the primary sector interests in the negotiations of goods market access, and sanitary and phytosanitary provisions in New Zealand's free trade agreements.</p> <p>Sirma has also represented New Zealand's interests at a number of international forums including the World Trade Organisation and the Asia Pacific Economic Cooperation.</p>
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⁷ Source: [Alliance group Smithfield plant in Timaru shuts its doors after 138 years](#)

⁸ Source: [ALL0932 AnnualReport 2024 SinglePages FA WEB.pdf](#)

**Ashlin Chand, Manager Policy and Trade, MIA**

Ashlin joined MIA in July 2022 as Senior Policy Advisor after an extensive career at the Ministry for Primary Industries.

She has held roles that focussed on New Zealand's domestic forestry and horticulture sectors, as well as climate change and resource policy, and trade negotiations.

Most recently, Ashlin was the First Secretary (Primary Industries) at the New Zealand Embassy in Beijing where she represented New Zealand's agriculture interests and its cooperation relationship with China.

Risks and mitigations

34. No risks identified.

Annexes

Annex One: Recent announcements relating to the red meat sector

Annex One: Recent announcements relating to the red meat sector

35. **On 6 March 2025**, Hon Todd McClay, as Minister of Agriculture said strong demand and favourable export prices combined with new export opportunities in Europe and the Middle East will see New Zealand's beef and lamb farmers add an extra \$1.20 billion to their bank accounts this year as the primary sector helps to grow the economy.

"Red meat exports are forecast to grow by 13 per cent this year which will have a positive economic impact on many of our provincial towns.

"New Zealand's trade is extremely diversified with our network of FTAs offering exporters choices about where they send their products. For example, the newly enacted trade agreement with the European Union has seen goods exports to Europe increase by more than 24 per cent over the last year with sheep meat playing a big part in this growth."

Mr McClay says lamb prices have increased by 20 per cent over the last year and mutton prices up by 70 per cent.

Total red meat exports are expected to reach \$10.2 billion this year with increased demand from key markets seeking high quality, safe, grass-fed food and fibre from New Zealand.

Source: [High quality Kiwi beef and lamb helps lead economic recovery | Beehive.govt.nz](#)

36. **On 15 February 2025**, Hon Todd McClay, as Minister of Agriculture, hosted a Lamb barbecue for farmers, industry representatives, Members of Parliament, and media to mark National Lamb Day.

"As we celebrate National Lamb Day, Parliament honours the legacy of early sector pioneers and acknowledges the hard work and resilience of our farmers, processors, and exporters -- your dedication ensures that New Zealand's red meat sector remains world leading and ready to grow," Mr McClay says.

"Agriculture is the backbone of New Zealand's economy, with sheep and beef farmers alone contributing over \$10 billion in exports to the economy last year. This is equal to \$3,300 in income for every Kiwi household".

Source: [Supporting farmers to 'meat' global food demand | Beehive.govt.nz](#)

37. **On 7 November 2024**, Hon Todd McClay, as Minister for Trade and Agriculture announced the signing of 24 Memorandums of Understanding (MOUs) and supply agreements between New Zealand and Chinese companies as part of the Trade Mission to the China International Import Expo (CIIE) in Shanghai and Guangdong province this week.

"These new partnerships are set to generate \$340 million in export revenue over the next 3 years," Mr McClay says.

The 24 partnerships signed cover a broad range of sectors, showcasing New Zealand's diverse offerings and China's continued interest in Kiwi expertise.

Partnerships included:

- **MIA with Ruder Finn** – The New Zealand Meat Industry Association signed a partnership with Ruder Finn as its chief marketing agency to promote TASTE PURE NATURE in China, raising awareness of New Zealand red meat.
- **Deer Industry Association with Tong Ren Tang** – The New Zealand Deer Industry Association signed an MOU with Beijing Tong Ren Tang to develop and promote New Zealand venison and deer velvet products.
- **Silver Fern Farms, Dingdong, and Paradise Garden** – Silver Fern Farms entered a tripartite agreement with Dingdong (an e-commerce platform) and Paradise Garden (importer) to expand access to New Zealand's premium red meat products in China.

Source: [\\$340m NZ-China trade boost through 24 key partnerships | Beehive.govt.nz](#)

38. **On 5 November 2024**, Hon Todd McClay, as Minister of Agriculture, and Minister of Trade, announced the government would join the next phase of the 'Taste Pure Nature' campaign, and co-investment of \$8.00 million, to boost New Zealand beef and lamb exports to the Chinese market.

"The 'Taste Pure Nature' campaign is a partnership between the Government and the red meat sector that will strengthen our red meat brand in China, differentiating it from our competitors, and driving better returns for kiwi farmers and processors."

Source: [Beefing up red meat marketing in China | Beehive.govt.nz](#)